

## Costs of administration of the Whyalla Steelworks and immediate, on-the-ground support

### FEDERATION FUNDING AGREEMENT – AFFORDABLE HOUSING, COMMUNITY SERVICES AND OTHER

Table 1: Formalities and operation of schedule	
1. Parties	Commonwealth South Australia (SA)
2. Duration	<p>The deliverables under this schedule are expected to be completed by December 2026 but with no funding currently allocated to 2026-27.</p> <p>Note: This Schedule (<b>Schedule</b>) amends and replaces the previous schedule, <i>Costs of administration of the Whyalla Steelworks and immediate, on-the-ground support</i> dated 11 March 2025 to incorporate further funding and activities.</p>
3. Purpose	<p>On 19 February 2025, SA appointed Mark Mentha, Sebastian Hams, Lara Wiggins and Michael Korda as Administrators (the <b>Administrators</b>) of OneSteel Manufacturing Pty Limited (<b>OneSteel</b>).</p> <p>SA has entered into the following documents in relation to the administration of OneSteel:</p> <ul style="list-style-type: none"> <li>• A Funding and Indemnity Deed with the Administrators dated 19 February 2025 (<b>Funding and Indemnity Deed</b>).</li> <li>• Deed of Variation of the Funding and Indemnity Deed dated 10 September 2025 (<b>First Deed of Variation</b>)</li> <li>• Deed of Variation of the Funding and Indemnity Deed dated 11 December 2025 (<b>Second Deed of Variation</b>)</li> </ul> <p>In this Schedule, references to the <b>FID</b> are to the Funding and Indemnity Deed as varied by the First and Second Deeds of Variation.</p> <p>This Schedule will support the delivery of three support packages from the Commonwealth (the <b>Packages</b>):</p> <ul style="list-style-type: none"> <li>• <b>Package A:</b> funding certain costs of administration and ongoing operation of the Whyalla Steelworks (<b>Steelworks</b>) by reimbursing SA for half the cost of certain payments made under the Agreements, up to a maximum of \$327.65 million;</li> <li>• <b>Package B:</b> support for eligible small business creditors who would otherwise remain out of pocket during the administration period, by reimbursing SA for the costs incurred under the SA Business Creditor Assistance Scheme, up to a maximum of</li> </ul>

	<p>\$18 million;</p> <ul style="list-style-type: none"> <li>• <b>Package C:</b> support in the form of reimbursement of certain payments that SA might be called upon to make under its indemnity of the Administrators, up to a maximum of \$2.5 million, where funding remains available under Package A.</li> </ul> <p>Details of each package are set out in the appendices to this Schedule. Notwithstanding this Schedule only covers the costs of administration of the Steelworks and associated support packages (detailed above), the Parties recognise they are working together to support a sale and future transformation of the Steelworks and broader operations.</p> <p>In light of this, the governments have announced up to \$1.9 billion to support a future owner of the Steelworks. This includes a Commonwealth contribution of up to \$1.5 billion, with SA contributing up to \$388 million to support the longer-term transformation of the Steelworks.</p>																
<p>4. Estimated financial contributions</p>	<p>The Commonwealth will provide up to an estimated total financial contribution to SA of \$345.6 million in respect of this Schedule, as set out in 3 above. The estimated budget impacts in the Table 1 below may vary depending on when funding is required to be paid under the FID.</p> <table border="1" data-bbox="403 1077 1436 1413"> <thead> <tr> <th><b>Table 1</b> <b>(\$ million)</b></th> <th><b>2024-25</b></th> <th><b>2025-26</b></th> <th><b>Total</b></th> </tr> </thead> <tbody> <tr> <td><b>Estimated total budget</b></td> <td><b>324.6</b></td> <td><b>380.7</b></td> <td><b>705.3</b></td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td>162.3</td> <td>183.322</td> <td>345.622</td> </tr> <tr> <td>SA's non-Commonwealth contributions*</td> <td>162.3</td> <td>197.35</td> <td>359.65</td> </tr> </tbody> </table> <p>* Note 1: The Parties note that the estimated financial contributions do not include a range of funding committed by SA to provide community, workforce and business support.</p>	<b>Table 1</b> <b>(\$ million)</b>	<b>2024-25</b>	<b>2025-26</b>	<b>Total</b>	<b>Estimated total budget</b>	<b>324.6</b>	<b>380.7</b>	<b>705.3</b>	<i>Less estimated National Partnership Payments</i>	162.3	183.322	345.622	SA's non-Commonwealth contributions*	162.3	197.35	359.65
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<p>5. Additional terms</p>	<p>Any additional contributions to fund costs associated with the administration of OneSteel (in the event the agreed funding is exhausted), will be subject to further agreement between the Parties. Unless otherwise agreed by the Parties, the Commonwealth will not be required to meet a milestone payment request where SA has not complied with the following:</p> <p>(a) SA must use its best endeavours to promptly share with the Commonwealth all communications, reports and information that SA receives from the Administrators and OneSteel under the FID, or from any person (including their agents) by reason of its position as funder of the Administrators and OneSteel.</p>																

(b) SA must use its best endeavours to confer and reach agreement with the Commonwealth before:

- I. deciding to give or decline or giving or declining to give any consent, waiver or release; or
- II. deciding to act (or not act) or acting (or refraining from acting);

under or in relation to the FID, including (without limitation) in relation to the following matters:

- A. waiver of any reporting obligation under the FID;
- B. consent to incurring any Significant Expense exceeding \$5 million, or to any project (including capital expenditure relevant to mining) the costs of which will exceed \$5 million;
- C. consent to OneSteel or any subsidiary borrowing (from SA or any third party) or granting security;
- D. consent to enter transactions or dispose of assets otherwise than on arm's length terms;
- E. consent to any change in OneSteel's business, or to disposal of secured property that requires SA's consent under the FID;
- F. consent to a change of control;
- G. varying the terms of the FID (including as to term and limit);
- H. waiver of any default;
- I. releasing property from security held by SA (including in connection with any sale);
- J. consent to any sale of assets (including concerning the mining operations independently of the steelworks) that requires SA's consent; and
- K. taking enforcement action.

(c) Paragraph (b) shall not apply in the case of an emergency (for example, an incident requiring immediate expenditure of in excess of \$5 million to avoid an immediate threat to life), but only to the extent that SA must give a consent, waiver or release to avoid or mitigate the emergency within a timeframe in which it is not possible to achieve an agreed position with the Commonwealth. In this case, SA must notify and consult with the Commonwealth to the extent possible and take the economic interests of the Commonwealth into account in

determining the nature and extent of any consent, waiver or release.

- (d) The parties agree that paragraph (b) is not intended to fetter the operation of the Whyalla Steel Works Act or any other legislation (including the *Mining Act 1971* (SA) and the *South Australian Water Corporation Act 1994* (SA)).
- (e) SA must use its best endeavours to confer and reach agreement with the Commonwealth before agreeing to take steps, or taking any steps (such as entry into an intercreditor deed) that impact or may impact:
- I. the priority of any security for amounts advanced under the Agreements; or
  - II. the recoverability of amounts under the FID, or the circumstances in which SA can call for repayment or enforce its rights under the FID or supporting security.
- (f) SA must use its best endeavours to promptly share with the Commonwealth all communications, reports and information that SA provides to the Administrators and OneSteel under or in connection with the FID.
- (g) SA must use its best endeavours to invite Commonwealth representatives to attend and participate in any meetings between SA and the Administrators in relation to the administration of OneSteel (including any meetings held via telephone, audio-visual link or any other means).

If representatives of the Parties, the Chief Executive of the Department of Energy and Mining (SA) and the Secretary of the Department of Industry, Science and Resources (Commonwealth) (or such other representatives as are notified from time to time) are unable to reach agreement in relation to a matter listed under paragraph (b) to (e) above within a timeframe that is reasonable (having regard to the circumstances in which the consent, waiver or release is sought), then the matter shall be elevated to relevant Ministers for discussion.

Payments by the Commonwealth to SA under this Schedule will be made in arrears following:

- (a) SA providing the Commonwealth with evidence that it has made qualifying payments under the FID, and
- (b) the Commonwealth being satisfied that relevant conditions set out in the Appendices have been satisfied.

Payments made by SA to the Administrators or OneSteel which are outside the scope of or are inconsistent with the terms and conditions

of this Schedule will not be funded by the Commonwealth under this Schedule.

**Proceeds received by the Administrators prior to the sale of OneSteel**

If prior to completion of the sale of OneSteel the Administrators receive proceeds from the disposal of any assets that is secured by the statutory charge under section 3A of the Whyalla Steel Works Act (**Proceeds**), then to the extent permitted by law, SA must allow the Administrators to retain the Proceeds for the purpose of funding the costs of administration and ongoing operation of the Steelworks.

However, if the Administrators determine that the Proceeds are not required to fund costs of the administration and ongoing operation of the Steelworks and to the extent permitted by law, elect to pay the Proceeds to SA, SA must apply the Proceeds as follows:

- (a) first, 50% of any amount received by SA shall be paid to the Commonwealth up to the total amount contributed by the Commonwealth towards administration funding or indemnity payments (with SA retaining an equivalent amount) under this Schedule; and
- (b) thereafter (for the avoidance of doubt) SA may retain any remaining amounts received.

**Proceeds received by SA on or after completion of the sale of OneSteel**

To the extent permitted by law, if SA receives a return of funds in connection with the FID out of sale proceeds received by the Administrators on or after completion of the sale of OneSteel (**Sale Proceeds**), SA must apply the Sale Proceeds as follows:

- (a) first, 100% shall be retained by SA and applied towards payment of amounts owing to SA as at the commencement of the administration which is secured by the statutory charge under section 3A of the Whyalla Steel Works Act in full;
- (b) second, 50% of any amount received by SA shall be paid to the Commonwealth up to the total amount contributed by the Commonwealth towards administration funding or indemnity payments (with SA retaining an equivalent amount) under this Schedule; and
- (c) thereafter (for the avoidance of doubt) SA may retain any remaining amounts received.

If SA receives any other funds in connection with the FID from the Administrators (including any return of unspent administration funding held by the Administrators) on or after completion of the sale

of OneSteel, SA must also apply those funds in accordance with paragraph (b) immediately above.

Repayments to the Commonwealth may be managed by either the Commonwealth reducing a future payment to SA under this Schedule by the relevant agreed amount, or by the Commonwealth invoicing SA for the relevant agreed amount.

A Joint Taskforce has been established to support collaboration between the Parties during the administration.

SA commits to consulting and agreeing with the Commonwealth to any changes to the FID.

## Costs of administration of the Whyalla Steelworks and immediate, on-the-ground support

### Appendix A: Packages A and B

1. This Appendix applies only to payments under this Schedule in respect of
  - a. Package A, which supports delivery of Commonwealth reimbursement of SA of:
    - i. initial administration funding of up to \$192 million announced on 20 February 2025;
    - ii. up to a further \$8 million of administration funding, as agreed by the Parties in July 2025; and
    - iii. further administration funding announced by the Parties on 23 July 2025 of up to \$127.65 million.
  - b. Package B, which supports delivery of Commonwealth reimbursement of SA of up to \$18 million for expenses incurred under the SA Business Creditor Assistance Scheme.
2. Payments by the Commonwealth to SA in respect of Packages A and B will be made following achievement of the Performance Milestones outlined in Table 2.

### Defined terms

3. For the purposes of this Appendix:
  - a. **'Authorisation'** includes any kind of authorisation, permit, consent, approval, court order, resolution, licence, exemption, permission, recording, filing or registration required by any government agency or law;
  - b. **'Conditions Precedent'** means the conditions set out in row 5 of Table 1 above in the section "Additional terms", which apply only on and from the date this revised Schedule is executed;
  - c. **'Eligible Administration Payment'** means a payment made by SA to the Administrators by way of administration funding under and in accordance with the FID, excluding any payments made:
    - i. in respect of the costs of any challenge related to the validity of SA's statutory charge, SA's approach to place OneSteel into Administration or the Administrators' appointment;
    - ii. by way of or on account of indemnity claims made against the Administrators;
    - iii. in respect of any Environmental Liability.For the purposes of this definition (c), the Parties agree that if:
    - iv. it becomes necessary to close the Steelworks on and from the Termination Date (as defined in the FID); and

- v. to the extent (if at all) that funding is available under the FID to meet or reimburse any costs incurred by the Administrators (excluding any costs in connection with paragraphs i-iii of this definition (c)) in implementing that closure following the Termination Date (**Shut Down Costs**),

then payments made under the FID towards Shut Down Costs will constitute Eligible Administration Payments;

- d. '**Environmental Law**' means any South Australian law or authorisation relating to environmental matters including land use and development, planning, pollution, waste disposal, toxic and hazardous substances, conservation of natural or cultural resources, resource allocation, rehabilitation, remediation or contamination, and includes any policy made pursuant to an Environmental Law;
- e. '**Environmental Liability**' means any
  - i. obligation, penalty, fine, costs (including clean up costs), damages or expense imposed on OneSteel or the Administrators arising from a breach (including an alleged or suspected breach) of any Environmental Law; or
  - ii. costs (including clean up costs) incurred in order to comply with any Environmental Law or any order, direction, requirement, notice, authorisation, undertaking or commitment,

excluding the ordinary costs that:

- iii. are associated with operating the OneSteel business in a manner compliant with Environmental Laws; and
- iv. do not arise as a consequence of any non-compliance with Environmental Laws or underinvestment in environmental compliance prior to the date the Administrators were appointed, (for the avoidance of doubt, a payment made by SA to the Administrators by way of administration funding under and in accordance with the FID in respect of ordinary costs under paragraphs (iii) and (iv) shall constitute Eligible Administration Payments for the purposes of this Schedule).

- f. '**Relevant Cap**' means
  - i. for Package A, \$327.65 million;
  - ii. for Package B, \$18 million.

**Payments made under Package A: Funding certain costs of administration and ongoing operation of the Whyalla Steelworks**

- 4. Where SA makes an Eligible Administration Payment, the Commonwealth will reimburse in respect of 50% of that amount up to the Relevant Cap, following and subject to achievement of the relevant Performance Milestones outlined in Table 2 and each Condition Precedent being satisfied on the date of reimbursement.

5. Where SA makes a payment under the FID relating to a call on the indemnity that is not an Eligible Indemnity Payment shared by the Commonwealth under Appendix B, SA must make up for any reduction in the FID limit before making a further request for reimbursement of Eligible Administration Payments under this Appendix.

**Payments made under Package B: SA Business Creditor Assistance Scheme**

6. Eligible business creditors are businesses that meet the eligibility criteria under the SA Business Creditor Assistance Scheme Guidelines, as at 11 March 2025.
7. The Commonwealth will reimburse 36% of amounts paid by SA to eligible business creditors under the SA Business Creditor Assistance Scheme up to the Relevant Cap, following and subject to achievement of the relevant Performance Milestones outlined in Table 2.
8. Where SA receives:
  - a. payment from a person who received a payment under the SA Business Creditor Assistance Scheme and is later found to have been ineligible (the **Ineligible Person**),
    - i. SA will repay to the Commonwealth an amount equal to the Commonwealth’s financial contribution to the payments made under the SA Creditor Assistance Scheme to that Ineligible Person (less a proportionate share of SA’s enforcement costs, if any, in seeking to recover payments from the Ineligible Person).
  - b. a dividend in connection with the external administration of OneSteel by reason of being entitled to subrogate to the position of creditors who received a payment under the SA Business Creditor Assistance Scheme,
    - i. SA will repay the Commonwealth’s financial contributions in proportion to the split of funding provided.

Table 2: Performance requirements, reporting and payment summary for Package A & B			
Milestone	Performance milestones	Due date	Payment
1	Commonwealth receipt of a progress report detailing the following: <ul style="list-style-type: none"> <li>• Confirmation of Administrators appointed by SA over OneSteel at the First Creditors Meeting.</li> <li>• Confirmation that the Steelworks has continued operation as a going concern during the period</li> <li>• Provision of financials listing the administration activities, costs of the administration and related invoices sufficient for the</li> </ul>	31 March 2025	50% of total expenses incurred by SA up to \$160,000,000 (PAID)

	<p>Commonwealth (acting reasonably) to verify that the costs incurred by SA have been properly incurred under the Funding and Indemnity Deed and do not represent costs that are expressly excluded from the Commonwealth's funding commitment, including costs related to the Administrator's engagement of an external advisor of the Steelworks (if any) and related assets and payments by SA.</p> <ul style="list-style-type: none"> <li>• Agreement to Terms of Reference for the Joint Taskforce.</li> <li>• Details of the Parties reasonable endeavours to negotiate and enter into a Tripartite Agreement which establishes the arrangements between the Parties including as to decision-making, access to information, attendance at all meetings and participation in all discussions (verbal and in writing) with the Administrators and other relevant Parties (if any).</li> </ul>		
2	<p>Commonwealth receipt of a progress report detailing the following:</p> <ul style="list-style-type: none"> <li>• Financials listing the administration activities, costs of the administration and related invoices sufficient for the Commonwealth (acting reasonably) to verify that the costs incurred by SA have been properly incurred under the Funding and Indemnity Deed and do not represent costs that are expressly excluded from the Commonwealth's funding commitment, including costs related to</li> </ul>	30 April 2025	50% of total expenses incurred by SA up to \$160,000,000 (less any payments in Milestone 1) (PAID)

	<p>the Administrator's engagement of an external advisor of the Steelworks (if any) and related assets.</p> <ul style="list-style-type: none"> <li>• A summary of meeting minutes, or such other documentation as agreed by the Joint Taskforce, indicating that the Joint Taskforce has been consulted on decisions concerning the administration and future of the Steelworks.</li> </ul>		
3	<p>Commonwealth receipt of a progress report detailing the following:</p> <ul style="list-style-type: none"> <li>• Financials listing the administration activities, costs of the administration and related invoices sufficient for the Commonwealth (acting reasonably) to verify that the costs incurred by SA have been properly incurred under the Funding and Indemnity Deed and do not represent costs that are expressly excluded from the Commonwealth's funding commitment, including costs related to the Administrator's engagement of an external advisor of the Steelworks (if any) and related assets, and payments by SA.</li> <li>• A summary of meeting minutes, or such other documentation as agreed by the Taskforce, indicating that the Taskforce has been consulted on decisions concerning the Administration and future of the Steelworks.</li> </ul>	31 May 2025	50% of total expenses incurred by SA up to \$160,000,000 (less any payments in Milestones 1 and 2) (PAID)
4	<p>Commonwealth receipt of a statement of assurance detailing the following:</p> <ul style="list-style-type: none"> <li>• Description of support provided to eligible business creditors affected</li> </ul>	31 May 2025	36% of total expenses incurred by SA up to \$18,000,000 (PAID)

	<ul style="list-style-type: none"> <li>by the administration.</li> <li>A list of payments, including the total number of unique applications for support received, the total number of unique applications paid and the total value of applications paid and a summary of invoices, signed by a senior SA official.</li> </ul>		
5*	<p>Commonwealth receipt of a progress report detailing the following:</p> <ul style="list-style-type: none"> <li>Financials listing the administration activities, costs of the administration and related invoices sufficient for the Commonwealth (acting reasonably) to verify that the costs incurred by SA have been properly incurred under the FID and do not represent costs that are expressly excluded from the Commonwealth's funding commitment, including costs related to the Administrator's engagement of an external advisor of the Steelworks (if any) and related assets, and payments by SA.</li> <li>A summary of meeting minutes, or such other documentation as agreed by the Joint Taskforce, indicating that the Joint Taskforce has been consulted on decisions concerning the administration and future of the Steelworks.</li> </ul>	27 June 2025	50% of total expenses incurred by SA up to \$160,000,000 (less any payments in Milestones 1, 2 and 3)
6*	<p>Commonwealth receipt of a statement of assurance detailing the following:</p> <ul style="list-style-type: none"> <li>Description of support provided to eligible business creditors affected by the administration.</li> <li>A list of payments, including the total number</li> </ul>	27 June 2025	36% of total expenses incurred by SA up to \$18,000,000 (less any payments in Milestone 4)

	of unique applications for support received, the total number of unique applications paid, the total value of applications paid and a summary of invoices, signed by a senior SA official.		
7	<p>Commonwealth receipt of a progress report detailing the following:</p> <ul style="list-style-type: none"> <li>Financials listing the administration activities, costs of the administration and related invoices sufficient for the Commonwealth (acting reasonably) to verify that the costs incurred by SA have been properly incurred under the FID and do not represent costs that are expressly excluded from the Commonwealth's funding commitment, including costs related to the Administrator's engagement of an external advisor of the Steelworks (if any) and related assets.</li> <li>A summary of meeting minutes including advice from the Joint Taskforce meetings, or such other documentation as agreed by the Joint Taskforce, indicating that the Taskforce has been consulted on decisions under the Funding and Indemnity Deed.</li> </ul>	31 July 2025	50% of total expenses incurred by SA up to \$32,000,000 (PAID)
8	<p>Commonwealth receipt of a progress report detailing the following:</p> <ul style="list-style-type: none"> <li>Financials listing the administration activities, costs of the administration and related invoices sufficient for the Commonwealth (acting reasonably) to verify that the costs incurred by SA</li> </ul>	31 August 2025	50% of total expenses incurred by SA up to \$32,000,000 less any payments in Milestone 6) (PAID)

	<p>have been properly incurred under the FID and do not represent costs that are expressly excluded from the Commonwealth's funding commitment.</p> <ul style="list-style-type: none"> <li>• A summary of meeting minutes, or such other documentation as agreed by the Joint Taskforce, indicating that the Commonwealth has been consulted on decisions concerning the administration and future of the Steelworks.</li> </ul>		
9	<p>Commonwealth receipt of a statement of assurance from SA detailing the following:</p> <ul style="list-style-type: none"> <li>• Description of support provided to eligible business creditors under the SA Business Creditor Assistance Scheme. A list of payments, including the total number of unique applications for support received, the total number of unique applications paid, the total value of applications paid and a summary of invoices, signed by a senior SA official.</li> </ul>	31 March 2026	36% of total expenses incurred by SA up to \$12,721,715.28
10	<p>Commonwealth receipt of a progress report detailing the following:</p> <ul style="list-style-type: none"> <li>• Financials listing the administration activities, costs of the administration and related invoices sufficient for the Commonwealth (acting reasonably) to verify that the costs incurred by SA have been properly incurred under the FID and do not represent costs that are expressly excluded from the Commonwealth's funding commitment.</li> </ul>	31 March 2026	50% of total expenses incurred by SA up to \$170,600,000 (less any payments in Milestones 7 and 8)

	<ul style="list-style-type: none"> <li>• A statement from SA providing confirmation it either did promptly share or used its best endeavours to share all communications, reports and information that SA receives from or provides to the Administrators and OneSteel.</li> <li>• A statement from SA as to whether during the period SA did give/decline any consent, waiver or release, or acted or didn't act under the FID in the matters outlined in subparagraphs (b)(A)-(K) in Table 1 above, and where it did, whether it conferred and reached agreement with the Commonwealth before it did that action, and a short summary of that conferral and agreement. It may be that in some periods many or all of the matters in subparagraph (b)(A)-(K) may not have arisen and therefore SA could indicate it is not applicable.</li> <li>• If clause paragraph(c) in Table 1 applies in an instance, SA might choose to provide a statement outlining the emergency case and how it notified and consulted the Commonwealth to the extent possible, and took the economic interests of the Commonwealth into account.</li> <li>• If paragraph(d) in Table 1 applies in an instance, SA might choose to provide a statement outlining the relevant legislation.</li> <li>• A summary of meeting minutes, or such other documentation as appropriate, sufficient for the Commonwealth</li> </ul>		
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	showing whether SA has met any other Conditions Precedent, or, if not, explaining the reasonable endeavours made.		
11	Commonwealth receipt of a progress report detailing the information outlined in Milestone 10 for the relevant period.	30 April 2026	50% of total expenses incurred by SA up to \$170,600,000 (less any payments in Milestones 7, 8 and 10)
12	Commonwealth receipt of a progress report detailing the information outlined in Milestone 10 for the relevant period.	31 May 2026	50% of total expenses incurred by SA up to \$170,600,000 (less any payments in Milestones 7, 8, 10 and 11)
13	Commonwealth receipt of a progress report detailing the information outlined in Milestone 10 for the relevant period.	26 June 2026	50% of total expenses incurred by SA up to \$170,600,000 (less any payments in Milestones 7, 8, 10, 11 and 12)

\* Funding previously available under Milestones 5 and 6 was not paid and is now included in Milestones 9 and 10.

## Costs of administration of the Whyalla Steelworks and immediate, on-the-ground support

### Appendix B: Package C: Reimbursement of certain payments made relating to the indemnity provided by SA to the Administrators

1. This Appendix applies only to payments under this Schedule in respect of Package C, which supports delivery of Commonwealth reimbursement of certain payments made relating to the indemnity provided by SA to the Administrators under the FID.
2. This Appendix will come into effect once the relevant SA Minister notifies the relevant Commonwealth Minister of an indemnity event.
3. Subject to the terms of this Appendix, payments to SA in respect of Package C will be made following achievement of the Performance Milestones outlined in Table 3.
4. For the purposes of this Appendix:
  - a. **'Appendix B End Date'** means 31 December 2026.
  - b. **'Eligible Indemnity Payment'** means a payment that is required to be paid and paid by SA under the FID by way of indemnity, otherwise than in respect of any:
    - i. Environmental Liability (as defined in Appendix A); or
    - ii. cost, liability or claim arising out of or concerning any challenge related to the validity of SA's statutory charge, SA's approach to place OneSteel into Administration or the Administrators' appointment;
  - c. **'Indemnity Conditions Precedent'** means each of:
    - i. the conditions set out in paragraph 7 of this Appendix; and
    - ii. the conditions precedent set out in row 5 of Table 1 of this Schedule.
  - d. **'Relevant Cap'** means \$2.5 million for all Eligible Indemnity Payments. The cap shares a joint limit with the Relevant Cap for Package A, such that if the Relevant Cap for Package A has been reached SA may not seek reimbursement for Eligible Indemnity Payments.
5. To the extent permitted by law, the Commonwealth will reimburse SA up to 50% of any Eligible Indemnity Payments that are paid by SA up to the Relevant Cap, following and subject to achievement of the Performance

Milestones outlined in Table 3 and subject to the Indemnity Conditions Precedent being satisfied on the date of reimbursement.

6. The Parties acknowledge that, under the FID, there is a single 'shared' limit that applies to administration funding and the indemnity granted by SA in favour of the Administrators. That combined limit will reduce as administration funding and any claims under the indemnity are paid and, to the extent it has been eroded, SA shall have no obligation under the FID to meet any indemnity claim (or request for administration funding) that is then made.
7. The following Indemnity Conditions Precedent apply to and must be satisfied as conditions precedent to all payments under this Appendix:
  - a. in the event an indemnity claim which if paid will or may constitute an Eligible Indemnity Payment is notified under clause 4.3 of the FID by the Administrators (**Claim**), SA must:
    - i. promptly notify the Commonwealth of the claim;
    - ii. to the extent permitted by law, promptly share with the Commonwealth all information and advice received or obtained by SA in relation to the Claim;
    - iii. confer with the Commonwealth prior to responding to the Claim to the extent the Claim (if paid) will or may constitute an Eligible Indemnity Payment;
    - iv. to the extent that the Claim (if paid) will or may constitute an Eligible Indemnity Payment:
      1. confer with the Commonwealth on all matters relevant to the management of the Claim; and
      2. reach agreement with the Commonwealth before (i) acknowledging or admitting liability to make payment under the FID; (ii) making payment under the FID; (iii) settling any Claim under the FID; (iv) consenting to the Administrators admitting liability to any third party or taking any other action that might crystallise or increase the extent of any Eligible Indemnity Payment or (v) taking or refraining to take any action or step that could reasonably be expected to increase the extent of any Eligible Indemnity Payment.
8. A DISR senior official may waive the Indemnity Conditions Precedent. The Indemnity Conditions Precedent are for the benefit of the Commonwealth

and can only be waived by the Commonwealth. Any waiver of the Indemnity Conditions Precedent must be in writing.

9. Subject to paragraph 10 below, the Commonwealth shall not be required to reimburse SA for any Eligible Indemnity Payments that are paid by SA after the Appendix B End Date.

10. If:

- a. an indemnity event occurs before the Appendix B End Date; and
- b. an Eligible Indemnity Payment is made by SA in respect of that indemnity event after the Appendix B End Date; and
- c. SA requests reimbursement from the Commonwealth in respect of that Eligible Indemnity Payment on or before 31 March 2027,

then subject to paragraphs 1-8 of this Appendix, the Commonwealth shall reimburse SA up to 50% of that Eligible Indemnity Payment paid by SA up to the Relevant Cap by 30 June 2027.

Table 3: Performance requirements, reporting and payment summary			
Milestone	Performance milestones	Due date	Payment
1	Commonwealth receipt of a report detailing: <ul style="list-style-type: none"> <li>• documentation sufficient to provide assurance, and sufficient for the Commonwealth to verify, that any and all claims are Eligible Indemnity Payments</li> <li>• a summary of meeting minutes, or such other documentation as appropriate, sufficient for the Commonwealth showing whether SA has met the Indemnity Conditions Precedent, or, if not, explaining the reasonable endeavours made.</li> <li>• evidence of SA payment</li> </ul>	26 June 2025	50% of total expenses incurred by SA up to \$2,500,000

The Parties have confirmed their commitment to this Schedule as follows:

Signed for and on behalf of  
the Commonwealth of Australia by



.....  
**Senator the Hon Tim Ayres**  
Minister for Industry and Innovation  
Minister for Science

7/5/2026

Signed for and on behalf of the  
State of South Australia by



.....  
**The Hon Tom Koutsantonis MP**  
Treasurer  
Minister for Energy and Mining  
Minister for Public Sector

15/5/2026