

CLAYTON UTZ

## Alliance Agreement

Australia Pacific LNG Pty Limited  
APLNG

Commonwealth Scientific and Industrial Research Organisation  
CSIRO

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Our reference 12342/80108698

Legal\302230216.18 - Execution version

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Alliance Agreement dated

11/5/2011

**Parties**                    **Australia Pacific LNG Pty Limited ABN 68 001 646 331 (APLNG)**  
**Commonwealth Scientific and Industrial Research Organisation ABN**  
**41 687 119 230 (CSIRO)**

## Background

- A.        APLNG is an incorporated 50/50 joint venture between Origin Energy and ConocoPhillips established to commercialise coal seam gas (CSG) reserves in Queensland, Australia.
- B.        APLNG is contemplating a 4 train liquefied natural gas (LNG) project at Laird Point on Curtis Island, with the first LNG train projected for commission around January 2015 (APLNG Project).
- C.        There are a number of other planned or current projects that are similar to the APLNG Project which involve other CSG-LNG industry participants.
- D.        Many of the challenges faced by APLNG are also faced by other participants in the CSG-LNG industry. Therefore, APLNG has concluded that there are social and community benefits in addressing these challenges as an industry. Other CSG-LNG industry participants may in the future reach the same conclusion and may then work collaboratively with APLNG and CSIRO to address these challenges. However, this may take time. APLNG is in a position to begin addressing these challenges now and to take a leadership role within the industry with a view to creating a coalition of industry participants in the future and bringing thought leadership to these challenges.
- E.        CSIRO is Australia's national science agency and is well regarded as a thought leader in Australia. CSIRO has significant experience in applied research into industry challenges.
- F.        APLNG and CSIRO have agreed to form an alliance and work together on the terms of this agreement to address social and environmental impacts and opportunities of CSG-LNG projects.

## Operative provisions

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### 1.        Definitions and interpretation

#### 1.1       Definitions

In this agreement:

**Account** means a bank account operated by CSIRO for holding cash payments to the Alliance (including Cash Contributions by a party) until they are drawn down in accordance with the Approved Annual Research Program and Budget or otherwise in accordance with this agreement.

**Additional Disclosee** of a party means:

- (a)        an employee, agent, officer, director, advisor or contractor of that party or of a Related Entity of that party;
- (b)        an actual or potential partner, joint venturer, financier or insurer of that party or of a Related Entity of that party; or
- (c)        an advisor of a person mentioned in paragraph (b) of this definition.

**Administrative Costs** means the administrative costs (including overheads and on-costs) of the Alliance, including a portion of the costs of employing the Alliance Director (including salary, overheads and on-costs) proportionate to the Alliance Director's time commitment to the Alliance.

**Alliance** means the alliance between the parties formed by this agreement and having the Alliance Objectives.

**Alliance Activities** means the activities performed by the parties in connection with the Alliance.

**Alliance Director** means the person appointed under clause 5.1 from time to time.

**Alliance Objectives** means the objectives set out in clause 2.2.

**Alliance Representative** means any member of the Management Committee resulting from the appointment by any party under clause 3.2.

**Alliance Term** means the period from the Commencement Date until this agreement is terminated in accordance with clause 21.1, 21.3 or 22(b).

**Annual Research Program and Budget** means an annual plan prepared in accordance with clause 7.1 and containing the information in clause 7.2.

**APLNG Group** means APLNG and its Related Entities.

**Approved Annual Research Program and Budget** means an Annual Research Program and Budget that has been approved in accordance with the process set out in clause 7.3.

**Approved Research Project** means a Research Project identified in an Approved Annual Research Program and Budget.

**Authorisation** means any licence, consent, approval, permit, registration, accreditation, certification or other authorisation given or issued by any Regulatory Authority or any other person.

**Background IP** means any Intellectual Property created independently of an Approved Research Project that is contributed to an Approved Research Project by a party (including any Intellectual Property owned by Subcontractors, Students or other third parties which is contributed by a party) in accordance with this agreement, and includes the Background IP specified in a Project Order.

**Business Day** means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Brisbane.

**Cash Contribution** means a cash contribution of a party given to enable the carrying out of Alliance Objectives.

**Claim** means a demand, claim, action, proceeding, suit or prosecution made or brought by a person, however arising and whether present, unascertained, immediate, future or contingent.

**Commencement Date** means the date of this agreement.

**Commercialisation Expenses** means costs and expenses directly incurred by the Commercialising Party to the extent associated with or related to:

- (a) registering, maintaining, protecting and defending Research Project IP; or

- (b) deriving Commercialisation Income (for example, product development costs, legal costs, and marketing costs, and any amounts paid to the other party under clause 12.3),

excluding operating costs and other overhead costs which are a necessary part of carrying on business (for example, the costs of leasing premises and staff salary costs) and which are only indirectly connected with deriving Commercialisation Income. Where the costs and expenses referred to in the preceding sentence are capital costs and expenses which are reasonably capable of being amortised, then the parties will treat the costs and expenses as having been incurred on a straight line basis over 3 years.

**Commercialisation Income** means any:

- (a) real or personal property;
- (b) money, loan, office, place, benefit, or advantage whatsoever;
- (c) commission, rebate, bonus, discount or payment in excess of actual value of goods or services;
- (d) forbearance to demand any moneys or moneys' worth or valuable thing; or
- (e) detriment, loss or responsibility given, suffered or taken by a third party,

accepted or received by the Commercialising Party in respect of Commercialisation of Research Project IP. For clarity, any fees or monies received by a party in respect of any exercise of Intellectual Property for a purpose set out in clause 11.4 is not Commercialisation Income.

**Commercialisation Interest** means, in relation to a party and an Approved Research Project, that party's commercialisation interest specified in the relevant Project Order.

**Commercialise**, in relation to Intellectual Property, means to:

- (a) manufacture, sell, hire, Transfer or otherwise exploit a product or process, or to provide a service, incorporating or using the Intellectual Property; or
- (b) to licence any third party to do any of the things specified in paragraph (a) of this definition,

but excludes any exercise of Intellectual Property under a licence granted under clause 11.4, or exercise of Intellectual Property owned by a party for a purpose set out in clause 11.4.

**Commercialising Party** means a party Commercialising Research Project IP in accordance with clause 12.1.

**Communications Protocol** means specific guidelines and protocols consistent with this agreement regarding the form, manner and content of publications, press announcements or releases relating to the Alliance or Alliance Activities to be established by the Management Committee.

**Confidential Information** means, subject to clauses 15.6, 15.7 and 15.8, information of or provided by the Discloser to the Receiving Party that is by its nature confidential information, is designated by the Discloser as confidential, or the Receiving Party knows or ought to know is confidential, but does not include information which is or becomes, without a breach of confidentiality, public knowledge. For clarity, clauses 15.6, 15.7 and 15.8 specify that certain information is the Confidential Information of one or more of the parties, the effect of which is to make the specified party or parties the Discloser in respect of that information.



**Consequential Damages** means special, incidental, indirect, exemplary, punitive or consequential damages, including loss of revenue, loss of profits, loss of production, loss of data, loss of goodwill or credit, loss of reputation or future reputation or publicity, loss of use, loss of interest, damage to credit rating, loss or denial of opportunity, loss of anticipated savings, or increased or wasted overhead costs to the extent each is special, incidental, indirect, exemplary, punitive or consequential damages.

**Contribution** means all Cash Contributions and In-kind Contributions a party makes to the Alliance, and includes any Background IP made available by a party to the Alliance or to an Approved Research Project.

**Deliverable** means any deliverable created or required to be created in the course of an Approved Research Project, including the deliverables specified in the Project Order for the Approved Research Project.

**Derivative IP** means Research Project IP that is based on, or developed by use of, Background IP specified in a Project Order to be contributed to an Approved Research Project.

**Discloser** means the party providing or disclosing Confidential Information.

**Encumbrance** means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, and whether legal or equitable.

**Event of Insolvency** means:

- (a) a controller (as defined in section 9 of the Corporations Act 2001 (Cth)), administrator or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a person;
- (c) any application (not withdrawn or dismissed within 7 days) is made to a court for an order, an order is made, a meeting is convened or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraph (a) or (b) of this definition;
  - (ii) winding up or deregistering a person; or
  - (iii) proposing or implementing a scheme of arrangement, other than with the prior approval of the other party under a solvent scheme of arrangement pursuant to Part 5.1 of the Corporations Act 2001 (Cth);
- (d) any application (not withdrawn or dismissed within 7 days) is made to a court for an order, a meeting is convened, a resolution is passed or any negotiations are commenced, for the purpose of implementing or agreeing:
  - (i) a moratorium of any debts of a person;
  - (ii) any other assignment, composition or arrangement (formal or informal) with a person's creditors; or
  - (iii) any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee,

or any agreement or other arrangement of the type referred to in this paragraph (d) is ordered, declared or agreed to;

- (e) as a result of the operation of section 459F(1) of the Corporations Act 2001 (Cth), a person is taken to have failed to comply with a statutory demand (as defined in the Corporations Act 2001 (Cth));
- (f) any writ of execution, garnishee order, mareva injunction or similar order, attachment or other process is made, levied or issued against or in relation to any asset of a person;
- (g) anything analogous to anything referred to in paragraphs (a) to (f) (inclusive) of this definition, or which has a substantially similar effect, occurs with respect to a person under any law; or
- (h) a person is, or admits in writing that it is, or is declared to be, or is taken under any applicable law to be (for any purpose), insolvent or unable to pay its debts.

**Executive** in relation to a party, means the person specified as such in Schedule 1, or any other person notified by the party to the other party as its Executive.

**Financial Year** means a period of 12 months commencing 1 July and ending 30 June (or where the context necessitates a part of such period) during the Alliance Term.

**Government Disclosee** has the meaning given in clause 15.1(e).

**In-kind Contribution** means a non-cash contribution of a party given to enable the carrying out of Alliance Objectives.

**Intellectual Property** means all present and future rights in relation to copyright, trade marks, designs, patents, trade, business or company names, or other proprietary rights, or any rights to registration of such rights whether created before or after the date of this agreement, and whether existing in Australia or otherwise.

**IP Register** means the register of Intellectual Property to be developed and maintained by the Alliance Director under clause 13.

**KPI** means the key performance indicators determined by the Management Committee under clause 3.6(e) from time to time.

**Loss** means all penalties, judgments, damages, losses, costs (including legal costs on an indemnity basis), expenses or liabilities, including those arising out of the terms of any settlement, whether present, unascertained, threatened, immediate, future or contingent and whether based in contract, tort, equity, statute or otherwise.

**Management Committee** means the committee for managing the Alliance, formed in accordance with clause 3.1.

**Milestone** means a milestone set out in a Project Order.

**Moral Rights** means the moral rights granted under the Copyright Act 1968 (Cth), and any similar rights existing under foreign laws.

**Non-Derivative IP** means Research Project IP that is not Derivative IP. For clarity, Non-Derivative IP includes Research Project IP that is based on, or developed by use of, Background IP not specified in a Project Order to be contributed to an Approved Research Project.

**Owner** has the meaning given in clause 11.4.

**Personnel** of a party means that party's directors, officers, employees and agents.

**Project Budget** means the budget for each Approved Research Project specified in the Project Order for the Approved Research Project.

**Project Order** means a document substantially in the form of Schedule 3 that includes all details for an Approved Research Project, including the objectives, Deliverables, Milestones, the Owner of Non-Derivative IP and the parties' Commercialisation Interests.

**Project Results** means, for an Approved Research Project:

- (a) the Deliverables;
- (b) information developed in the course of carrying out the Approved Research Project; and
- (c) Research Project IP.

**Quarter** means a 3 month period ending on 31 March, 30 June, 30 September or 31 December (or where the context necessitates a part of such period) during the Alliance Term.

**Receiving Party** means the party who receives Confidential Information from the Discloser.

**Regulatory Authority** means:

- (a) any government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

**Related Entity** of an entity means:

- (a) another entity which is related to the first entity within the meaning of section 50 of the Corporations Act 2001 (Cth);
- (b) any economic entity (as defined in any approved accounting standard) which contains the first entity; and
- (c) in respect of APLNG, the Shareholders and entities related to the Shareholders within the meaning of section 50 of the Corporations Act 2001 (Cth).

**Research Advisory Committee** means the committee for advising on the research strategy for the Alliance, formed in accordance with clause 4.1.

**Research Project** means a discrete, time bounded research activity to be carried out by one or more of the parties that is included in an Annual Research Program and Budget.

**Research Project Guidelines** means the guidelines contains in Schedule 2.

**Research Project IP** means any Intellectual Property created, discovered or coming into existence as a result of the carrying out of an Approved Research Project, including Intellectual Property in the Deliverables, but excluding any Background IP.

**Research Subcontract** means an agreement between a party and a Subcontractor for the Subcontractor to perform some or all of a party's obligations in relation to an Approved Research Project.

**Rules** means, in relation to a party, the constitution, enacting legislation or any other form of provisions or policy statements governing that party.

**Shareholder** means any person holding shares in APLNG, at the Commencement Date being ConocoPhillips Australia Pacific LNG Pty Ltd ABN 99 132 823 173 and Origin Energy Limited ABN 30 000 051 696.

**Student** means a student enrolled at a tertiary institution and engaged as either a full time or part time student.

**Subcontractor** means a person (other than a party) engaged by a party to perform part or all of an Approved Research Project.

**Subject Specialist** means a specialist appointed to the Research Advisory Committee in accordance with clause 4.3.

**Trade Marks**, in relation to a party, means the names, logos, brands, service marks, trade marks and other proprietary words or symbols used or owned by the party or its Related Entities from time to time.

**Transfer** means to assign, transfer or otherwise dispose of any legal or equitable interest, either in whole or part, whether by sale, lease, declaration or creation of a trust or otherwise.

## 1.2 Interpretation

In this agreement:

(a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

(b) an obligation or a liability assumed by, or a right conferred on, 2 or more persons binds or benefits them jointly and severally;

(c) "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;

(d) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;

(e) a reference to a document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;

(f) a reference to a statute includes its delegated legislation and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;

(g) a word importing the singular includes the plural (and vice versa), and a word indicating a gender includes every other gender;

(h) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this

agreement, and a reference to this agreement includes all schedules, exhibits, attachments and annexures to it;

- (i) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) "includes" in any form is not a word of limitation; and
- (k) a reference to "\$" or "dollar" is to Australian currency.

### **1.3 Licences granted under this agreement**

Except to the extent that this agreement expressly provides otherwise, any licence that a party grants to the other party under this agreement is a perpetual, worldwide, non-transferable, non-exclusive, royalty-free licence and includes the right to sublicense.

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## **2. Alliance creation**

### **2.1 Participation**

Each party will perform and participate in the Alliance upon and subject to the terms of this agreement.

### **2.2 Alliance Objectives**

Each party enters this agreement for the purposes of:

- (a) carrying out research and improving and extending knowledge of social and environmental impacts and opportunities of CSG-LNG projects for the benefit of the CSG-LNG industry, the relevant community and the broader public; and
- (b) informing government, regulators and policy-makers on key issues regarding policy and legislative framework for the CSG-LNG industry.

### **2.3 Implementation**

The Alliance Objectives will be achieved through Approved Research Projects carried out by the parties in accordance with this agreement (including clause 8).

### **2.4 Alliance period**

The Alliance continues for the Alliance Term.

### **2.5 Name of Alliance**

The name of the Alliance is to be agreed by the parties.

### **2.6 No use of other party's Trade Marks**

A party must not use the other party's Trade Marks without the prior written consent of the other party, unless otherwise permitted by this agreement.

### **2.7 Relationship**

- (a) Each party acts in the capacity of an independent contractor in the performance of this agreement (including under any Project Order) or any liability under this agreement.

- (b) This agreement does not create any express or implied relationship between the parties of employment, principal and agent, joint venture or partnership.

## **2.8 Good faith but not as fiduciaries**

- (a) Subject to clause 2.8(b), each party agrees to act in good faith towards the other party, including:
  - (i) being just and faithful in all activities and dealings with the other party; and
  - (ii) attending diligently to the conduct of all Alliance Activities in which the party is involved.
- (b) Clause 2.8(a) does not create any fiduciary rights or obligations at law between the parties and does not restrict a party from acting in its own best commercial interests.

## **2.9 Contractual freedom**

This agreement does not prohibit any party from executing any agreement with any third party relating to any business activity, alliance, project or joint venture, whether in the nature of or similar to the Alliance Activities, as decided by that party, subject to compliance with any liability of that party under any other provision of this agreement.

## **2.10 Scientific knowledge and skills**

The general knowledge and skills that a party's Personnel will use to carry out an Approved Research Project may be further developed while performing the Approved Research Project. The parties and their Personnel are free to use such knowledge and skill in the future either alone or with third parties provided that in so doing they do not disclose any Confidential Information or infringe Intellectual Property of the other party except as permitted under this agreement.

## **2.11 Annual reviews**

The parties agree to meet annually to review the benefits and effectiveness of the Alliance in meeting the Alliance Objectives.

## **2.12 Rules**

Nothing in this agreement requires a party to operate outside its Rules.

## **2.13 Additional Alliance participants**

- (a) The parties' intention is that, within 6 months after the Commencement Date, the Management Committee will establish principles to be applied in deciding whether to admit a new participant to the Alliance.
- (b) If, after applying the principles referred to in clause 2.13(a), the parties decide that a new participant should join the Alliance, then the parties will negotiate appropriate amendments to this agreement, including an agreement with the new participant and changes to clause 1.2(b), for the new participant to join the Alliance.

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### **3. Management Committee**

#### **3.1 Formation**

The parties will create and maintain a Management Committee to control and manage the Alliance Activities.

#### **3.2 Representative appointment**

Each party may at any time:

- (a) appoint up to 2 Alliance Representatives as members of the Management Committee (provided that, in the case of CSIRO, the Alliance Director cannot be an Alliance Representative); and
- (b) terminate the appointment of that party's Alliance Representatives and, in the case of termination, retirement or death of that party's Alliance Representative, appoint a replacement Alliance Representative.

The Alliance Representatives as at the Commencement Date are specified in Schedule 1.

#### **3.3 Chairperson**

- (a) Subject to clauses 3.3(b) and (c), the chairperson of the Management Commitment will be appointed alternately by each party for 12 month periods commencing on the date of this agreement.
- (b) The chairperson must be an Alliance Representative appointed by a party under clause 3.2.
- (c) APLNG has the right to appoint the first chairperson.
- (d) If the chairperson is not present at a meeting of the Management Committee, the other Alliance Representative appointed by that party who appointed the chairperson under clause 3.3(a) will act as the chairperson for that meeting.

#### **3.4 Alternate representatives**

Each Alliance Representative may appoint an alternate Alliance Representative.

#### **3.5 Authority of Management Committee**

The parties acknowledge and agree that:

- (a) the overall strategic management and control of the Alliance and Alliance Activities will vest in the Management Committee;
- (b) the Alliance Director must comply with any reasonable instruction given to him or her by the Management Committee; and
- (c) the Alliance Representatives may vote in the best interests of their appointing party.

#### **3.6 Functions of the Management Committee**

Without limiting clause 3.5(a), the functions of the Management Committee include to:

- (a) establish the strategic priorities of the Alliance;

- (b) provide instructions and directions to the Alliance Director;
- (c) establish policies and guidelines for the Alliance, including the Communications Protocol;
- (d) consider and approve Commercialisation opportunities identified by a party or the Research Advisory Committee (including appropriate steps to be taken prior to Commercialisation, such as freedom to operate searches);
- (e) establish KPIs for the Alliance;
- (f) establish principles for the purposes of determining whether a new participant should be admitted to the Alliance;
- (g) review each Annual Research Program and Budget recommended by the Research Advisory Committee and, if satisfied, approve the Annual Research Program and Budget;
- (h) review the performance of the Research Advisory Committee, including approving the appointment of Subject Specialists or other persons to the Research Advisory Committee;
- (i) report to the parties at least annually on the Alliance Activities;
- (j) review the records and accounts of the parties which are to be maintained according to clause 9;
- (k) approving publications under clause 16.3;
- (l) establish new committees or roles within the Alliance;
- (m) ensure appropriate operating arrangements are in place to achieve effective and efficient delivery of the strategic priorities of the Alliance; and
- (n) carry out such other functions as are identified in this agreement as a function of the Management Committee, or as may be determined by the parties from time to time to be a function of the Management Committee.

### **3.7 Decision making**

- (a) All decisions of the Management Committee will be determined by a unanimous vote of the Management Committee.
- (b) Subject to clause 3.8, all decisions of the Management Committee bind the parties. Each party agrees to give effect to those decisions.

### **3.8 Limitation on powers**

The Management Committee does not have power to:

- (a) make any decision reserved to the parties elsewhere in this agreement or in relation to:
  - (i) any amendment to, or termination of, this agreement;
  - (ii) any addition of a new participant in the Alliance; or
  - (iii) any increase or reduction in a party's Contribution;



- (b) bind the parties to transactions between each other (except as expressly contemplated by this agreement); or
- (c) bind the parties to transactions with third parties.

### **3.9 Voting**

- (a) Each Alliance Representative is entitled to cast one deliberative vote at any meeting of the Management Committee.
- (b) Where a party has appointed 2 Alliance Representatives and one but not both of those Alliance Representatives is present at a meeting of the Management Committee, the Alliance Representative present may exercise both votes to which the Alliance Representatives are collectively entitled.
- (c) The chairperson of the Management Committee does not have a casting vote in addition to his or her deliberative vote.

### **3.10 Meetings**

- (a) The Management Committee will meet at least 4 times in any Financial Year.
- (b) Any additional meeting of the Management Committee must be convened following any written request of a party made to the chairperson of the Management Committee.
- (c) Meetings of the Management Committee will be held at a venue in Brisbane (or such other place), and on a date and time, agreed by the Alliance Representatives.
- (d) A meeting of the Management Committee may be conducted by written resolution, telephone conference, video conference or any similar means of audio or audio-visual communication.
- (e) The chairperson of the Management Committee must give prior written notice of any meeting of the Management Committee, together with an agenda, at least 10 Business Days before that meeting, except where otherwise agreed by all Alliance Representatives.
- (f) The agenda for any meeting of the Management Committee must be decided by the chairperson of the Management Committee or, in the case of a meeting convened at the request of a party, by that party.
- (g) The Management Committee must not pass any resolution at any meeting where notice of that resolution has not been given in the prior agenda for that meeting, unless otherwise agreed by all Alliance Representatives.
- (h) An Alliance Representative may invite experts and advisors to attend any meeting of the Management Committee.

### **3.11 Quorum**

The quorum for a meeting of the Management Committee is created by the attendance, in person or by alternate, of a minimum of one Alliance Representative appointed by each party.

### **3.12 Expenses**

Each party will pay its own appointed Alliance Representatives' expenses (including travel and accommodation expenses) incurred in attending meetings and carrying out their functions in relation to the Management Committee.

### **3.13 Attendance of Institute Director**

The Alliance Director is expected to attend meetings of the Management Committee as an ex-officio member. The Alliance Director will not have the power to vote at meetings, but will attend as an observer and may be invited by the chairperson to participate in discussions.

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## **4. Research Advisory Committee**

### **4.1 Formation**

The parties will create and maintain a Research Advisory Committee to perform the role in clause 4.4.

### **4.2 Membership**

The Research Advisory Committee will comprise:

- (a) up to 2 representatives from each party (including the Alliance Director as one of CSIRO's representatives);
- (b) Subject Specialists appointed under clause 4.3 from time to time; and
- (c) such other persons appointed by the Management Committee from time to time.

### **4.3 Subject Specialists**

- (a) The Subject Specialists appointed to the Research Advisory Committee must be:
  - (i) science experts in fields relevant to the Alliance; and
  - (ii) appointed by the Management Committee (including on terms and for a period acceptable to the Management Committee).
- (b) For the purposes of clause 4.3(a)(ii), the parties' intention is that:
  - (i) a Subject Specialist provided by a party will be provided at the cost of that party;
  - (ii) APLNG will engage and pay the costs of any third party Subject Specialists; and
  - (iii) it is a condition of appointment to the Research Advisory Committee that the Subject Specialist signs a confidentiality agreement on terms no less favourable than the confidentiality terms of this agreement.

### **4.4 Role**

The role of the Research Advisory Committee is to:

- (a) prepare an Annual Research Program and Budget each year;

- (b) amend the Annual Research Program and Budget as directed by the Management Committee;
- (c) advise the Management Committee on science direction and gaps;
- (d) advise the Management Committee on technical issues;
- (e) advise the Management Committee on Commercialisation opportunities in relation to Research Project IP;
- (f) report to the Management Committee on performance against KPIs; and
- (g) carry out such other functions as are identified in this agreement as a function of the Research Advisory Committee, or determined by the Management Committee from time to time to be a function of the Research Advisory Committee.

#### **4.5 Chairperson**

The Alliance Director will be the chairperson of the Research Advisory Committee.

#### **4.6 Decision making**

- (a) All decisions of the Research Advisory Committee will be determined by a simple majority vote in order to be submitted to the Management Committee.
- (b) Where a party has appointed 2 representatives to the Research Advisory Committee and one but not both of those representatives is present at a meeting of the Research Advisory Committee, the representative present may exercise both votes to which the representatives are collectively entitled.
- (c) Subject Specialists and any other persons appointed to the Research Advisory Committee by the Management Committee will not have a vote on the Research Advisory Committee.
- (d) The chairperson of the Research Advisory Committee will not have a casting vote in addition to her or her deliberative vote.

#### **4.7 Meetings**

- (a) The Research Advisory Committee will meet at least 4 times in any Financial Year such meeting to be scheduled at least 1 month prior to the next Management Committee meeting.
- (b) Subject to clause 4.7(a), meetings of the Research Advisory Committee will be held at such times and its meetings and business will be conducted in accordance with such procedural rules as the Research Advisory Committee may determine from time to time.

#### **4.8 Quorum**

The quorum for a meeting of the Research Advisory Committee is created by the attendance of at least one representative of each party.

## **4.9 Expenses**

Each party will pay its own representatives' expenses (including travel and accommodation expenses) incurred in attending meetings and carrying out their functions in relation to the Research Advisory Committee.

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## **5. Alliance Director**

### **5.1 Appointment**

- (a) The Alliance Director will at all times be an employee of CSIRO.
- (b) The appointment of the Alliance Director is subject to the prior approval of APLNG. CSIRO will work with APLNG to identify a person suitable to both parties to fulfil the role of Alliance Director. Either party may nominate suitable candidates to fulfil the role of Alliance Director.
- (c) Notwithstanding that Administrative Costs may be shared between the parties under clause 6.1(b), CSIRO will be responsible for ensuring that the Alliance Director's remuneration entitlements are paid to the Alliance Director, including superannuation, annual leave, sick leave and other leave and employee entitlements as required by law or the relevant agreement between CSIRO and the Alliance Director.
- (d) For clarity, the Alliance Director is not an employee or contractor of APLNG.

### **5.2 Alliance Director to report to Management Committee**

CSIRO must ensure that the Alliance Director carries out the reasonable directions of, and reports to, the Management Committee.

### **5.3 Role**

- (a) The role of the Alliance Director will include:
  - (i) responsibility for the day-to-day management of the Alliance (subject to the overall control of the Management Committee);
  - (ii) assisting the Research Advisory Committee in the preparation of the Annual Research Program and Budget;
  - (iii) reviewing and overseeing Approved Research Projects and the implementation of the approved Annual Research Program and Budget;
  - (iv) measuring performance against KPIs;
  - (v) assisting the Research Advisory Committee to set priorities among Approved Research Projects;
  - (vi) making project recommendations to the Management Committee;
  - (vii) developing systems to monitor and manage Approved Research Projects;
  - (viii) reporting to the Management Committee on the performance and outcomes of Approved Research Projects, including performance against relevant key performance indicators, schedule, cost, accounts, resources, results and projections; and

- (ix) otherwise carrying out the functions of the Alliance Director as identified in this agreement or determined by the Management Committee from time to time to be functions of the Alliance Director.
- (b) To enable the Alliance Director to carry out his or her role, CSIRO will use reasonable endeavours to ensure that the Alliance Director:
  - (i) attends and chairs meetings of the Research Advisory Committee;
  - (ii) attends meetings of the Management Committee; and
  - (iii) otherwise is able to perform the role of Alliance Director under this agreement.
- (c) CSIRO will ensure that the Alliance Director has appropriate delegations of authority to perform his or her role.
- (d) APLNG will provide reasonable assistance to the Alliance Director to enable the Alliance Director to carry out his or her role.

#### **5.4 Termination of appointment of Alliance Director**

A decision to terminate the appointment of the Alliance Director is a Management Committee decision. For clarity, a decision to terminate the appointment of the Alliance Director does not affect any employment agreement between CSIRO and the Alliance Director.

#### **5.5 Replacement of Alliance Director**

If the appointment of the Alliance Director is terminated in accordance with the terms of this agreement, or the Alliance Director dies, becomes ill or ceases employment with CSIRO, either party may nominate a new Alliance Director and the parties will appoint a new Alliance Director in accordance with this clause 5.

#### **5.6 Performance reviews**

The performance of the Alliance Director will be reviewed annually by the parties.

### **6. Contributions**

#### **6.1 Minimum commitments**

The parties agree that:

- (a) APLNG's Cash Contribution to the Alliance over the first 5 years of the Alliance Term will be \$10 million to be paid in accordance with Approved Annual Research Program and Budgets; and
- (b) the Contribution of a party for a year will include its proportion of the Administrative Costs as set out in the Approved Annual Research Program and Budget for that year.

#### **6.2 Account**

- (a) CSIRO will establish and maintain the Account. All cash payments made to CSIRO for the Alliance will be deposited into the Account.

- (b) The Account is not required to be separate from CSIRO's other bank accounts, but CSIRO will maintain a separate ledger of payments into and out of the Account for the purposes of the Alliance.
- (c) CSIRO may draw down on the Account in accordance with the Approved Annual Research Program and Budget.
- (d) Any interest accrued on cash held in the Account is not to be considered an asset of the Alliance, and may be retained by CSIRO without accounting for it to APLNG.
- (e) Any surplus funds of the Alliance in the Account at the end of a Financial Year which were contributed by APLNG may be held over to the next Financial Year if determined by the Management Committee, or otherwise will be paid to APLNG within 14 days after the end of that Financial Year.

### **6.3 R&D tax concessions**

CSIRO acknowledges that APLNG wants to maximise the research and development tax concessions available to APLNG (or its Related Bodies Corporate) in connection with the Alliance, and CSIRO will cooperate with and assist APLNG (and its Related Bodies Corporate) to achieve that objective.

### **6.4 Taxes**

- (a) Subject to clauses 24 and 26.14, the recipient of a Contribution (and not the party making a Contribution) will be liable for payment of all taxes (including corporate tax, personal income tax, fringe benefits tax, payroll tax, stamp duty, withholding tax, PAYG, turnover tax and excise and import duties, and any subcontractor's taxes) which may be imposed in relation to a Contribution made pursuant to this agreement.
- (b) If the contributing party is required in its opinion to withhold any amount in respect of tax from a payment to be made to a recipient pursuant to this agreement, it is entitled to do so and such withholding and payment to the relevant taxing authority will be a good discharge of its obligation to pay the Contribution to the recipient. In the event that the contributing party pays an amount to the recipient without withholding an amount in respect of tax, the contributing party will be indemnified by the recipient for any loss suffered by it as a result of failing to withhold.
- (c) The parties will include this clause in all agreements with a recipient of a Contribution.

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## **7. Annual Research Program and Budget**

### **7.1 Preparation**

- (a) The Research Advisory Committee will prepare an Annual Research Program and Budget for each Financial Year and submit it to the Management Committee for approval in accordance with clause 7.3.
- (b) The first Annual Research Program and Budget is to be prepared and submitted as soon as possible after the Commencement Date. Each subsequent Annual Research Program and Budget is to be prepared and submitted to the Management Committee no less than 60 days before the start of each Financial Year.
- (c) In preparing the Annual Research Program and Budget, the Research Advisory Committee must have regard to the Research Project Guidelines and KPIs.

## **7.2 Content**

Each Annual Research Program and Budget must:

- (a) identify the Contributions required in that Financial Year, which includes the Administrative Costs for that Financial Year and the allocation of these amounts between the parties (for clarity, Administrative Costs may be met through both Cash Contributions and Non-Cash Contributions by the parties);
- (b) identify the Research Projects proposed to be undertaken in the Financial Year and include, for each proposed Research Project, a draft Project Order that defines the Research Project; and
- (c) include the projected budget for each proposed Research Project.

## **7.3 Approval**

The Research Advisory Committee must:

- (a) submit each Annual Research Program and Budget to the Management Committee for review and comment;
- (b) amend the Annual Research Program and Budget in accordance with any decision of the Management Committee, and resubmit it to the Management Committee for further review and comment; and
- (c) repeat the process in clause 7.3(b) until the Management Committee approves the Annual Research Program and Budget.

## **7.4 Effect of approval**

Following approval of the Annual Research Program and Budget by the Management Committee, the Annual Research Program and Budget will be an Approved Annual Research Program and Budget, and each Research Project in it will be an Approved Research Project.

## **7.5 Contributions**

Each party will provide its Contributions in accordance with an Approved Annual Research Program and Budget, including Contributions for Approved Research Projects in accordance with clause 8.7.

## **7.6 Variations**

An Approved Research Program and Budget may only be varied by a decision of the Management Committee.

## **7.7 Reconciliation**

At the end of each Financial Year (or more regularly if reasonably requested by APLNG), CSIRO will provide APLNG with a reconciliation of expenditure against that year's Approved Annual Research Program Budget.

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# **8. Approved Research Projects**

## **8.1 Terms of Approved Research Projects**

Approved Research Projects must be carried out on the terms and conditions specified in:

- (a) this agreement; and
- (b) the applicable Project Order,

and, to the extent of any inconsistency in the above documents, this agreement prevails.

## **8.2 Responsibilities**

Each party must carry out an Approved Research Project:

- (a) in cooperation with the other party;
- (b) in accordance with the Project Order, Project Budget and the terms of this agreement;
- (c) to a high standard with due professional care and skill;
- (d) so as to do all things necessary or desirable to achieve the objectives set out in the Project Order; and
- (e) so as to achieve the Milestones by their due dates.

## **8.3 Subcontracting**

- (a) A party must not subcontract the performance of its obligations in relation to an Approved Research Project:
  - (i) unless permitted in the Project Order for the Approved Research Project or with the prior approval of the Management Committee, not to be unreasonably withheld; and
  - (ii) without first entering into a Research Subcontract.
- (b) A party is fully responsible for performing all of its obligations under this agreement, even though a party may have subcontracted any of them.
- (c) A party that enters into a Research Subcontract is responsible for ensuring the suitability of the Subcontractor for the work proposed to be carried out and for ensuring such work meets the requirements of this agreement.
- (d) A party which is a party to a Research Subcontract must ensure that the Research Subcontract:
  - (i) addresses relevant issues identified in the Project Order;
  - (ii) subject to clause 8.3(e), contains provisions that are consistent with this agreement; and
  - (iii) requires the Subcontractor to effect and maintain adequate insurance.
- (e) A party must not grant a Subcontractor any right to use the Research Project IP or any Background IP of the other party for any purpose other than performing its obligations under a Research Subcontract without first obtaining the approval of the Management Committee.
- (f) Without limiting clause 8.3(d)(ii), a party must obtain from each Subcontractor:



- (i) ownership of all Intellectual Property created, discovered or coming into existence as a result of the Subcontractor carrying out work on the Approved Research Project; and
- (ii) a licence of the Subcontractor's Intellectual Property that is sufficient to enable the party to grant the licences required under this agreement in respect of Background IP.

#### **8.4 Variations**

A Project Order may only be varied by a decision of the Management Committee.

#### **8.5 Management of Research Projects**

- (a) Each Approved Research Project will be managed by a project leader. The project leader will:
  - (i) be specified in the Project Order for each Approved Research Project;
  - (ii) have responsibility for the day-to-day management of the Approved Research Project; and
  - (iii) manage the maintenance of research and technical records for the Approved Research Project.
- (b) CSIRO will ensure that the Alliance Director:
  - (i) has oversight of the Approved Research Project;
  - (ii) ensures that the Approved Research Project is carried out in accordance with the Project Order so as to achieve the approved outcomes and objectives;
  - (iii) promptly provides all information to the Management Committee concerning the Approved Research Project that is reasonably requested by a party; and
  - (iv) ensures that the project leader performs the obligations in clause 8.5(a).

#### **8.6 Authorisations**

Each party will use its best endeavours to obtain the Authorisations it requires to undertake an Approved Research Project before the event or conduct requiring the Authorisation is due to occur.

#### **8.7 Contributions**

Each party will:

- (a) provide from its own resources its Contributions for each Approved Research Project at the time and in the manner specified in this agreement or the Project Order for the Approved Research Project; and
- (b) apply all Contributions to an Approved Research Project only for the purpose of carrying out the activities of the Approved Research Project in accordance with the Approved Research Program and Budget and the Project Order for the Approved Research Project.

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## **9. Records and reporting**

### **9.1 Separate accounting of the parties**

- (a) Each party must keep full and complete records of:
  - (i) its Contribution to each Approved Research Project;
  - (ii) all Research Project IP generated by the party's (including its Subcontractors' and Students') performance of an Approved Research Project;
  - (iii) all Background IP contributed by the party for an Approved Research Project; and
  - (iv) any other expenditure against the Approved Annual Research Program and Budget.
- (b) The Commercialising Party must keep full and complete records of all matters connected with the Commercialisation of Research Project IP as may be reasonably necessary to enable the amounts due to the other party to be conveniently ascertained and audited, including Commercialisation Income (including copies of any agreements with affiliates and sublicensees).
- (c) Each party must, within 14 days of a request from the other party or the Management Committee, allow the other party or nominated representative of the Management Committee (as applicable) to inspect the records referred to in clause 9.1(a). Such records are to be treated as Confidential Information for the purposes of clause 15.

### **9.2 Reporting by Alliance Director to Management Committee**

The Alliance Director must submit to the Management Committee within 21 days after the end of each Quarter or upon the reasonable request of the Management Committee, a report detailing:

- (a) progress with each Approved Research Project and its scientific advances, outcomes, key achievements, Deliverables and Milestones;
- (b) performance of the Alliance against the KPIs;
- (c) any matter which the Alliance Director considers will, or may, affect the ability of each Approved Research Project to meet the project objectives, satisfy any Milestones, provide any Deliverables, or be completed within the Project Budget, including any failure of a party to provide Contributions;
- (d) any significant difficulties encountered during each Approved Research Project and measures taken or plans to resolve them;
- (e) research anticipated for the next Quarter;
- (f) any Project Results created (including a description of the Project Results, when they were created and by whom); and
- (g) the Background IP used in each Approved Research Project.

### **9.3 Parties to provide information to Alliance Director**

- (a) Each party will provide promptly when requested by the Alliance Director information on the status and results of each Approved Research Project, including the information referred to in clauses 9.2(a) to (g), for the purpose of enabling the Alliance Director to prepare the report under clause 9.2.
- (b) Upon request by a party, the Alliance Director will make available to that party the information provided by the other party under clause 9.3(a).
- (c) Any information provided under clauses 9.3(a) and (b) is to be treated as Confidential Information for the purposes of clause 15.

### **9.4 Inspection and audit rights**

- (a) The Commercialising Party, at the written request of the other party, will at all reasonable times make available to the other party (or its nominee) the records referred to in clause 9.1(b) certified as correct by a senior financial officer of the Commercialising Party, and, if so desired by the other party, will permit those records and books to be examined by an independent accountant nominated by the other party and reasonably acceptable to the Commercialising Party.
- (b) The Commercialising Party will give to the other party, its nominee and any independent accountant all assistance, access and facilities necessary, as well as access to appropriate accounting, business, technical, manufacturing and sales personnel to ask questions, to enable them to review the records referred to in clause 9.1(b). In addition, the Commercialising Party will allow them to take copies of records and will supply such other information as may be necessary or proper to enable compliance with this Agreement to be ascertained and verified.

### **9.5 Discrepancy**

- (a) If the audit referred to in clause 9.4 identifies a shortfall in the payment of Commercialisation Income to the other party, the Commercialising Party must promptly pay to the other party the amount of such shortfall.
- (b) If the shortfall is equal to or greater than two percent (2%) of the amount of Commercialisation Income paid or payable to the other party in the Financial Year then the Commercialising Party will reimburse the other party for auditor's reasonable fees incurred by the other party in connection with the audit.
- (c) If the audit identifies any overpayment of Commercialisation Income then the Commercialising Party may, at the Commercialising Party's option, deduct the amount of such overpayment from any future Commercialisation Income to be paid to the other party or require the other party to refund the overpayment.

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## **10. Background IP**

### **10.1 Ownership**

- (a) Each party will make available for the purposes of Approved Research Projects the Background IP specified in the applicable Project Order to be contributed by that party to an Approved Research Project.
- (b) Subject to clauses 10.2, 10.3(b) and 12.2, this agreement does not transfer or grant any proprietary or licence interest in any Background IP contributed by a party.

- (c) The parties will specify the value of Background IP contributed by a party to an Approved Research Project in the applicable Project Order.

## **10.2 Licence for Approved Research Projects**

A party (**Licensor**) that makes available Background IP in accordance with clause 10.1 grants to the other party a licence to use the Licensor's Background IP made available for that Approved Research Project during the term of the Approved Research Project for the sole purpose of carrying out the Approved Research Project, subject to any restriction or condition on its use:

- (a) specified in the Project Order; or
- (b) in the case of any Background IP not specified in the Project Order, notified in writing to the other party at the time of making such Background IP available.

## **10.3 Other rights and responsibilities**

- (a) Each party retains the right to use its own Background IP for any purpose (including licensing to third parties) outside the Approved Research Project for which it was provided, except where such use would be inconsistent with a licence granted under clause 10.2, 10.3(b) or 12.2.
- (b) Subject to any restrictions specified in accordance with clause 10.2, each party grants to the other party a licence of its Background IP to the extent that such Background IP is necessarily incorporated into the Research Project IP to enable the other party to exercise the licence granted to it under clause 11.4.
- (c) Subject to clauses 10.3(b) and 12.2, if a party wishes to use the Background IP of the other party outside the Approved Research Project for which it was provided, that party must first obtain a separate licence upon terms agreed by the parties.
- (d) Each party is, at its own discretion, responsible for protecting and maintaining protection for its own Background IP.

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# **11. Research Project IP**

## **11.1 Dealing with Research Project IP**

Each party will:

- (a) provide to the Alliance Director information in its possession regarding Research Project IP that has been developed or is under development in an Approved Research Project (such information to be treated as Confidential Information for the purposes of clause 15); and
- (b) use its reasonable endeavours to ensure that it and its Personnel, Subcontractors and Students or other persons participating in an Approved Research Project under its direct control:
  - (i) identify Research Project IP developed by them;
  - (ii) promptly communicate details of the Research Project IP to the Alliance Director;
  - (iii) do not prejudice protection of any Research Project IP;

- (iv) do all things necessary (including execution of documents) to give effect to this clause 11;
- (v) comply with any restrictions or conditions specified in accordance with clause 10.2 concerning Background IP;
- (vi) provide any consents in relation to their Moral Rights that may be requested by a party from time to time and reasonably necessary for:
  - A. the Approved Research Project;
  - B. the parties to exercise the licence under clause 11.4; and
  - C. Commercialisation of the Research Project IP; and
- (vii) must not use, Commercialise, Transfer, Encumber or otherwise deal with or enter into any agreement in relation to any interest that such party might hold in Research Project IP, except as authorised in this agreement.

## 11.2 Ownership of Derivative IP

Upon its creation, Derivative IP will be owned by the party that made available the relevant Background IP.

## 11.3 Ownership of Non-Derivative IP

- (a) Upon its creation, Non-Derivative IP will be owned by the party specified in the relevant Project Order to own Non-Derivative IP.
- (b) The Management Committee will determine for each Approved Research Project, and specify in the Project Order, the party who is to be the owner of Non-Derivative IP by applying the principles in Schedule 4.

## 11.4 Grant of licence

Subject to clause 12.4, the party entitled under this agreement to be the owner of Research Project IP (**Owner**) grants to the other party a licence to use the Owner's Research Project IP solely for the purposes of:

- (a) continuing to perform the Approved Research Project;
- (b) internal research, including teaching, education, academic publishing or research and development purposes, but does not include:
  - (i) disclosure of Confidential Information other than as permitted by this agreement; or
  - (ii) the right to publish Research Project IP other than in accordance with this agreement;
- (c) in the case of APLNG, the APLNG Project and internal business purposes of the APLNG Group; and
- (d) in the case of CSIRO, external research (including research undertaken for or in collaboration with third parties).

For clarity, in accordance with clause 1.3, the licence granted under this clause 11.4 is a perpetual, worldwide, non-transferable, non-exclusive, royalty-free licence and includes the right to sublicense.

### **11.5 Protection of Research Project IP**

An Owner may in its sole discretion decide whether to obtain Intellectual Property protection for its Research Project IP. All registration of Research Project IP will be in the Owner's name and at its own cost.

### **11.6 Transfer of Research Project IP**

An Owner must not Transfer its Research Project IP, or grant any licence or other rights in respect of its Research Project IP, in any way inconsistent with the licences granted under clauses 11.4 and 12.3.

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## **12. Commercialisation**

### **12.1 Right to Commercialise**

Subject to clause 12.3, a party may Commercialise Research Project IP provided that it obtains the approval of the Management Committee and complies with this agreement and any applicable Project Order regarding Commercialisation. Each party must ensure that its Alliance Representatives act reasonably in deciding whether to give an approval under this clause.

### **12.2 Licence to use Background IP for Commercialisation**

A party grants to the Commercialising Party a licence of the party's Background IP to the extent necessary to enable the Commercialising Party to Commercialise the Research Project IP provided that:

- (a) the Research Project IP has been developed using that Background IP in accordance with this agreement and the relevant Project Order; and
- (b) the licence is subject to any restrictions that were specified in accordance with clause 10.2.

### **12.3 Licence to use Research Project IP of the other party**

If the Commercialising Party requires, for the purposes of Commercialisation of Research Project IP, a licence to use Research Project IP owned by the other party, the Commercialising Party must notify the other party and the party receiving such notice will negotiate in good faith to grant a licence to the Commercialising Party on reasonable terms to be agreed in writing by the parties.

### **12.4 Commercialisation Income**

Unless specified otherwise in the Project Order for an Approved Research Project, the Commercialising Party will apply Commercialisation Income as follows:

- (a) first, the re-imbursement or payment of all reasonable Commercialisation Expenses incurred by the Commercialising Party; and
- (b) second, the remainder to be shared by the parties in proportion to their respective Commercialisation Interest.

For clarity, the decision to incur any Commercialisation Expenses and the level of Commercialisation Expenses incurred will be at the discretion of the Commercialising Party.

## **12.5 Retaining Commercialisation rights**

A party may, acting reasonably and by notice to the other party, delay for up to a maximum of 12 months any licence to Research Project IP granted under this agreement (excluding the licence in clause 11.4(a)) until appropriate Intellectual Property protection is obtained for that Research Project IP.

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## **13. IP Register**

- (a) The Alliance Director will develop and maintain an IP Register.
- (b) The IP Register is to contain the following details about Background IP:
  - (i) who provided it (including the name of any Subcontractor Student, if applicable);
  - (ii) a detailed description of the Background IP;
  - (iii) the date on which the Background IP was made available;
  - (iv) the interests of any third party in the Background IP;
  - (v) any restrictions on the ability to use the Background IP under this agreement or for Approved Research Projects; and
  - (vi) any other information reasonably requested by a party from time to time.
- (c) The IP Register is to contain the following details about Research Project IP:
  - (i) the date on which the entry is made;
  - (ii) the identity of the personnel who have developed the Research Project IP;
  - (iii) the details of the Research Project IP;
  - (iv) whether the Research Project IP is Derivative IP or Non-Derivative IP;
  - (v) in the case of Derivative IP, the relevant Background IP; and
  - (vi) any other information determined by the parties from time to time.

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## **14. Infringement of IP**

### **14.1 Notice of infringement**

Each party must notify the other party within 3 Business Days if it becomes aware of:

- (a) any actual, suspected, anticipated or threatened infringement by a third party of any of the other party's rights in relation to Research Project IP or Background IP; or
- (b) any claim by a third party that the carrying out of an Approved Research Project or the dissemination, Commercialisation or other use of Research Project IP or

Background IP by a party infringes the rights (including Intellectual Property and Moral Rights) of a third party.

## **14.2 Rights of the Owner**

Nothing in this agreement prevents an Owner from taking action to protect, defend or enforce its rights in relation to its Research Project IP without reference to the other party.

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## **15. Confidentiality**

### **15.1 Receiving Party not to disclose Confidential Information**

The Receiving Party will not, during or after this agreement, disclose Confidential Information directly or indirectly to any third party except:

- (a) with the Discloser's prior written consent;
- (b) as required by law;
- (c) to the extent necessary for the purpose of exercising a party's rights under this agreement in respect of Intellectual Property;
- (d) to an Additional Disclosee on a need to know basis for the purposes of this agreement (including the purposes in clause 11.4);
- (e) in the case of CSIRO, to the Commonwealth of Australia and ministers and ministerial staff of the Commonwealth of Australia, or other persons who receive information under established government protocols or for public accountability purposes (**Government Disclosees**); or
- (f) in the case of Project Results, as permitted under clause 16.

### **15.2 Additional Disclosees**

The Receiving Party will ensure that Additional Disclosees keep the Confidential Information confidential on terms no less favourable for the Discloser than this clause 15.

### **15.3 Government Disclosees**

CSIRO must ensure that Government Disclosees are informed of the confidential nature of the Confidential Information.

### **15.4 Breach of confidentiality**

If the Receiving Party becomes aware of a suspected or actual breach of this clause by the Receiving Party, or a disclosure by an Additional Disclosee or Government Disclosee inconsistent with this clause, the Receiving Party will immediately notify the Discloser and take reasonable steps required to prevent or stop the suspected or actual breach or disclosure.

### **15.5 Use of Confidential Information**

The Receiving Party will only use Confidential Information:

- (a) for the purposes of this agreement (including the purposes in clause 11.4); and
- (b) to the extent necessary for the purpose of exercising the Receiving Party's rights under this agreement in respect of Intellectual Property.



## **15.6 Project Results**

If a Project Order states that the Project Results are confidential, then the Project Results for that Approved Research Project are the Confidential Information of the party specified in the relevant Project Order to own Non-Derivative IP.

## **15.7 Discussions and workshops**

Unless otherwise agreed in writing by the parties, new information arising from meetings, discussions and workshops between the parties in relation to the Alliance (including any such meetings, discussions and workshops conducted prior to the Commencement Date) will be the Confidential Information of both parties.

## **15.8 This agreement**

The details specified in Schedule 1, but not the existence or any other terms of this agreement, are the Confidential Information of both parties.

## **15.9 Return of Confidential Information**

- (a) The Receiving Party will return or destroy (at the Discloser's direction) materials containing Confidential Information when directed by the Discloser.
- (b) Despite clause 15.9(a) and subject to the licences to Background IP granted under this agreement, the Receiving Party may retain a single copy only of the materials referred to in that clause provided that the Receiving Party continues to comply with all other obligations set out in this clause 15 in respect of the retained copy.

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## **16. Publication**

### **16.1 Meaning of publish**

For the purposes of this clause 16, "**publish**" means to publish, print, distribute or make known (including orally or electronically) in a literary or academic book, journal, conference, article or other publication but excludes media releases or public announcements made under clause 17.

### **16.2 Dissemination of knowledge**

- (a) A party must not publish any Project Results for an Approved Research Project:
  - (i) except in accordance with the Communications Protocol; and
  - (ii) until:
    - A. the party has complied with clauses 16.3(a) and 16.3(b)(i);
    - B. if the Alliance Director submits (or is required to submit) the proposed publication to the Management Committee under clause 16.3(b)(ii), the publication has been approved by the Management Committee in accordance with this clause 16; and
    - C. if the Alliance Director does not submit (and is not required to submit) the proposed publication to the Management Committee under clause 16.3(b)(ii), 14 days after a copy of the proposed publication has been provided to the other party.

- (b) For clarity, nothing in this clause 16 permits a party to disclose the Confidential Information (other than Project Results) of the other party.

### **16.3 Approval process**

- (a) A party must submit proposed publications of Project Results to the Alliance Director.
- (b) The Alliance Director must within 30 days after receiving a submission under clause 16.3(a):
  - (i) consult with the other party to determine whether it is necessary to remove any Confidential Information from the proposed publication. If it is necessary to remove the other party's Confidential Information from the publication then, the Alliance Director will work with the publishing party to remove the Confidential Information; and
  - (ii) if:
    - A. the Project Order states that the Project Results are confidential; or
    - B. the Alliance Director acting reasonably determines that the publication should not be published without Management Committee approval,submit the proposed publication to the Management Committee once any issues associated with disclosure of Confidential Information have been resolved.
- (c) The Management Committee must at its next meeting review the publication and determine whether to:
  - (i) approve the publication as proposed by the party without amendment;
  - (ii) approve the publication with amendment;
  - (iii) not approve the publication; or
  - (iv) approve the publication subject to the publication being delayed for a period of time (but no longer than 12 months),and will promptly notify the parties of the Management Committee's determination together with reasons for refusal if approval is not given.
- (d) Each party must ensure that its Alliance Representatives act reasonably in making a determination under clause 16.3(c).
- (e) Approval of a publication will be deemed to be granted by the Management Committee 12 months after it is submitted to the Management Committee if the Management Committee does not make a determination under clause 16.3(c).

### **16.4 Acknowledgement of Contributions**

All publications in connection with the Alliance or an Approved Research Project or their outcomes must acknowledge the contribution of each of the parties, unless requested otherwise by a party.

## **16.5 Disclosure for reasons of public health or safety**

- (a) Notwithstanding any other provision of this agreement, CSIRO may disclose Project Results (including Project Results which are Confidential Information, but not other APLNG Confidential Information):
  - (i) to a responsible authority if CSIRO acting reasonably and in good faith, determines that disclosure of the information is necessary to prevent or minimise a potential risk to public health or safety or environmental harm or damage, but only for the purpose and to the extent necessary to prevent or minimise that risk; and
  - (ii) for the purpose and to the extent necessary to respond to a request by its responsible government Minister or by a House of Parliament or a Committee of Parliament.
- (b) Before CSIRO discloses any information in accordance with clause 16.5(a) it must:
  - (i) provide written notice of not less than 2 Business Days to APLNG detailing:
    - A. the information to be disclosed;
    - B. the relevant persons or agencies to whom the information is to be disclosed; and
    - C. the purpose for which the information is to be disclosed;
  - (ii) allow APLNG to make submissions or other representations to the relevant persons or agencies who will receive the information to preserve the confidentiality of the information; and
  - (iii) if applicable, notify the relevant persons or agencies to whom the information is to be disclosed that the information provided is considered commercially sensitive and confidential.

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## **17. Announcement or releases**

- (a) Subject to compliance with the Communications Protocol, nothing in this clause 17 prevents a party (including, in the case of CSIRO, its Ministers and the Prime Minister) making media announcements or releases on its own behalf relating to this agreement, an Approved Research Project or the matters referred to in this agreement. Each party will use its best endeavours to provide reasonable notice of such announcements to the other party prior to making those announcements (including a copy of the proposed announcement).
- (b) A party will not make media announcements or releases on behalf of the Alliance:
  - (i) relating to this agreement and the matters referred to in this agreement; or
  - (ii) in respect to or in connection with any Approved Research Project,without the prior approval of the Management Committee and in accordance with the Communications Protocol.

- (c) For clarity, this clause 17 does not affect the parties' obligations in clauses 15 and 16.

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## **18. Student involvement**

### **18.1 Proposal to involve a Student**

If a party proposes to involve a Student in an Approved Research Project, then it must:

- (a) notify the other party of the proposed Student involvement; and
- (b) consult with the Alliance Director regarding that proposal and obtain consent to proceed with the involvement of that Student.

### **18.2 Student involvement**

If a party involves a Student in an Approved Research Project, then that party acknowledges and agrees that:

- (a) it must ensure that the Student complies with clauses 15 and 16; and
- (b) it will enter into a written agreement with the Student setting out the terms on which the Student is involved in an Approved Research Project, including:
  - (i) assigning ownership of Research Project IP (other than copyright in the Student's thesis) to the party so that it can be dealt with in accordance with this agreement;
  - (ii) a licence of the Student's Intellectual Property (if any) that is sufficient to enable the party to grant the licences required under this agreement in respect of Background IP; and
  - (iii) other terms consistent with this agreement regarding Confidential Information, protection of Research Project IP, publication and announcements and releases.

### **18.3 Publication and examination of the Student's thesis**

- (a) The parties acknowledge that the tertiary institution in which the Student is enrolled is required to examine and publish any thesis submitted by the Student to fulfil the tertiary institution's requirements for the degree in which the Student is enrolled.
- (b) Prior to the submission of the Student's thesis for examination, the party that engages the Student must:
  - (i) notify the Management Committee that the Student's thesis is to be submitted for examination;
  - (ii) provide a copy of the Student's thesis to the Management Committee; and
  - (iii) request permission from the Management Committee to publish the Student's thesis at the conclusion of the examination process.
- (c) Nothing in this agreement will inhibit the right of the Student to have his or her thesis examined but, if requested in writing by the Management Committee within 2 months of receipt of the notice of examination, the party that engaged the Student

must use reasonable endeavours to ensure that the examiners of the thesis sign a confidentiality agreement (in a form approved by the Management Committee) to protect any Confidential Information.

- (d) If the Management Committee reasonably determines that the publication of the Student's thesis should be delayed in order to protect Confidential Information or Research Project IP, the Management Committee may request that the party that engaged the Student place the Student's thesis on restricted access for a period not exceeding 12 months.
- (e) If the Management Committee does not reply to the request under clause 18.3(b)(iii) within 2 months of receiving the request to publish, then the consent to publish will be deemed to have been given and the tertiary institution and the Student may publish the Student's thesis.

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## **19. Insurance**

### **19.1 Insurance policies**

Each party will maintain during the Alliance Term with a reputable insurer:

- (a) professional indemnity insurance of at least \$10 million;
- (b) public liability insurance of at least \$10 million; and
- (c) workers' compensation insurance as required by law.

Each party will maintain the professional indemnity insurance for 3 years after the Alliance Term.

### **19.2 Evidence of insurance**

Each party will provide the other party with certificates of currency of the insurance policies set out in clause 19.1 on request.

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## **20. Liability**

### **20.1 No other representations**

Each party acknowledges that it has not relied on any term, condition, representation, warranty, matter, statement or conduct in entering into this agreement that is not expressly stated in this agreement.

### **20.2 Indemnity for third party infringement claims**

- (a) Each party (**Indemnifying Party**) will indemnify and defend the other party and its Personnel (**Those Indemnified**) from and against all Claims and Losses made against, suffered or incurred by Those Indemnified resulting from:
  - (i) subject to clause 20.2(b), an infringement or alleged infringement of a third party's Intellectual Property arising from an act of Those Indemnified, or a person authorised by Those Indemnified, in relation to Background IP contributed by the Indemnifying Party; or
  - (ii) misappropriation of a third party's trade secret or breach of a third party's confidence arising from the disclosure or use of Confidential Information

of the Indemnifying Party by Those Indemnified in accordance with this agreement.

- (b) If the Background IP contributed by a party (**Contributor**) comprises a patent or is patentable then provided that:
- (i) the Contributor has undertaken freedom to operate searches in relation to that Background IP;
  - (ii) the Contributor has provided the freedom to operate searches to the other party prior to commencing the relevant Approved Research Project; and
  - (iii) the Contributor is required to contribute the Background IP under clause 10.1(a),

the indemnity in clause 20.2(a) applies only if the Contributor knew or reasonably ought to have known on the basis of the searches at the time of contributing the Background IP that it would infringe a third party's Intellectual Property. For the avoidance of doubt, if any of the criteria in paragraph (i), (ii) or (iii) are not met, then the exception in this clause 20.2(b) does not apply.

### **20.3 Use of Background IP and Project Results**

Subject to clause 20.2, each party uses (including Commercialises) any Background IP or Project Results owned by it, licensed or made available to it under this agreement at its own risk.

### **20.4 Consequential Damages**

To the extent permitted by law, except for liability of Those Indemnified to third parties for which Those Indemnified are indemnified under to this agreement, each party and its Personnel are not liable for Consequential Damages even if the party, or its Personnel, are aware of the possibility of those Consequential Damages.

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## **21. Termination**

### **21.1 Termination of Approved Research Projects**

- (a) An Approved Research Project may be terminated by agreement in writing of both parties.
- (b) If an Approved Research Project is terminated under 21.1(a) then any unspent Contributions for that Approved Research Project will be dealt with in accordance with clause 6.2(e).

### **21.2 Termination for convenience**

- (a) A party may at any time give a notice of termination of this agreement to the other party.
- (b) If a party gives a notice under clause 21.2(a), this agreement will continue until all Approved Research Projects are complete and then this agreement will terminate.

### **21.3 Termination for default or insolvency**

A party may terminate this agreement immediately by notifying the other party if:

- (a) the other party is in breach of any of the terms of this agreement and, where the breach is capable of being remedied, has failed to remedy the breach within 30 days after notice by the party; or
- (b) the other party becomes subject to an Event of Insolvency.

For clarity, subject to clause 21.4, termination under this clause 21.3 ends the parties' obligations under this agreement in relation to all Project Orders for Approved Research Projects.

#### **21.4 Effect of termination**

Termination of this agreement will not affect:

- (a) the operation of clauses 10, 11, 12, 14, 15, 16, 17, 18 and 20; and
- (b) any rights or remedies already accrued to either party under, or in respect of any breach of, this agreement.

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### **22. Force majeure**

- (a) If a party is prevented from or delayed in performing an obligation by a Force Majeure Event, and promptly acts to mitigate or remove the Force Majeure Event and its effect, then the obligation is suspended during, but for no longer than, the period the Force Majeure Event continues and any further period that is reasonable in the circumstances.
- (b) If suspension of a party's obligations as a result of a Force Majeure Event continues for a period of not less than 90 days, then notwithstanding any other provision of this agreement, the other party may terminate this agreement in whole or in part by giving 14 days' written notice to party affected by the Force Majeure Event.
- (c) For clarity, subject to clause 21.4, termination of the agreement under clause 22(b) does not affect the parties' obligations to the extent they are not terminated.

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### **23. Audit**

#### **23.1 Audit**

CSIRO will, upon 7 days' notice during normal business hours or as otherwise agreed, permit and provide persons (**Auditors**) nominated by APLNG supervised access to CSIRO's premises, books, records, documents, computer systems, equipment and other property relevant to the performance of this agreement to verify compliance by CSIRO with its obligations under this agreement and its likely capacity to continue to comply with its obligations in the future (**Audit**). An Audit may include:

- (a) security and administration practices and facilities;
- (b) risk management systems;
- (c) business continuity planning;
- (d) legal compliance; and
- (e) quality assurance practices.

## 23.2 Security

In undertaking the Audit, APLNG will ensure that the Auditors comply with reasonable security and confidentiality requirements of CSIRO made known to APLNG.

## 23.3 Co-operation

CSIRO will do things reasonably necessary to facilitate a prompt and efficient Audit.

## 23.4 Copies of materials

The Auditors may make copies of books, records, documents and other materials they have access to as part of an Audit, and CSIRO will provide the Auditors with the necessary facilities to enable them to do so.

## 23.5 Costs of the Audit

APLNG is responsible for costs incurred by it in relation to an Audit unless the Audit reveals material non compliance by CSIRO with CSIRO's obligations under this agreement, in which case CSIRO is liable to APLNG for the costs incurred by APLNG in relation to the Audit.

## 23.6 Other audits

This clause 23 operates separately and in addition to any other audit or inspection clause under this agreement.

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## 24. GST

### 24.1 Interpretation

- (a) Except where the context suggests otherwise, terms used in this clause 24 have the meanings given to those terms by the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
- (b) Any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause 24.
- (c) Unless otherwise expressly stated, all consideration to be provided under this agreement is exclusive of GST. Any consideration that is specified to be inclusive of GST will not be taken into account in calculating the GST payable in relation to a supply for the purpose of this clause 24.

### 24.2 Reimbursements and similar payments

Any payment or reimbursement required to be made under this agreement that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates.

### 24.3 GST payable

- (a) If GST is payable in relation to a supply made under or in connection with this agreement then any party (**Recipient**) that is required to provide consideration to another party (**Supplier**) for that supply will pay an additional amount to the Supplier equal to the amount of that GST at the same time as any other consideration is to be first provided for that supply.



- (b) The Supplier must provide a tax invoice to the Recipient as a precondition of the payment of any GST.

#### **24.4 Variation of GST**

If the GST payable in relation to a supply made under or in connection with this agreement varies from the additional amount paid by the Recipient under clause 24.3 such that:

- (a) a further amount of GST is payable in relation to the supply; or
- (b) a refund or credit of GST is obtained in relation to the supply,

then the Supplier will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this clause 24.4 is deemed to be a payment, credit or refund of the additional amount payable under clause 24.3.

#### **24.5 No merger**

This clause 24 will not merge on expiration or termination of this agreement.

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### **25. Dispute resolution**

#### **25.1 Dispute resolution process**

- (a) Disputes between the parties will adhere to the following procedure prior to the commencement of litigation or other external dispute resolution procedure.
- (b) A party may notify the other party in writing of the occurrence of a dispute and the Management Committee will meet within 10 Business Days of the notice at a mutually convenient time and place or by telephone conference.
- (c) If after 10 Business Days the Management Committee cannot resolve the dispute to their satisfaction as agreed in writing, then either party may give notice of the inability to resolve such dispute to the respective Executives of CSIRO and APLNG. Within 20 Business Days of receipt of the notice, the Executives will meet (at a mutually convenient place or by telephone conference) and attempt to resolve the dispute.
- (d) If after 20 Business Days the Executives have not resolved the dispute to their satisfaction as agreed in writing then either party may proceed in accordance with its remedies at law.
- (e) The parties may agree to escalate the dispute to any level at any time.

#### **25.2 Continuity during dispute**

Notwithstanding the existence of a dispute, each party will continue to perform its obligations under this agreement.

#### **25.3 Alternative dispute resolution**

The parties may agree to adopt an alternative dispute resolution process such as mediation, conciliation or arbitration.

## **25.4 Urgent interlocutory relief**

Nothing in this clause prevents either party from commencing court proceedings relating to any dispute arising from this agreement at any time where that party seeks urgent interlocutory relief.

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## **26. General**

### **26.1 Amendments**

This agreement may only be amended by a document signed by or on behalf of each party.

### **26.2 Assignment**

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior consent of each other party (such consent not to be unreasonably withheld).

### **26.3 Consents, determinations and exercise of rights**

A consent, determination or exercise or right required or allowed under this agreement from a party may be exercised, not exercised, given or withheld, or may be exercised or given subject to conditions, as that party (in its absolute discretion) thinks fit, unless this agreement expressly provides otherwise.

### **26.4 Entire agreement**

To the extent permitted by law, in relation to its subject matter, this agreement:

- (a) embodies the entire understanding of the parties, and constitutes the entire terms agreed by the parties; and
- (b) supersedes any prior written or other agreement of the parties.

### **26.5 Expenses**

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing this agreement.

### **26.6 Further acts and documents**

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

### **26.7 Governing law**

This agreement is governed by and must be construed according to the law applying in Queensland.

### **26.8 Indemnities**

- (a) Each indemnity in this agreement is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this agreement.

- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this agreement.
- (c) A party must pay on demand any amount it must pay under an indemnity in this agreement.

## **26.9 Jurisdiction**

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 26.9(a).

## **26.10 No representation or reliance**

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

## **26.11 Notices**

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) must be in writing;
- (b) must be addressed as indicated in Schedule 1 (or as otherwise notified by that party to each other party from time to time);
- (c) must be signed by the party making it or (on that party's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that party;
- (d) must be delivered by hand or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with clause 26.11(b); and
- (e) is taken to be received by the addressee:
  - (i) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
  - (ii) (in the case of prepaid post sent to an address in another country) on the fifth day after the date of posting by airmail;
  - (iii) (in the case of fax) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the fax machine from which it was sent; and

(iv) (in the case of delivery by hand) on delivery,

but if the communication is taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is posted, sent or delivered).

## **26.12 Rights and remedies**

The rights of a party under this agreement are in addition to any other rights or remedies which that party shall or may be entitled to against the other party at law or equity.

## **26.13 Severance**

If at any time a provision of this agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this agreement; or
- (b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this agreement.

## **26.14 Stamp duties**

APLNG:

- (a) must pay all stamp duties in respect of this agreement; and
- (b) indemnifies CSIRO against any liability arising from failure to comply with clause 26.14(a).

## **26.15 Waiver**

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement.
- (b) A waiver or consent given by a party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

## Schedule 1 - Agreement Details

### 1. Alliance Representatives

<b>APLNG</b>	<b>CSIRO</b>
Ken Horton, EIS and Stakeholder Manager	Bill Young, Director, Water for a Healthy Country Flagship
Rebecca Pickering, Project Manager	

### 2. Executives

<b>APLNG</b>	<b>CSIRO</b>
Mr Paul Zealand, Executive General Manager, Upstream	Andrew Johnson, Group Executive, Environment

### 3. Notices

<b>APLNG</b>	<b>CSIRO</b>
Name: EIS and Stakeholder Manager Address: Level 7, 135 Coronation Drive, Milton QLD 4064 Fax: +61 7 3369 7840 For the attention of: Mr Ken Horton with a copy to: Name: Chief Financial Officer Address: Level 3, 135 Coronation Drive Milton QLD 4064 Fax: +1300 863 446 For the attention of: Mr Mark McCabe	Director, Water for a Healthy Country Flagship, CSIRO Address: Christian Laboratory, Clunies Ross St, Black Mountain ACT 2601 Fax: + 61 2 6246 5800 For the attention of: Mr Bill Young

## **Schedule 2 - Research Project Guidelines**

This Alliance will conduct research that improves and extends knowledge of social and environmental impacts and opportunities of CSG-LNG projects for the benefit of the CSG-LNG industry, the relevant community and the broader public.

Additionally, research projects will be undertaken by the Alliance with the objective of informing government, regulators and policy-makers on key issues regarding policy and the legislative framework for the CSG-LNG industry.

The Alliance will enable APLNG and CSIRO to jointly, and eventually in collaboration with a range of partners, undertake integrated, regional and systems-based research.

This research will address a range of public good impacts of CSG-LNG developments, drawn from evidence based understanding of regional processes and issues to:

- enable regulators, resource developers and the broader community to understand the temporally- and regionally- cumulative impacts of CSG-LNG development;
- ensure that knowledge of resource development impacts and opportunities is made widely available, enabling symmetrical access by all stakeholders;
- enable regulators, resource developers and the broader community to cooperate – or at least discuss on a shared knowledge basis - to identify preferred futures, challenges and opportunities, and activities that meet them;
- enable regulators to develop policies based on a sound understanding of the future impacts of resource development, to provide for a stable regulatory framework that maximises business confidence; and
- undertake public good research that informs best-practice development of future mining activity, particularly in the management of surface and groundwaters, biodiversity, marine environment, agricultural land management and social and economic impacts.

Selected research projects will contribute to meeting these research portfolio aims.

### **Research Focus Areas**

The proposed portfolio of research is designed to address the most pressing environmental and social impacts and opportunities arising from CSG-LNG development.

The first group of research projects within the Alliance will seek to uncover solutions to key challenges related to the following subject areas:

- Water;
- Biodiversity;
- Land management;
- Marine environment; and
- Socio-economic impacts of development.

The selection of research projects in each of these subject areas will be informed by the outcomes of risk assessments performed using Origin's risk matrix (see below). As the project continues to progress, it is anticipated these focus areas will broaden.

Research projects undertaken in each of the subject areas will focus on delivering research outcomes for regional and public good. This is a critical element because the impacts of CSG-LNG development occur and accumulate beyond the boundaries of permits held by any one CSG-LNG developer.

### Origin Risk Matrix

The Origin Risk Matrix ranks projects on the basis of their degree of difficulty and value.

#### *Origin Risk Matrix – Degree of Difficulty*

	A. Time	B. Cost	C. Research linkage	D. Management complexity
<b>Potentially infeasible</b> 6	>10 yrs to outcome	>\$1m no likely leverage	>3 organisations with tiered* research	Separate agreement required to manage effectively
<b>Critical</b> 5	7-10 yrs to outcome	\$1m likely leverages	Three organisations with tiered research	Current governance needs some enhancements to accommodate
<b>Major</b> 4	5-7 yrs to outcome	\$100k-\$1m no likely leverage	Two research organisations with tiered research	Complexity dictates more than one PM required
<b>Serious</b> 3	3-5 yrs to outcome	\$100k - \$1m with likely leverage	Two research organisations involved	Single CSIRO PM <75% of FTE
<b>Moderate</b> 2	1-3 yrs to outcome	<\$100k with no likely leverage	<3 grouped projects in one research organisation	Single CSIRO PM < 50% of FTE
<b>Minor</b> 1	<1 yrs to outcome	<\$100k with likely leverage	Single project	Single CSIRO PM < 20% of FTE

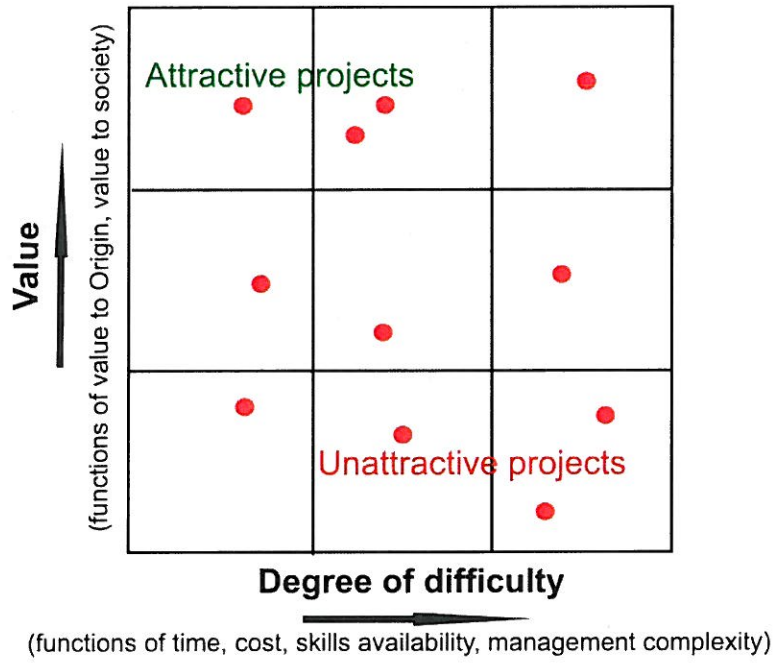
\* Tiering = phased research with later phases dependent on results of earlier phases

To use this chart, degree of difficulty is marked for each of the criteria in columns A to D. The overall difficulty score is equal to either the highest pair of numbers allotted to each of A-D or the second highest number allotted to each of A-D in the event that the highest number does not occur twice. For example: 1,1,2,2 = 2; 1,2,3,4 = 3; 1,2,4,5 = 4; 1,1,5,5 = 5.

#### *Origin Risk Matrix – Value*

1. Minor – contributes to research in niche area
2. Moderate – contributes to research in area of state/national relevance
3. Significant – standalone research outcome in area of state/national relevance
4. Major – standalone applicable outcome in area of state/national relevance or commercially viable at >12% IRR
5. Leadership – applicable outcome; ability to change state/national public policy or commercially viable at >18% IRR
6. Groundbreaking – applicable outcome creates international policy leadership or commercially viable at >25% IRR

*Origin Risk Matrix – Combined Project Risk and Value*





### Schedule 3 - Project Order template

<b>1 Project definition</b>	
1.1	Project area
1.2	Long project title
1.3	Short project title
1.4	Proposed start date
1.5	Proposed end date
1.6	Project leader

<b>2 Scope and objectives</b>	
2.1	Short description of project
2.2	Detailed scope
2.3	Detailed objectives/outcomes
2.4	Deliverables/outputs
2.5	Alignment with Alliance Objectives

<b>3 Project plan</b>				
3.1	Milestones	<b>Milestone #</b>	<b>Description</b>	<b>Due date</b>

<b>4 Project Budget</b>			
4.1	Revenue - internal (Cash Contributions)	<b>Party</b>	<b>Amount</b>
4.2	Revenue - external		
4.3	Expenses		

<b>5 In-kind Contributions</b>					
5.1	In-kind Contributions (other than Background IP)	<b>Party</b>	<b>Description of Contribution</b>	<b>When to be provided</b>	<b>Value</b>
					\$
					\$
					\$
5.2	Revenue - external				
5.3	Expenses				

<b>6 Subcontracting</b>			
6.1	Approved Subcontractors (clause 8.3(a)(i))	<b>Subcontractor</b>	<b>Role</b>

<b>7 Intellectual property and confidentiality</b>					
7.1	Background IP (clause 10.1, 10.2)	<b>Party</b>	<b>Description of Background IP</b>	<b>Restrictions on use (if any)</b>	<b>Value</b>
					\$
					\$
7.2	Ownership of Non-Derivative IP (clause 11.3)	[Either APLNG or CSIRO (not both) should be stated as being the owner of Non-Derivative IP. The agreement does not cater for joint ownership of Non-Derivative IP. Legal advice should be sought if joint ownership is required.]			
7.3	Confidentiality of Project Results (clause 15.6)	The Project Results [are / are not] confidential. [Note - if the Project Results are confidential, then neither party can disclose them without approval of the Management Committee, except in limited circumstances. If the Project Results are not confidential, then either party is free to disclose them.]			
7.4	Additional Commercialisation requirements (clause 12.1)	[Specify any additional requirements that apply to Commercialisation of Research Project IP. Otherwise, insert "Not applicable".]			
7.5	Distribution of Commercialisation Income (clause 12.4)	[Specify any change to the default arrangement for distribution of Commercialisation Income. Otherwise, insert "Not applicable"]			
7.6	Commercialisation Interest (clause 1.1)	<b>Party</b>	<b>Commercialisation Interest</b>		
		APLNG	[Specify each party's interest in Commercialisation Income, eg 50%]		
		CSIRO			

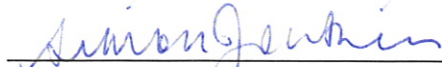


#### **Schedule 4 - Principles for Ownership of Non-Derivative IP**


1. Non-Derivative IP will not be jointly owned but will be assigned to one of the parties.
2. The following considerations will also be taken into account in determining which party should own the Non-Derivative IP:
  - (a) The party that is best placed to manage the Non-Derivative IP to enable effective technology transfer to stakeholders including government, community, coal seam gas industry and other industries (if applicable).
  - (b) Which party is best placed to maintain the Non-Derivative IP and most likely to further develop the Non-Derivative IP.
  - (c) The contributions made by the parties to the creation of the Non-Derivative IP.
  - (d) Whether the Non-Derivative IP is site specific or has general applicability across the industry.
  - (e) The party that owns any Derivative IP associated with the Non-Derivative IP.

**Signed as an agreement.**

**Signed** for and on behalf of **Australia Pacific LNG Pty Limited** by its duly authorised representative in the presence of:

  
\_\_\_\_\_  
Signature of witness

SIMON JENKINS  
\_\_\_\_\_  
Full name of witness

  
\_\_\_\_\_  
Signature of authorised representative

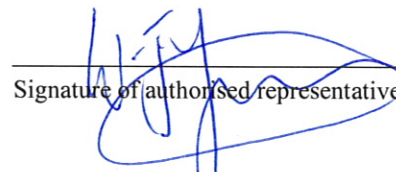
Page Maxson, Project Director  
\_\_\_\_\_  
Full name and position of authorised representative

9 May 2011  
\_\_\_\_\_  
Date

**Signed** for and on behalf of **Commonwealth Scientific and Industrial Research Organisation** by its duly authorised representative in the presence of:

  
\_\_\_\_\_  
Signature of witness

SALLY WILSON  
\_\_\_\_\_  
Full name of witness

  
\_\_\_\_\_  
Signature of authorised representative

BILL YOUNG, DIRECTOR, WATER FOR A HEALTHY COUNTRY FLAGSHIP  
\_\_\_\_\_  
Full name and position of authorised representative

11/5/11  
\_\_\_\_\_  
Date