

**Form 604**Corporations Act 2001  
Section 671B**Notice of change of interests of substantial holder**To Company Name/Scheme Webster Limited ("**Webster**")

ACN/ARSN ACN 009 476 000

**1. Details of substantial holder (1)**

Name

Australian Food & Fibre Limited (ACN 077 983 370) ("**AFF**"), the subsidiaries of AFF from time to time, Dr David William Robinson, David Edward Robinson, Tasman Super Pty Ltd (ACN 131 280 889) as trustee for Robinson Family Superfund ("**Tasman Super**"), David Robinson Investments Pty Ltd (ACN 010 012 076) as trustee for David Robinson Farming Trust ("**David Robinson Investments**"), Biskra Pty Ltd (ACN 072 174 273) ("**Biskra**"), and the shareholders of AFF from time to time (currently being those persons named in Annexure A),

(collectively the "**Substantial Holders**").

ACN/ARSN (if applicable)

There was a change in the interests of the  
substantial holder on

03/03/2015

The previous notice was given to the company on

19/12/2014

The previous notice was dated

19/12/2014

**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares in Webster Limited (" <b>Webster Shares</b> ")	17,483,093	11.25% (rounded to 2 decimal places; based on 155,463,093 Webster Shares on issue)	54,621,511	35.13% (rounded to 2 decimal places; based on 155,463,093 Webster Shares on issue)

**NOTE:** None of the Substantial Holders has acquired any relevant interest in additional Webster Shares since the previous Form 603 notice dated 19/12/2014. The Substantial Holders' increased voting power in Webster may be deemed to arise from the establishment of an associate relationship with persons who in aggregate have a relevant interest in 37,138,418 Webster Shares. None of the Substantial Holders has a relevant interest in those 37,138,418 Webster Shares. See section 5 of this form.

**3. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
N/A	N/A	N/A	N/A	N/A	N/A

#### 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
The Substantial Holders	<ul style="list-style-type: none"><li>AFF: 14,563,107 Webster Shares</li><li>Tasman Super: 1,946,613 Webster Shares</li><li>David Robinson Investments atf Robinson Family Trust: 485,437 Webster Shares</li><li>Biskra: 242,718 Webster Shares</li><li>Dr David William Robinson: 2,500 Webster Shares</li><li>David Edward Robinson: 242,718 Webster Shares</li></ul>	Each registered holder	Each Substantial Holder has (by virtue of a registered holding or deemed relevant interest under s608(3) of the Corporations Act 2001 (Cth)) a relevant interest in the 17,483,093 Webster Shares held in the names of various Substantial Holders, or is associated with the other Substantial Holders who hold or have a relevant interest in the 17,483,093 Webster Shares.	17,483,093 Webster Shares	17,483,093

#### 5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:


Name and ACN/ARSN (if applicable)	Nature of association
<p>Belfort Investment Advisers Limited ("<b>Belfort</b>") and Christopher Darcy Corrigan ("<b>Corrigan</b>") (who in aggregate have a relevant interest in 23,838,637 Webster Shares)</p> <p>Verolot Limited ("<b>Verolot</b>") (who has a relevant interest in 13,299,781 Webster Shares)</p>	<p>AFF, Belfort, Verolot and Webster are parties to a Share Purchase Agreement dated 3 March 2015 ("<b>SPA</b>") (copy attached as Annexure B) pursuant to which each of AFF, Belfort and Verolot agrees to sell their respective shares in Bengenang Limited and Webster agrees to buy those shares on the terms set out in the SPA.</p> <p>The entry into the SPA may be considered to have resulted in the establishment of an association between AFF, Belfort (and Corrigan, who is associated with Belfort) and Verolot in relation to Webster pursuant to section 12 of the Corporations Act 2001 (Cth). The associate relationship that may have been created by entry into the SPA will cease upon 'Completion' under, and as defined in, the SPA.</p> <p>If there is such an association, the voting power of AFF (and, for completeness, each other Substantial Shareholder) in Webster will have increased by reference to the aggregate number of Webster Shares in which Belfort, Corrigan and Verolot have a relevant interest in. None of AFF or any other Substantial Holder has a relevant interest in any of those Webster Shares.</p>

#### 6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
The Substantial Holders	c/- Australian Food & Fibre Limited, Suite 3, 50 Auburn Street, Moree NSW 2400
Belfort and Corrigan	c/- Third Floor, RG Hodge Plaza Road Town, Tortola, British Virgin Islands
Verolot	c/- HSBC House, Esplanade, St Helier, Jersey JE1 1GT

#### Signature


print name	Dr David William Robinson	capacity	Signing on his own behalf and on behalf of the other Substantial Holders
sign here		date	05/03/2015

## DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

## Annexure A

This is Annexure "A" of 1 page referred to in the accompanying Form 604.


print name	Dr David William Robinson	capacity	Signing on his own behalf and on behalf of the other Substantial Holders
sign here		date	05/03/2015

### Current shareholders of AFF

DR DAVID WILLIAM ROBINSON  
MRS DENISE KATHERINE ROBINSON  
DAVID ROBINSON INVESTMENTS PTY LTD ATF ROBINSON FAMILY TRUST  
ROBINSON FAMILY SUPERFUND  
MR MICHAEL WILLIAM LANIGAN  
DR JOHN HUMPHREY MORRIS  
MRS JOSEPHINE ANNE MORRIS  
MRS PAMELA IRIS LANIGAN  
M LANIGAN SUPERANNUATION PTY. LTD  
FABINSHIRE PTY LTD  
MR TIMOTHY LOUGHNAN ROBINSON  
SAMANTHA KATHERINE TAYLOR  
CHRISTOPHER MARK TAYLOR  
JOHN JOSEPH ROBINSON  
KATE MARY ROBINSON  
MR DAVID EDWARD ROBINSON  
SARAH ROBINSON  
BISKRA PTY LIMITED  
VARIS PTY LIMITED ATF ORNELLI SUPERFUND

**Annexure B**

**This is Annexure "B" of 78 pages referred to in the accompanying Form 604.**

print name	Dr David William Robinson	capacity	Signing on his own behalf and on behalf of the other Substantial Holders
sign here		date	05/03/2015



## **Share Purchase Agreement**

### **Webster Limited**

(ACN 009 476 000)

### **Australian Food & Fibre Limited**

(ACN 077 983 370)

### **Belfort Investment Advisers Limited**

### **Verolot Limited**

#### **Watson Mangioni Lawyers Pty Limited**

Corporate and Commercial Lawyers

Level 13, 50 Carrington Street

SYDNEY NSW 2000

Tel: (02) 9262 6666

Fax: (02) 9262 2626

Email: [mail@wmlaw.com.au](mailto:mail@wmlaw.com.au)

Ref: PAV 214 4643

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**This Share Sale Agreement** is made on **3rd MARCH**

**February 2015**

## **Parties:**

1. **Webster Limited (ACN 009 476 000)** of 349 Forth Road, Davenport Tasmania 7310 (**Buyer**).
2. **Australian Food & Fibre Limited (ACN 077 983 370)** of Suite 3, 50 Auburn Street, Moree New South Wales 2400 (**AFF**)
3. **Belfort Investment Advisers Limited** of Third Floor, RG Hodge Plaza Road Town, Tortola, British Virgin Islands (**Belfort**).
4. **Verolot Limited** of HSBC House, Esplanade, St Helier, Jersey JE1 1GT (**Verolot**),  
(each a **Seller** and, together, the **Sellers**).

## **Recitals:**

- A. The Sellers are the legal and beneficial owner of the Shares.
- B. Each Seller agrees to sell and the Buyer agrees to buy the Shares on the terms and conditions set out in this Agreement.

## **1. Definitions and Interpretation**

### **1.1. Definitions**

In this Agreement:

**Accounting Standards** means:

- (a) the accounting standards required under the Corporations Act;
- (b) if no accounting standard applies under the Corporations Act in relation to an accounting practice, the standards acceptable to the Australian Accounting Standards Board, including:
  - (i) Statements of Accounting Concepts;
  - (ii) Australian Accounting Concepts;
  - (iii) Urgent Issues Group Consensus Views; and
  - (iv) Accounting Interpretations; and
- (c) if no accounting standard applies under paragraph (a) or (b) in relation to an accounting practice, generally accepted Australian accounting standards and practices.

**Accounts** means:

- (a) the audited consolidated statement of financial position of the Group as at the Accounts Date; and
- (b) the audited consolidated statement of financial performance of the Group for the year ended on the Accounts Date.

**Accounts Date** means 30 June 2014.

**Accretions** means all accretions, rights or benefits of whatever kind attaching to or arising from shares directly or indirectly including all Distributions and all rights to receive any Distributions or to receive or subscribe for shares, notes, bonds, options or other securities.

**Acquisition** means the transactions contemplated by this Agreement including the sale and purchase of the Shares and the issue of the Acquisition Shares to the Sellers.



**Acquisition Information** means all information released publicly to shareholders of Buyer in relation to the Acquisition.

**Acquisition Shares** means the Buyer Shares referred to in Clause 4.1.

**Additional Water Entitlements** means the Water Entitlements described in Part 2 of Schedule 10.

**Announcement** has the meaning given in Clause 15.1(a).

**Applicable Law** means any statute, regulation, by-law, ordinance or other determination of any Government Agency with the force of law in any jurisdiction in which a Party or a member of the Group carries on business or in which it is incorporated.

**ASIC** means the Australian Securities and Investments Commission.

**Assessment** means:

- (a) any assessment, reassessment, amended assessment, default assessment, penalty or fine; and
- (b) any demand or other document imposing, asserting or indicating an intention to assert any liability,

from a Taxation Authority in respect of Tax of a Group Company or of the Buyer in relation to a Group Company.

**Asset Lease** means a lease, hire purchase agreement, conditional purchase agreement or other hiring arrangements for assets used in the Business identified in Schedule 5 and any lease, agreement or arrangement entered into by a Group Company between the date of this Agreement and the Calculation Time but excludes a Property Lease.

**ASX** means the Australian Stock Exchange Limited.

**Authorisation** includes:

- (a) any consent, registration, filing, agreement, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Government Agency; and
- (b) any consent or authorisation regarded as given by a Government Agency due to the expiration of the period specified by a statute within which the Government Agency should have acted if it wished to prescribe or limit anything already lodged, registered or notified under that statute.

**Business** means irrigated and dry land farming and property investment and management business carried on by the Group.

**Business Assets** means the following assets situated in New South Wales owned by the Group and used exclusively in the Business:

- (a) the Asset Leases;
- (b) the Authorisations;
- (c) the Business Names;
- (d) the Business Records;
- (e) the Company Intellectual Property Rights;
- (f) the Contracts;
- (g) the Goodwill;
- (h) the Licensed Intellectual Property Rights;
- (i) the Plant and Equipment;

- (j) the Properties;
- (k) the Property Leases;
- (l) the Receivables;
- (m) the Stock;
- (n) the Water Entitlements; and
- (o) any other assets used exclusively for the purpose of carrying on the Business.

**Business Names** means the registered and unregistered business names and domain names, trade names, logos and trademarks used in respect of the Business set out in Part 1 of Schedule 6.

**Business Records** means:

- (a) records required to be maintained by a Group Company under Applicable Law including registers of members and minutes of meetings of directors and shareholders;
- (b) accounting records relating to the Business including monthly management accounts and other books and records used to compile the Accounts;
- (c) customer lists;
- (d) supplier lists;
- (e) records of Asset Leases, Contracts and Property Leases;
- (f) records of Receivables; and
- (g) records of Employees and their Employment Benefits.

**Buyer Regulated Event** means the occurrence of any of the following events (other than as required to be undertaken or procured by the Buyer pursuant to, or otherwise as contemplated by, this Agreement or as agreed to in writing by the Sellers):

- (a) Buyer converts all or any of its securities into a larger or smaller number of securities;
- (b) Buyer reduces, or resolves to reduce, its capital in any way;
- (c) Buyer:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Buyer issues securities, or grants an option over or to subscribe for its securities, or agrees to make such an issue or grant such an option other than in respect of the Tandou Transaction;
- (e) Buyer issues, or agrees to issue, convertible notes or any other security or instrument convertible into shares;
- (f) Buyer issues, or agrees to issue, or grants an option to subscribe for, debentures (as defined in section 9 of the Corporations Act);
- (g) Buyer agrees to pay, declares, pays or makes, or incurs a liability to pay or make, a dividend or any other form of distribution of profits or capital, other than the Permitted Distribution;
- (h) Buyer resolves that it be wound up or an application or order is made for the winding up or dissolution of Buyer or any of its material Subsidiaries other than where the application or order (as the case may be) is set aside within 14 days;
- (i) a liquidator or provisional liquidator of Buyer or any of its material Subsidiaries is appointed;
- (j) a court makes an order for the winding up of Buyer or any of its material Subsidiaries;

- (k) an administrator of Buyer or of any of its material Subsidiaries is appointed under the Corporations Act;
- (l) Buyer ceases, or threatens to cease, to carry on business;
- (m) Buyer executes a deed of company arrangement;
- (n) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Buyer or any of its material Subsidiaries;
- (o) Buyer is deregistered as a company or otherwise dissolved; or
- (p) Buyer is or becomes unable to pay its debts when they fall due.

**Buyer Shares** means ordinary shares in the capital of the Buyer.

**Buyer Warranties** means the warranties given by the Buyer in Schedule 2.

**Calculation Time** means the time on the Completion Date at which Completion occurs or at any other time and date that the Buyer and Sellers agree.

**Claim** means any claim or cause of action including:

- (a) in contract (including breach of warranty);
- (b) in tort (including misrepresentation or negligence); or
- (c) under statute (including Clause V or Clause VI of the Trade Practices Act, 1974 (Cth) or Clause V or Clause VI of the Fair Trading Act, 1987 NSW),

in respect of this Agreement, the Shares, the Business Assets or the Business.

**Company** means Bengerang Limited (ACN 127 984 123).

**Company Intellectual Property Rights** means the Intellectual Property Rights identified in Part 2 of Schedule 6.

**Completion** means completion of the sale and purchase of the Shares under Clause 7.

**Completion Date** means the date on which Completion occurs under Clause 7.1.

**Condition** means a condition precedent set out in Clause 2.1.

**Confidential Information** means all trade secrets and all financial, marketing and technical information, ideas, concepts, know-how, processes and knowledge which is confidential or of a sensitive nature, but excludes that which is in the public domain.

**Confidentiality Agreement** means the confidentiality agreement between the Buyer and the Sellers.

**Consideration** means the consideration to be provided for the Shares under Clause 4.

**Contract** means an agreement in respect of the Business to which a Group Company is a party and which is, in whole or in part, executory as at the Calculation Time but excludes:

- (a) an Asset Lease; and
- (b) a Property Lease.

**Control** has the meaning given in Section 50AA of the Corporations Act.

**Controlled Entity** means an entity under the Control of another entity.

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

**Darling Farms Agreements** has the meaning given in Schedule 8.

**Darling Farms Assets** means the assets the subject of the Darling Farms Agreements.

**Distribution** means:

- (a) a dividend (which includes an issue of shares in lieu of a cash dividend and credited as fully or partly paid out of profits or reserves);
- (b) any other distribution (which includes a capital distribution, a cash distribution, a distribution of property or rights or any other benefit whatsoever),

given or made available to any holder of securities in its capacity as such by any other person and made, paid or credited in respect of any securities.

**Dollars, A\$ and \$** means the lawful currency of the Commonwealth of Australia.

**Due Diligence Materials** means the material (including the Business Records) made available by the Company, the Sellers or any officer, employee, agent of or consultant to any of them to the Buyer in relation to the Business prior to the date of this Agreement identified in the index which is set out in Schedule 12.

**Duty** means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes, any interest, fine, penalty, charge or other amount imposed in respect of the above but excludes any Tax.

**Employee** means an employee of a Group Company listed in Schedule 7 and any person who becomes an employee of a Group Company between the date of this Agreement and Completion.

**Employment Benefits** means all wages, salary, remuneration, commission, bonuses, Leave Benefits, rostered days off, compensation and other benefits payable or due to an Employee.

**Environmental Law** means any law, whether statute or common law, concerning environmental matters and includes, any law concerning land use, development, pollution, waste disposal, toxic and hazardous substances, conservation of natural or cultural resources and resource allocation.

**Environmental Liability** means any obligation, expense, penalty or fine under any Environmental Law which would or could be imposed upon a Group Company or any occupier of the Properties as a result of activities carried on during the ownership or occupation of the Properties by a Group Company.

**Environmental Permit** means any permit, licence, consent, exemption or Authorisation necessary under any Environmental Law in relation to the conduct of the Business at the Properties.

**Excluded Records** means any Business Record which Applicable Law requires the Sellers to retain after Completion.

**Existing Management Agreement** means the existing management agreement between the Company and AFF dated 8 January 2014.

**Extended Term Warranty** means a Warranty set out in Clauses 1, 2, 3, 4, 5 or 24 of Schedule 1.

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

**Goodwill** means the goodwill of the Group relating exclusively to the Business including the right for the Group to represent itself as carrying on the Business.

**Government Agency** means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.

**Group** means the Company and its Controlled Entities.

**Group Company** means a member of the Group.

**GST:**

- (a) has the same meaning as in the GST Law;
- (b) includes any other goods and services tax or any Tax applying to this Agreement in a similar way; and
- (c) includes any additional tax, penalty tax, fine, interest or other charge under a law for such a tax.

**GST Law** has the meaning given to that term in Section 195–1 of the A New Tax System (Goods and Services Tax) Act 1999 (as amended).

**Guarantee** means:

- (a) any obligation to:
  - (i) provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise);
  - (ii) indemnify or compensate any person; or
  - (iii) otherwise be responsible,
 for, or in relation to, the payment or discharge of any debt or monetary liability of another person or any default in the performance of any obligation; and
- (b) any obligation to assume, perform or otherwise be responsible for any obligation of another person.

**Increased Tax Payable** means any Tax Liability relating to a period ending on or before Completion beyond the amount of Tax already paid by a Group Company in relation to that period.

**Independent Expert** means Pitcher Partners Corporate Finance (Vic) Pty Limited, engaged by the Buyer to express an opinion on whether the Acquisition is fair and reasonable from the perspective of non-associated shareholders.

**Independent Expert's Report** means the report from the Independent Expert commissioned by the Buyer for inclusion in the notice of meeting and explanatory statement for the Meeting.

**Intellectual Property Rights** includes both in Australia and throughout the world and for the duration of the rights:

- (a) any patents, utility models, copyrights, registered or unregistered trade marks or service marks, trade names, brand names, indications of source or appellations of origin, eligible layout rights, plant variety rights, registered designs and commercial names and designations;
- (b) any invention, discovery, trade secret, know-how, computer software and confidential, scientific, technical and product information;
- (c) any other rights resulting from intellectual activity in the industrial, scientific, literary and artistic fields whether industrial, commercial, agricultural or extractive and whether dealing with manufactured or natural products; and
- (d) any letters patent, deed of grant, certificate or document of title for any thing referred to in paragraphs (a), (b) or (c) of this definition and any medium in which any thing referred to in those paragraphs is stored or embodied.

**Interest Rate** means, in respect of a given date, the rate percent per annum which is described as "Average Mid Rate" and appears on the page entitled "BBSW" on the Reuters Monitor System at 10.00 am (Eastern Standard Time) on that date for a bank accepted bill of exchange having a term of 30 days.

**Key Contracts** means the contracts described in Schedule 8.

**Leased Plant and Equipment** means the plant, equipment, machinery, tools, furniture, fittings and motor vehicles leased or hired under the Asset Leases.

**Leave Benefits** means:

- (a) annual leave and leave loading; and
- (b) long service leave.

**Licensed Intellectual Property Rights** means the licences of Intellectual Property Rights identified in Part 3 of Schedule 6.

**Loss** means any loss, including any damage, claim, action, liability, cost, expense, charge, penalty, outgoing or payment and legal costs and expenses on a full indemnity basis.

**Material Contract** means:

- (a) a Key Contract; and
- (b) a Contract which imposes on a Group Company an obligation to:
  - (i) pay more than \$150,000 in any 12 month period; or
  - (ii) which is for a fixed term of more than 12 months.

**Medgun Agreement** has the meaning given to it in Clause 5.5.

**Medgun Assets** means the assets the subject of the Medgun Option.

**Medgun Option** means the deed of put and call option with respect to the property known as "Medgun", Garah, NSW Folio Identifier 101/1130219 and Auto Consol 13845-40 and Water Access Licences WAL 429, WAL 430, WAL 9036 & WAL 9037 between Ian Gordon Smith, Marilyn Kay Smith and AFF dated 4 September 2013 as novated to the Company on 26 November 2013 and varied by a deed of variation of put and call option.

**Meeting** means the meeting of shareholders of the Buyer referred to in Clause 2.1(a).

**NAB** means National Australia Bank Limited (ABN 12 004 044 937).

**NAB Facility** means the Company's banking facilities with NAB as set out in the corporate letter of offer dated 13 December 2013, as varied by a corporate letter of offer – letter of variation dated 6 June 2014.

**New Investors** means:

- (a) Eagle Securities Limited;
- (b) Kaplan Equity Limited (ACN 162 335 864).

**New Management Agreement** means the management agreement between the Buyer and AFF in the form agreed and initialled by the Parties prior to the date of this Agreement.

**Officer** means, in relation to a body corporate, a director or secretary of that body corporate.

**Payment Date** means, in relation to a payment of Tax that is required to be made by the Buyer or the Company, the Business Day that is 5 Business Days before the latest practical time at which the payment may be made without the Buyer or the Group Company incurring a liability to pay any penalty or interest or suffering any loss.

**Permitted Distribution** means the declaration by the Buyer of:

- (a) the dividend in respect of the half-year ended 31 December 2014 in respect of preference shares in the Buyer on issue on the date of this Agreement; and
- (b) the dividend in respect of the financial year ending 30 June 2015.

**Plant and Equipment** means the plant, equipment, machinery, tools, furniture, fittings and motor vehicles owned by the Group listed in Schedule 7 and any item described in this definition acquired by the Company between the date of this Agreement and the Calculation Time which is used exclusively for the carrying on of the Business, but excludes any assets leased or hired under the Asset Leases.

**Power** means any right, power, authority, discretion or remedy conferred on a Party by this Agreement or any applicable law.

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

**PPS Law** means:

- (a) the PPSA and any regulation made at any time under the PPSA, including the PPS Regulations (each as amended from time to time); and
- (a) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

**PPS Regulations** means the *Personal Property Securities Regulations 2010* (Cth).

**Pre-Completion Share Issue** means the issue of the Pre-Completion Shares in accordance with Clause 5.9.

**Pre-Completion Shares** means the fully paid ordinary shares in the Company to be issued on or before the Calculation Time in accordance with Clause 5.8.

**Pro Forma Balance Sheet** means the pro forma balance sheet for the Group, set out in Schedule 4.

**Pro Forma Balance Sheet Date** means 31 December 2014.

**Property** means the real property in New South Wales at which the Business is conducted listed in Part 1 of Schedule 9.

**Property Leases** means the leases of the real property in New South Wales at which the Business is carried on listed in Part 2 of Schedule 9.

**Receivables** means the trade debts acquired by any Group Company in carrying on the Business and owed to that Group Company at the Calculation Time.

**Related Corporation** means a "related body corporate" as that expression is defined in the Corporations Act (on the basis that the term "subsidiary" in that definition has the same meaning as in this Agreement) and includes a body corporate which is at any time after the date of this Agreement a "related body corporate" but ceases to be a "related body corporate" because of an amendment, consolidation or replacement of the Corporations Act.

**Related Entity** has the meaning given in section 9 of the Corporations Act.

**Restricted Payment** means any of the following:

- (a) pay any dividend or undertake any other distribution;
- (b) undertake any reduction of its share capital, share buy-back, or any restructure of its capital;
- (c) any payment by a Group Company to any Seller or the incurrence of any indebtedness or other obligation by a Group Company to any Seller, except to the extent that the payment is made, or indebtedness is incurred:
  - (i) in the ordinary course under arrangements in place as at the date of this Agreement;
  - (ii) the payment or indebtedness is provided for, or was taken into account in the preparation of, the Pro Forma Balance Sheet;
- (d) any cancellation or forgiveness (or agreement to cancel or forgive) any indebtedness for money owed to any Group Company, or waiver of any claim or right;

- (e) any arrangement entered into prior to Completion which results in a payment of the type referred to in paragraphs (a) to (d) after Completion.

but excluding any payment contemplated in, or made under or in connection with:

- (f) this Agreement;
- (g) the Due Diligence Materials, including the Existing Management Agreement; and
- (h) any matter specifically approved in writing by the Buyer.

**Security Interest** means any:

- (a) "security interest" as defined in the PPS Law;
- (b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements);
- (c) a profit-à-prendre with respect to Stock; and
- (d) a thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset,

and includes any agreement to create any of them or allow them to exist.

**Sellers' Representative** means AFF.

**Shareholder's Agreement** means the shareholders agreement in relation to the Company between AFF, Belfort, Verolot and the Company dated on or about January 2014.

**Shares** means:

- (a) 54,540,000 fully paid ordinary shares in the Company;
- (b) the Pre-Completion Shares;
- (c) all shares in the capital of a Group Company in which the Sellers acquire a legal or beneficial interest between the date of this Agreement and Completion; and
- (d) all Accretions to the securities referred to in (a) and (b).

**Stock** means the stock of the Business as at the Calculation Time and includes raw materials, consumables, stored crop, crop-in-ground, work-in-progress, packaging materials and spare parts.

**Subsidiary** has the meaning given to that expression in the Corporations Act.

**Tandou Transaction** means the proposed off-market takeover bid for all of the issued share capital of Tandou Limited (ACN 001 014 562) with consideration of one Buyer Share for every 2.25 fully paid ordinary shares in Tandou Limited

**Tax** means any tax, goods and services tax (including GST), levy, charge, impost, duty, fee, assessment, contribution, deduction, compulsory loan or withholding, which is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above but excludes Duty.

**Tax Law** means any law relating to either Tax or Duty as the context requires including without limitation the Income Tax Assessment Act 1936 (Cth), the Australian Tax Act, 1997 (Cth) and the GST Act.

**Tax Liability** means any amounts payable by either or both of the Buyer or a Group Company in respect of any Assessment and also includes any amount that would have been payable had it not been satisfied by the use or application of any tax reliefs, losses or credits that existed in respect of that Group Company or the Buyer as at or after Completion.



**Taxation Authority** means any Government Agency which raises, levies or assesses any Tax.

**Warranties** means the warranties set out in Schedule 1.

**Water Entitlements** means all water access licences and allocations issued under the *Water Management Act 2000* (NSW) held by the vendor and used and enjoyed with the Properties or the Business.

## 1.2. Interpretation

In this Agreement, headings and boldings are for convenience only and do not affect the interpretation of this Agreement and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Agreement have a corresponding meaning;
- (d) any expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency;
- (e) a reference to any thing (including any right) includes a part of that thing;
- (f) a reference to a Part, Clause, Party, or Schedule is a reference to a part and clause of, and a party, or schedule to this Agreement and a reference to this Agreement includes any Schedule;
- (g) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (i) **a reference to a party to a document includes that party's successors and permitted assigns;**
- (j) no provision of this Agreement will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this Agreement or that provision;
- (k) a reference to an agreement other than this Agreement includes an undertaking, deed, Agreement or legally enforceable arrangement or understanding whether or not in writing;
- (l) a reference to an asset includes all property of any nature, including, a business, and all rights, revenues and benefits;
- (m) a reference to a document includes any Agreement in writing, or any certificate, notice, instrument or other document of any kind;
- (n) a reference to time is a reference to Sydney time;
- (o) if an act prescribed under this Agreement to be done by a Party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day;
- (p) if an event must occur on or by a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day; and
- (q) **a reference to "the best of the knowledge of the Seller" or "so far as the Seller is aware" means "to the best of the knowledge, information and belief of the Sellers, the relevant Group Company or a director of that entity after having made all reasonable enquiries of the Officers of the Seller or a Group Company".**

### 1.3. Inclusive expressions

Specifying anything in this Agreement after the words **include** or **for example** or similar expressions does not limit what else is included unless there is express wording to the contrary.

### 1.4. Accounting Standards

Any accounting practice or concept relevant to this Agreement is to be construed or determined in accordance with the Accounting Standards.

### 1.5. Changes in Accounting Standards

- (a) The Parties acknowledge that changes in Accounting Standards after the date of this Agreement may make the operation of a defined term in Clause 1.1 or another Clause in this Agreement that refers to Accounting Standards, inappropriate.
- (b) If a Party considers that this has occurred and they notify the other Parties of that effect (**Notification Date**), the Parties must negotiate with each other in good faith to attempt to agree to appropriate amendments to the affected clause or definition. If the Parties fail to agree on the appropriate amendments to the affected clause or definition within 20 Business Days of the Notification Date, then any references to Accounting Standards in this Agreement will be deemed to be a reference to Accounting Standards as at the date of this Agreement.

### 1.6. Capacity of the Sellers

- (a) Each Seller shall only have liabilities (including in relation to payment) under or in relation to a breach of this Agreement:
  - (i) that are proportional to the number of Shares held by that Seller; and
  - (ii) on a several basis.
- (b) Each Seller acknowledges and agrees:
  - (i) other than as set out in this Agreement, it is acting independently of each other Seller in relation to the affairs of the Buyer;
  - (ii) other than this Agreement, there is no agreement, arrangement or understanding of any kind between the Sellers regarding the Buyer or the Buyer Shares; and
  - (iii) it is free to dispose of its holding of Buyer shares as it wishes and it is not subject to any agreement, arrangement or understanding in relation to the voting of its holding of Buyer Shares.

## 2. Conditions Precedent for Completion

### 2.1. Conditions precedent

Completion of this Agreement will not proceed unless and until each of the following conditions precedent have been satisfied or waived:

#### Conditions for the benefit of the Buyer and the Sellers

- (a) **Buyer shareholder approval:** shareholders of the Buyer in general meeting approve the Acquisition for all purposes including for the purposes of Listing Rules 7.1, 10.1, 10.11 and 11.1 and under the Corporations Act in relation to the issue of Acquisition Shares to AFF;
- (b) **Foreign Investment Review Board approval:** any of the following occurs:
  - (i) a notice in writing is issued by or on behalf of the Treasurer of the Commonwealth of Australia stating that the Commonwealth Government:
    - (A) (**approval**) gives (either themselves or by their delegate) an approval under the FATA to the proposed Acquisition, including the acquisition of the

Acquisition Shares by each of Belfort and Verolot, and that approval is not subject to conditions or is subject only to conditions that (x) if imposed on the Sellers in respect of the transfer of the Shares, the Sellers reasonably consider to be acceptable; and/or (y) if imposed on the Buyer, the Buyer reasonably considers to be acceptable;

- (B) **(no objection)** provides (either themselves or by their delegate) written advice or confirmation that there is no objection to the proposed Acquisition, including the acquisition of the Acquisition Shares by each of Belfort and Verolot, under the FATA or the foreign investment policy of the Australian Government, either unconditionally or, if subject to conditions, then if the conditions are (x) imposed on the Sellers in respect of the transfer of the Shares, the Sellers reasonably consider to be acceptable; and/or (y) imposed on the Buyer, the Buyer reasonably considers to be acceptable.
- (ii) the Treasurer of the Commonwealth of Australia is or becomes precluded from making an order in respect of the acquisition of the Shares, including the acquisition of the Acquisition Shares by each of Belfort and Verolot, under the FATA; or
- (iii) Completion in accordance with the terms of this Agreement is not otherwise prohibited by the terms of FATA or any other Applicable Law regulating foreign investment in Australia;
- (c) **No restraints:** neither the Buyer nor any Seller is subject to any judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Government Agency of competent jurisdiction, which remains in effect that prohibits, materially restricts, makes illegal or restrains the completion of the Acquisition;
- (d) **Assumption of debt:** the Sellers, the Buyer, the New Investors and the relevant creditors executing, and effecting the novation under (subject only to the Sellers and the Company complying with their obligations under Clause 5.9(a)(ii) and 5.9(a)(iii)), a deed of novation under which the New Investors assume the obligations of the:
  - (i) Sellers and the Company to pay the outstanding consideration in respect of the Darling Farms Assets and any and all other amounts due and payable in respect of those assets;
  - (ii) Sellers and the Company under the Medgun Agreement to pay the outstanding consideration in respect of the Medgun Assets and any and all other amounts due and payable in respect of such asset; and
  - (iii) Sellers' other liabilities in an amount equal to the difference between \$40 million and the aggregate liability assumed by the Sellers and the New Investors under Clauses 2.1(d)(i) and 2.1(d)(ii),

in each case on terms under which the Company and the Sellers are fully released by the relevant creditors from any obligation to pay those amounts in any circumstances and other terms acceptable to the Buyer acting reasonably;

#### **Conditions for the benefit of Buyer only**

- (e) **Pre-Completion Share Issue:** the Company completes the Pre-Completion Share Issue in accordance with Clause 5.9 and the consideration for that issue has been provided to the Company in accordance with Clause 5.9;
- (f) **NAB Consent:** the Buyer has received a certified copy of consent from NAB required under the NAB Facility to the acquisition of the Shares by the Buyer and the change of control of the Company or any other member of the Group resulting from that acquisition of the Shares, which is unconditional or subject only to conditions reasonably acceptable to the Buyer and that consent has not been withdrawn prior to Completion;

- (g) **Key Contracts:** each of the Key Contracts has been completed in accordance with its terms or remains in full force and effect as at Completion, there is no unremedied breach of a Key Contract and, as at Completion the Buyer is satisfied, acting reasonably, that completion of the acquisition of land and water entitlements the subject of the Key Contracts (where relevant) is likely to take place in accordance with its terms;
- (h) **Medgun Agreement:** the Medgun Agreement is executed prior to Completion and the Buyer has notified the Sellers' Representative that the terms of that agreement are acceptable to the Buyer, acting reasonably;
- (i) **No material adverse change:** there has been no material adverse change affecting the Group or the financial or trading position or prospects of the Group since the date of this Agreement;
- (j) **Termination of Existing Management Agreement:** the Existing Management Agreement is terminated with effect from no later than the Calculation Time;
- (k) **Termination of Shareholder's Agreement:** the Shareholder's Agreement is terminated with effect from no later than the Calculation Time;
- (l) **New Management Agreement:** the New Management Agreement has been duly executed by the parties to it and has become unconditional (save that any condition that this Agreement itself be executed and become unconditional);
- (m) **Foreign Investment Review Board approval:** any of the following occurs:
  - (i) a notice in writing is issued by or on behalf of the Treasurer of the Commonwealth of Australia stating that the Commonwealth Government:
    - (A) **(approval)** gives (either themselves or by their delegate) an approval under the FATA to the Company's proposed acquisition of the Darling Farms Assets and the Medgun Assets and that approval is not subject to conditions or is subject only to conditions that the Buyer, acting reasonably, considers to be acceptable;
    - (B) **(no objection)** provides (either themselves or by their delegate) written advice or confirmation that there is no objection to the Company's proposed acquisition of the Darling Farms Assets and the Medgun Assets under the FATA or the foreign investment policy of the Australian Government, either unconditionally or, subject only to conditions that the Buyer, acting reasonably, considers to be acceptable.
  - (ii) the Treasurer of the Commonwealth of Australia is or becomes precluded from making an order in respect of the Company's acquisition of the Darling Farms Assets and the Medgun Assets under the FATA; or
  - (iii) completion of the Company's acquisition of the Darling Farms Assets and the Medgun Assets is not otherwise prohibited by the terms of FATA or any other Applicable Law regulating foreign investment in Australia;

#### **Conditions for the benefit of Sellers only**

- (n) **Directors' recommendation:** the directors of the Buyer not associated with the Sellers unanimously recommend that the shareholders of the Buyer should vote in favour of all resolutions relating to the Acquisition, and none of those directors change or withdraw their support of the Acquisition or their recommendation to the Buyer's shareholders (subject to the Buyer's directors complying with their fiduciary duties in the case of a superior proposal);
- (o) **No Buyer Regulated Events:** no Buyer Regulated Event occurs or becomes known to the Sellers following the date of this Agreement; and

- (p) **No material adverse change:** there has been no material adverse change affecting the Buyer's group or the financial or trading position or prospects of the Buyer's group since the date of this Agreement. For the avoidance of doubt, any adverse change in the price at which the Buyer Shares are traded on ASX does not constitute a material adverse change..

## 2.2. Reasonable endeavours

Without prejudice to any other obligations of the Parties under this Agreement:

- (a) the Sellers must use their reasonable commercial endeavours to ensure that, and must use their reasonable commercial endeavours to procure that each Group Company does all things necessary to ensure that, the Conditions set out in Clauses 2.1(e) to 2.1(m) are satisfied as quickly as possible following the date of this Agreement;
- (b) the Buyer must use its reasonable commercial endeavours to ensure the Conditions set out in Clauses 2.1(n) to 2.1(p) are satisfied as quickly as possible following the date of this Agreement; and
- (c) each of the Buyer and Sellers must:
  - (i) use their respective reasonable commercial endeavours to ensure the Conditions set out in Clauses 2.1(a) to 2.1(d) are satisfied as quickly as possible following the date of this Agreement, including by providing all reasonable assistance to the other Party as is necessary to satisfy the Conditions;
  - (ii) otherwise co-operate with and comply with all reasonable requests of each other Party for the purposes of procuring the satisfaction of any Condition and must not take any action that will or is likely to hinder or prevent the satisfaction of any Condition; and
  - (iii) keep each other Party informed of any fact, matter or circumstance of which it becomes aware that may result in a Condition not being satisfied in accordance with its terms.

## 2.3. Notice

The Buyer and the Sellers must within 1 Business Day after becoming aware notify the other in writing if any Condition is satisfied or cannot be satisfied and provide reasonable evidence of that fact.

## 2.4. Benefit and Waiver

- (a) The Conditions in Clauses 2.1(a) to 2.1(d) are for the benefit of each Party, and (except in the cases of the Conditions in Clauses 2.1(a) and 2.1(b), which cannot be waived) any breach or non-fulfilment of any of those Conditions may only be waived with the written consent of both the Buyer and the Sellers' Representative.
- (b) The Conditions in Clauses 2.1(e) to 2.1(m) are for the sole benefit of Buyer, and any breach or non-fulfilment of any of those Conditions may only be waived by the Buyer in writing.
- (c) The Conditions in Clauses 2.1(n) to 2.1(p) are for the sole benefit of the Sellers, and any breach or non-fulfilment of any of those Conditions may only be waived by the Sellers' Representative in writing.
- (d) A Party entitled to waive the breach or non-fulfilment of a Condition pursuant to this Clause 2.4 may do so in its absolute discretion.
- (e) If the Buyer or the Sellers' Representative waives the breach or non-fulfilment of a Condition, that waiver will not preclude the waiving party from suing the Sellers (if the waiving party is the Buyer) or the Buyer (if the waiving party is the Sellers' Representative) for any breach of this Agreement constituted by the same event that gave rise to the breach or non-fulfilment of the Condition.
- (f) Waiver of a breach or non-fulfilment in respect of one Condition does not constitute:

- (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same events or circumstances; or
- (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event or circumstance.

## **2.5. Cut-off date**

- (a) If any Condition is not satisfied or waived on or before 30 June 2015 (or such other date as the Parties may agree in writing), the Buyer or the Sellers' Representative may by not less than 2 Business Days written notice to the other, terminate this Agreement.
- (b) Upon termination, this Agreement has no further effect and neither the Buyer nor the Sellers are liable to the other except:
  - (i) under any clause expressed to survive termination; and
  - (ii) in respect of any breach of this Agreement occurring before termination,
 and the Buyer must return to the Sellers all documents and other materials obtained from the Sellers in accordance with the Confidentiality Agreement.

## **3. Sale and Purchase**

### **3.1. Sale of Shares**

- (a) On the Completion Date the Sellers must sell and the Buyer must buy the Shares for the Consideration free of Security Interests and other third party rights.
- (b) Each Seller waives any pre-emptive or similar rights that it has or that may arise at any time before Completion in relation to the sale to the Buyer of the Shares held by each other Seller.

### **3.2. Title and risk**

Title to and risk in the Shares pass to the Buyer on Completion.

## **4. Consideration**

### **4.1. Consideration**

The consideration payable for the Shares is the issue of 107,670,120 Buyer Shares at an issue price of \$1.15 per share.

### **4.2. Provision of Consideration at Completion**

- (a) At Completion the Buyer must issue the Acquisition Shares as specified by the Sellers' Representative in writing not less than 2 Business Days prior to Completion or, if no such direction is given, as follows:
  - (i) AFF – 36,548,806 Buyer Shares;
  - (ii) Belfort – 17,916,081 Buyer Shares;
  - (iii) Verolot – 18,916,081 Buyer Shares;
  - (iv) Eagle Securities Limited – 3,854,369 Buyer Shares;
  - (v) Kaplan Equity Limited – 30,434,783 Buyer Shares.
- (b) Each Seller applies for the Acquisition Shares to be issued to it under Clause 4.2(a), agrees to be bound by the constitution of the Buyer from time to time and consents to the entry of its name in the register of members of the Buyer.

- (c) The Sellers must procure that each of the New Investors, and any other person to whom Acquisition Shares are to be issued pursuant to a direction given by the Sellers' Representative under Clause 4.2(a), applies in writing for the relevant Acquisition Shares to be issued to it under Clause 4.2(a), agrees to be bound by the constitution of the Buyer from time to time and consents to the entry of its name and the register of members of the Buyer.

#### **4.3. Ranking**

The Acquisition Shares must be fully paid and rank *pari passu* with all existing Buyer Shares on issue and must be issued free from all Security Interests.

#### **4.4. Listing**

The Buyer must apply for official quotation of the Acquisition Shares on ASX in accordance with Listing Rule 2.8 and the Buyer must use its reasonable commercial endeavours to ensure official quotation of the Acquisition Shares is obtained in accordance with the Listing Rules.

### **5. Period before Completion**

#### **5.1. Buyer access**

For the purposes of preparing for the transition of the Business to the Buyer's normal working procedures, the Sellers must procure that from the date of this Agreement until Completion the Buyer and its representatives are given reasonable access to:

- (a) the Business Assets; and
- (b) upon reasonable notice, all officers and senior employees of any Group Company during business hours.

#### **5.2. Conduct of Business**

The Sellers must procure that until Completion, except with the prior written consent of the Buyer (such consent not to be unreasonably withheld), each Group Company:

- (a) conducts the Business in the ordinary and usual course consistent with its usual business practices and does not make any significant change to the nature or scale of any activity comprised in the Business; and
- (b) conducts the Business in accordance with all Applicable Laws and the terms of all applicable Authorisations.

#### **5.3. Consultation**

Until Completion the Sellers must, and must procure that each Group Company:

- (a) notify the Buyer as to all material decisions concerning the operation of the Business that are outside the ordinary course of business;
- (b) does not make any material change to the operation of the Business that are outside the ordinary course of business without the prior approval of the Buyer; and
- (c) instruct the management of each Group Company of the requirements of this Clause 5.3.

#### **5.4. Specific matters**

- (a) Until Completion the Sellers must ensure that each Group Company does not do any of the following without the prior written consent of the Buyer (such consent not to be unreasonably withheld):
  - (i) any act or thing or suffer or permit any omission in contravention of Applicable Law;
  - (ii) any act or thing or permit any omission which would make any policy of insurance written for the benefit of each member of the Group void or voidable or do anything

that would mean any existing policy is not in full force and effect at Completion, provided that nothing in this Clause 5.4(a)(ii) shall require the Sellers to renew any policy of insurance for the benefit of the Group if such policy expired during the period between the date of this Agreement and Completion;

- (iii) except in the normal and ordinary course of business of the Business, enter into any contract involving total expenditure in excess of \$250,000 or not capable of termination on 90 days' notice or less or any service or employment agreement not capable of termination on 90 days' notice or less;
  - (iv) purchase or sell any asset for more than \$250,000 or total assets for more than \$500,000;
  - (v) assume any liability in an amount of more than \$250,000 or total liabilities in excess of \$500,000 other than in the ordinary course of business;
  - (vi) make any payments to any senior officer or employee, except in the ordinary course of business, or enter into, modify or terminate any agreements or arrangements with its senior officers or employees other than as contemplated in this Agreement;
  - (vii) grant any Security Interest or other third party interest over any Business Asset;
  - (viii) amend or permit the amendment of its constituent documents;
  - (ix) pay any dividend or undertake any other distribution;
  - (x) undertake any reduction of its share capital, share buy-back, or any restructure of its capital;
  - (xi) take any action or refrain from taking any action which will or may result in the appointment of a liquidator, receiver, manager, administrator or other external controller to a Group Company or to any of the material assets of a Group Company;
  - (xii) issue any securities including options to acquire any shares in the capital of a Group Company;
  - (xiii) enter into any pre-emptive rights, voting agreements or other similar arrangements in respect of the Shares or shares in a Group Company; and
  - (xiv) agree to (whether in writing or otherwise) or attempt any of the above.
- (b) An obligation contained in Clause 5.2 or a limitation contained in Clause 5.4(a) does not apply if:
- (i) the Buyer has given its prior written consent to the Sellers in respect of a failure to comply with that obligation or limitation;
  - (ii) the Company performs its obligations under a Key Contract or draws on the NAB Facility to satisfy its obligations under a Key Contract; or
  - (iii) this Agreement expressly permits or contemplates that conduct.

### 5.5. Medgun Agreement

The Parties agree that they will, and the Sellers agree to procure that Company will, negotiate in good faith and execute, as soon as reasonably practicable after the date of this Agreement, an agreement amongst themselves and the Company in respect of the 'Medgun' asset (the **Medgun Agreement**) under which:

- (a) the Company will agree that it will only be entitled to exercise or otherwise deal with the call option to acquire the Medgun Assets (such right given to the Company under the Medgun Option as directed by the Buyer; and



- (b) the Sellers will agree to assume the obligations of the Company to pay the consideration payable in respect of the acquisition of the Megun Assets and any and all other amounts due and payable in respect of those assets.

#### 5.6. Restrictions on Buyer

- (a) Until Completion the Buyer must ensure that it does not do any of the following without the prior written consent of the Sellers' Representative (such consent not to be unreasonably withheld):
  - (i) do any act or thing or suffer or permit any omission in contravention of Applicable Law (including in respect of the Buyer's continuous disclosure obligations);
  - (ii) make any change to its constitution or other constituent documents;
  - (iii) take any action or refrain from taking any action which will or may result in the occurrence of a Buyer Regulated Event; or
  - (iv) agree to (whether in writing or otherwise) or attempt any of the above.
- (b) An obligation contained in Clause 5.6 does not apply if:
  - (i) the Sellers' Representative has given its prior written consent to the Buyer in respect of a failure to comply with that obligation or limitation; or
  - (ii) this Agreement expressly permits or contemplates that conduct.

#### 5.7. Obligations on Buyer

The Buyer must take all steps reasonably necessary that are within its power to implement the Acquisition as soon as reasonably practicable after the date of this Agreement, and in particular the Buyer must:

- (a) **Notice of meeting and explanatory statement:** prepare a notice of meeting and explanatory statement in relation to the Meeting in a form acceptable to the ASX. Such notice of meeting must:
  - (i) propose resolutions for the shareholder approvals contemplated by Clause 2.1(a); and
  - (ii) confirm that the directors of the Buyer unanimously recommend that the shareholders of the Buyer should vote in favour of all resolutions relating to the Acquisition in the absence of a superior proposal;
- (b) **Review by Sellers:** make available to the Sellers drafts of the notice of meeting and explanatory statement (including any draft of the Independent Expert's Report, but excluding those sections containing the Independent Expert's opinions or conclusions) for the Meeting, consult with the Sellers in relation to the content of those drafts and (acting reasonably) take into account for the purpose of amending those drafts, any comments from the Sellers on those drafts;
- (c) **Independent Expert:** provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (d) **ASX listing:** use its best endeavours to ensure that the Buyer Shares continue to be quoted on ASX;
- (e) **Conduct of Business and compliance with laws:** conduct its business in the ordinary and usual course consistent with its usual business practices, in accordance with all Applicable Laws and the terms of all applicable Authorisations and does not make any significant change to the nature or scale of any activity comprised in its business other than in connection with the Tandou Transaction; and
- (f) **All things necessary:** do all other things within its power contemplated by or necessary to lawfully give effect to the Acquisition.

**5.8. Responsibility for Acquisition Information**

- (a) The provisions of this Clause 5.8 apply where a third party commences proceedings against the Buyer or the Sellers or their respective officers and advisers in relation to a matter disclosed or omitted to be disclosed in the Acquisition Information.
- (b) The Buyer is responsible for and must indemnify and hold harmless each of the Sellers and their respective directors, officers, employees, agents, representatives and advisers from all damages, claims, costs, losses, liabilities or expenses suffered or incurred to third parties for information provided or omitted to be provided by or on behalf of the Buyer for the purposes of preparing and distributing the Acquisition Information.
- (c) The Sellers are responsible for and must indemnify and hold harmless each of the Buyer and the directors, officers, employees, agents, representatives and advisers of the Buyer from all damages, claims, costs, losses, liabilities or expenses suffered or incurred to third parties for information provided or omitted to be provided by, on behalf of or relating to the Sellers or a Group Company for the purposes of preparing and distributing the Acquisition Information.
- (d) Each Party holds the benefit of the indemnities under Clauses 5.8(b) and 5.8(c) for itself and for the benefit of its respective directors, officers, employees, agents, representatives and advisers.

**5.9. Pre-Completion Share Issue**

- (a) By no later than the Calculation Time, subject to this Clause 5.9, the Sellers must apply for and the Company must issue 36,940,991 fully paid ordinary shares in the capital of the Company at an issue price of \$1.35351 per share for a total subscription price of \$50 million payable as follows:
  - (i) the transfer of the Additional Water Entitlements by AFF free of Security Interests and other third party rights (for a consideration of \$5 million);
  - (ii) an assumption of liabilities of \$40 million, which the parties agree comprises the assumption by the Sellers of the obligations of the:
    - (A) Company to pay the outstanding consideration of \$29,185,960 in respect of the Darling Farms Assets and any and all other amounts due and payable in respect of such assets;
    - (B) Company's other liabilities in an amount equal to the difference between \$40 million and the aggregate liability assumed by the Sellers under Clause 5.9(a)(ii)(A) and 5.9(a)(iii); and
  - (iii) the agreement by the Sellers under the Medgun Agreement to assume the obligations of the Company to pay the outstanding consideration of \$8 million payable in respect of the acquisition of the Medgun Assets and any and all other amounts due and payable in respect of such assets; and
  - (iv) cash consideration of \$5 million.
- (b) The Company may issue the Pre-Completion Shares to the Sellers in such proportions as the Sellers and the Company determine. The Company may not issue the Pre-Completion Shares to any person other than the Sellers.

**5.10. Locked Box**

- (a) The Sellers must ensure no Group Company makes any Restricted Payment from the date of this Agreement until Completion and warrants that no Group Company has made any Restricted Payment since the Pro Forma Balance Sheet Date.
- (b) To the extent that any Restricted Payment has been made between the Pro Forma Balance Sheet Date and Completion, the Sellers shall indemnify the Buyer for the relevant amount on demand, together with interest at the Interest Rate. The indemnity shall be unqualified by reference to any limitation in this Agreement.

## **6. Releases**

### **6.1. Release by the Company**

- (a) On and from Completion, to the extent permitted by law, the Buyer must procure that the Company does not make any Claim against:

- (i) the Sellers;
- (ii) each Related Entity of the Sellers;
- (iii) each director, officer and employee of the Sellers;
- (iv) each director, officer and employee of each Related Entity of the Sellers; and
- (v) to the extent that they were engaged by and provided services to the Sellers or a Related Entity of the Sellers, each of the agents, consultants and advisers of the Sellers and each Related Entity of the Sellers;

in relation to:

- (A) all obligations on any account whatsoever including under the Shareholders Agreement; and
  - (B) all liabilities, claims, demands, suits, causes of action, damages, debts, verdicts or judgments, whether in contract, at law or in equity and whether past, present or future which the Company has or, but for this Clause 6.1, could or might have had on any account whatsoever in respect of any act or omission with respect to the period up to Completion.
- (b) Nothing in this Clause 6.1 operates to release a Seller from any of its obligations under this Agreement or the New Management Agreement in respect of the period following Completion.

### **6.2. Release by Sellers**

- (a) On and from Completion, the Sellers release and forever discharge the Company from:
- (i) all obligations on any account whatsoever including under the Shareholder's Agreement; and
  - (ii) all liabilities, claims, demands, suits, causes of action, damages, debts, verdicts or judgments, whether in contract, at law or in equity and whether past, present or future which the Company has or, but for this Clause 6.2, could or might have had on any account whatsoever in respect of any act or omission with respect to the period up to Completion.
- (b) Nothing in this Clause 6.2 operates to release the Buyer and the Company from any of its obligations under this Agreement or the New Management Agreement in respect of the period following Completion.

### **6.3. Bar to proceedings**

This Clause 6 may be pleaded as a full and complete defence by the Buyer (as agent for the Company on and from Completion) or the Sellers to any claim arising out of or in connection with a claim of a type that, but for Clauses 6.1 and 6.2, could theoretically have been made by the Company or the Sellers.

### **6.4. Covenant not to sue**

Neither the Buyer (as agent for the Company on and from Completion) nor the Sellers may:

- (a) sue the Company (where the suing party is a Seller) or any of the Sellers (where the suing party is the Buyer acting as agent for the Company on and from Completion), the Related

Entities of the Sellers or any director, officer, employee, agent, consultant or adviser of the Sellers or of its Related Entity; or

- (b) make any claim which it has or which but for this Clause 6 could, would or might at any time in the future have or have had against the Company or the Sellers (as applicable), any Related Entity of the Sellers or any director, officer, employee, agent, consultant or adviser of the Sellers or of its Related Entities,

as a result of any Claim of a type released and discharged under this Clause 6.

#### **6.5. Deed Poll**

To the extent necessary to ensure that a Related Entity of the Sellers and each director, officer, employee, agent, consultant or adviser of the Sellers and of its Related Entities (**Third Party**) receives the benefit of the releases and undertakings of this Clause 6, this Clause 6 operates as a deed poll given by each of the Buyer (as agent for the Company on and from Completion) and the Sellers in favour of each Third Party.

### **7. Completion**

#### **7.1. Date for Completion**

Completion must take place at the offices of Watson Mangioni, Level 13, 50 Carrington Street, Sydney NSW 2000 at 2.00 pm on the day which is 2 Business Days after satisfaction or waiver of the last of the Conditions, or any other time and date as the Parties agree in writing.

#### **7.2. Provision of information before Completion**

The Buyer must provide to the Sellers no later than 2 Business Days before Completion:

- (a) the names of any director, secretary and public officer of each Group Company that the Buyer does not require to resign on Completion;
- (b) the names of each person that the Buyer requires to be appointed as a director, secretary or public officer of any Group Company together with a signed consent to act in that capacity; and
- (c) the names of those individuals to be given authority in respect of the operation of the Company's bank accounts.

#### **7.3. Delivery of documents by Sellers**

At Completion, the Sellers must give to the Buyer the following documents:

- (a) share certificates for the Shares;
- (b) share certificates for all shares in the Group Companies (other than the Company) or, to the extent such share certificates are lost or misplaced, a deed of indemnity in respect of the same;
- (c) completed transfers of the Shares to the Buyer executed by the relevant transferor;
- (d) all statutory registers, minute books and other record books, financial records, including asset registers, management accounts, budgets, ledgers, journals, books of account and other Records of each Group Company and the common seal, if any, of each Group Company;
- (e) details of the ASIC corporate key of each Group Company, being an 8 digit number uniquely associated with a company's ACN;
- (f) all insurance policies and certificates of currency in relation to all insurances held by each Group Company;
- (g) the written resignations of:

- (i) each director of each Group Company;
- (ii) the secretary of each Group Company; and
- (iii) the auditors of each Group Company,

other than those individuals in respect of which the Buyer has provided a notification under Clause 7.2(a), such resignations to be effective on the appointment of the directors, secretary and auditors to be appointed at the board meeting to be convened under Clause 7.4 and a release executed by each director and secretary of the Company in substantially the form set out in Clause 6.2;

- (h) all cheque books of the Group and a list of all bank accounts maintained by the Group;
- (i) all documents in the possession of Group Companies relating to the ownership or use of the assets used by the Group in the conduct of the Business;
- (j) all Business Records (other than the Excluded Records and to the extent deliverable);
- (k) copies of the Excluded Records;
- (l) the forms of proxy required to give effect to Clause 8.1;
- (m) a copy of the New Management Agreement duly executed by AFF; and
- (n) any document reasonably required by the Buyer to confirm satisfaction of the Conditions for which the Sellers are responsible;
- (o) applications for Acquisition Shares in accordance with Clause 4.2(c); and
- (p) all other documents reasonably required by the Buyer to give effect to the transactions the subject of this Agreement.

#### **7.4. Delivery method**

Any document or other item specified in Clause 7.3 may be delivered to the Buyer by leaving that document or other item in a safe and appropriate place at the Property at which it is located on the Completion Date.

#### **7.5. Board meeting**

At Completion the Sellers must ensure that a meeting of the directors of each Group Company is convened and conducts the following business:

- (a) in the case of the Company only, approval of the registration of the Buyer as the holder of the Shares in the books of the Company, subject to receipt of transfers executed by the Buyer and the payment of Duty (if any) on those transfers;
- (b) appointment of the nominees of the Buyer as:
  - (i) directors of each Group Company; and
  - (ii) secretary of each Group Company; and
  - (iii) auditors of each Group Company;
- (c) alteration of the registered office of each Group Company to that of the registered office of the Buyer; and
- (d) revocation of all existing mandates for the operation of bank accounts of each Group Company and approval of new mandates in favour of the officers of each Group Company nominated by the Buyer under Clause 7.2(c).

## 7.6. Buyer's obligations at Completion

At Completion the Buyer must:

- (a) allot and issue to the Sellers all the Acquisition Shares in accordance with clause 4.2 without counterclaim or set-off and register the Sellers as the holders of the corresponding Acquisition Shares;
- (b) deliver written consents to act from the persons nominated by the Buyer as the directors, secretary and auditors of the Group;
- (c) deliver statements of holding in respect of the Acquisition Shares issued in accordance with Clause 4.2;
- (d) deliver a copy of the minutes of the meeting of members of the Buyer held in satisfaction of the Condition set out in Clause 2.1(a), certified by an officer of the Buyer;
- (e) deliver a copy of the New Management Agreement duly executed by the Buyer;
- (f) lodge one or more 'cleansing statements' with ASIC under section 708A(5) of the Corporations Act in respect of the issue of the Acquisition Shares, such statement to comply with the requirements of section 708(6) of the Corporations Act and to be in a form acceptable to the Sellers (acting reasonably); and
- (g) deliver any document reasonably required by the Sellers to confirm satisfaction of the Conditions for which the Buyer is responsible.

## 7.7. Conditions of Completion

- (a) Completion is conditional on both the Buyer and the Sellers complying with all of their obligations under this Clause 7.
- (b) If either the Sellers or the Buyer fails to fully comply with its obligations under this Clause 7 and the Parties do not complete this Agreement then:
  - (i) each Party must return to the other all documents delivered to it under this Clause 7;
  - (ii) each Party must repay to the other all payments received by it under this Clause 7;
  - (iii) each Party must do everything reasonably required by the other Party to reverse any action taken under this Clause 7;

without prejudice to any other rights any Party may have in respect of that failure.

## 7.8. Notice to complete

If Completion does not occur in accordance with this Clause 7 because of the failure of any Party (**Defaulting Party**) to satisfy any of its obligations under this Clause 7 then:

- (a) the Buyer (where the Defaulting Party are the Sellers); or
- (b) the Sellers (where the Defaulting Party is the Buyer),

(in either case the **Non-Defaulting Party**) may give the Defaulting Party a notice requiring the Defaulting Party to satisfy those obligations within a period of 5 Business Days after the date of the notice and specifying that time is of the essence in relation to that notice.

## 8. Period after Completion

### 8.1. Exercise of rights of registered shareholder

From Completion until the Shares are registered in the name of the Buyer, the Sellers must:

- (a) appoint the nominees of the Buyer as sole proxy of the Sellers to attend shareholders meetings and exercise the votes attached to the Shares and must not itself attend or vote at those meetings;
- (b) not exercise any right or privilege in relation to the Shares except at the written request or direction of the Buyer; and
- (c) take all other actions in the capacity of a registered holder of the Shares as the Buyer directs.

## **8.2. Indemnity**

The Buyer indemnifies the Sellers from all liabilities arising out of the implementation of any action taken subject to the proxy referred to in Clause 8.1.

## **9. Taxation**

### **9.1. Tax returns**

The Buyer is responsible for preparing and lodging with the appropriate Taxation Authority all returns required to be lodged in relation to the Tax affairs of any Group Company on and from Completion.

### **9.2. Assistance from Sellers**

The Sellers must, at the Buyer's cost, provide to the Buyer all information and assistance reasonably required by the Buyer in connection with the preparation of any returns referred to in Clause 9.1 where any part of the period in relation to which the return is required is before Completion.

### **9.3. Tax audits**

If after Completion any audit in relation to the Tax affairs of any Group Company is commenced that relates in whole or in part to the period before Completion, then the Buyer and the Sellers must give each other all reasonable assistance in relation to that audit.

### **9.4. Indemnity**

The Seller must indemnify the Buyer and each Group Company and keep the Buyer and each Group Company indemnified against:

- (a) any Tax Liability where the Tax Liability arises:
  - (i) as a result of an event or omission which occurred or is taken to have occurred on or before Completion;
  - (ii) as a result of, or by reference to any income, profits or gains earned, accrued or received on or before Completion;
  - (iii) from the disallowance of an income tax deduction for any expenses, losses or other outgoings incurred on or before Completion;
- (b) any cost, loss, liability, damage or expense suffered as a result of or otherwise in connection with the disallowance of a tax credit or rebate of Tax, such as a dividend rebate, relating to a matter referred to in Clause 9.4(a); and
- (c) any cost, loss, liability, damage or expense suffered as a result of or otherwise in connection with any breach or non-performance by the Seller of its obligations under this Clause 9.

### **9.5. Payment of Liability by Buyer or the Company**

- (a) Subject to Clause 9.5(b), where the indemnity contained in Clause 9.1 applies in respect of a Tax Liability or Increased Tax Payable and a payment is required to be made by a Group Company or the Buyer to the relevant Taxation Authority, the Seller must make that payment in settlement of the liability of that Group Company or the Buyer before the Payment Date.

- (b) If the Seller has not given notice to the Buyer on or before the Payment Date confirming that the payment to the Taxation Authority has been made:
  - (i) the Buyer or a Group Company may make the payment to the Taxation Authority; and
  - (ii) if a Group Company or the Buyer makes that payment, the Seller must pay to the Buyer or a Group Company (as the case may be) on demand an amount equal to the payment made together with interest on the amount paid computed from the date of payment by the Buyer or a Group Company until the date of repayment at the Interest Rate plus 3% per annum.

#### **9.6. Taxation Returns and Audits**

- (a) The Sellers must make available to the Buyer all information relating to the Group in order to enable a tax return to be completed in respect of the period before Completion.
- (b) The Sellers must give the Buyer all reasonable assistance in connection with any tax audit after Completion in respect of any period before Completion and if the tax audit identifies any irregularities, pay all expenses of the Buyer in connection with that part of the audit costs associated with any period before Completion.
- (c) The Sellers must respond promptly to any request for assistance or information from the Buyer and Group Company under this Clause 9.4.

#### **9.7. Deed Poll**

To the extent necessary to ensure that a Group Company receives the benefit of the indemnities and undertakings of this Clause 9, this Clause 9 operates as a deed poll given by the Seller in favour of each Group Company.

### **10. Warranties**

#### **10.1. Giving of Warranties**

Subject to Clause 11, the Sellers gives the Warranties in favour of the Buyer as at the date of this Agreement and for each day up to and including Completion.

#### **10.2. Independent Warranties**

Each of the Warranties is to be construed independently of the others and is not limited by reference to any other Warranty.

#### **10.3. Sellers' Indemnity**

Subject to Clause 11, the Sellers must indemnify the Buyer and keep the Buyer indemnified against any claim, damage, loss, liability, expense or outgoing which the Buyer pays, suffers, incurs or is liable for in respect of any matter or thing in respect of the Group being other than as it has represented or warranted in this Agreement.

#### **10.4. Reliance**

The Buyer has entered into this Agreement in reliance on the Warranties.

#### **10.5. Buyer Warranties**

- (a) The Buyer gives the Buyer Warranties in favour of the Sellers as at the date of this Agreement and for each day up to and including Completion.
- (b) Each of the Buyer Warranties is to be construed independently of the others and is not limited by reference to any other Buyer Warranty.
- (c) The Sellers have entered into this Agreement in reliance on the Buyer Warranties.



- (d) The Buyer must indemnify the Sellers and keep the Sellers indemnified against any claim, damage, loss, liability, expense or outgoing which the Seller pays, suffers, incurs or is liable for in respect of any matter or thing in respect of the Buyer being other than as it has represented or warranted in this Agreement.

#### 10.6. Survival

This Clause 10:

- (a) does not merge Completion or termination of this Agreement; and
- (b) is not affected by any other event or matter.

### 11. Limitation of liability

#### 11.1. Disclosure

- (a) The Warranties are given subject to the disclosures in, and the Buyer must not claim that any fact renders any of the Warranties untrue or misleading or causes them to be breached if that fact has been fully and fairly disclosed in:
  - (i) this Agreement;
  - (ii) the Accounts; or
  - (iii) the Due Diligence Materials.
- (b) For the purposes of Clause 11.1(a), a matter is fully and fairly disclosed only if sufficient information is provided to enable a reasonable person in the position of the Buyer to assess the financial and operational impact of the disclosure on the Warranties, the Group and the Business.

#### 11.2. Matters of public record

The Warranties are given subject to matters recorded at the date of this Agreement and a Party must not claim that any facts renders any of the Warranties untrue or misleading or causes them to be breached if that fact would have been revealed at the date of this Agreement by searches of:

- (a) any public register kept by the Australian Securities and Investments Commission under the Corporations Act in relation to the Buyer; or
- (b) any public register kept by a Government Agency under any Applicable Law in relation to the Group, the Business or the Business Assets.

#### 11.3. General limitations

The Seller is not liable under a Claim for any Loss to the extent that the Loss:

- (a) **(contingent losses)**: is contingent, unless and until the liability becomes an actual liability;
- (b) **(Buyer's direction)**: arises from an act or omission by or on behalf of a Seller or a Group Company that was done or made:
  - (i) with the written consent of the Buyer; or
  - (ii) at the written direction or instruction of the Buyer;
- (c) **(post Completion conduct)** arises from anything done or not done after Completion by or on behalf of the Buyer or a Group Company that is outside the ordinary course of business and that the Buyer was aware would give rise to a Claim against the Sellers;
- (d) **(provisions in accounts)**: has been included as a specific provision, allowance, reserve or accrual in the Pro Forma Balance Sheet;

- (e) **(breach of law or contract):** could only have been avoided by the Sellers breaching their obligations at law or under this Agreement;
- (f) **(change of law or interpretation):** arises from:
  - (i) the enactment or amendment of any legislation or regulations;
  - (ii) a change in the judicial or administrative interpretation of the law; or
  - (iii) a change in the practice or policy of any Government Agency,
 after Completion, including legislation, regulations, amendments, interpretation, practice or policy that has a retrospective effect;
- (g) **(change in Tax or accounting policy):** would not have arisen but for a change after Completion in any Tax or accounting policy or practice of the or a Group Company that applied before Completion, which results in an increased liability in connection with the period prior to Completion;
- (h) **(consequential loss):** the Loss suffered is indirect loss or damage; or
- (i) **(remediable loss):** is remediable by the Sellers, provided it is remedied to the satisfaction of the Buyer, acting reasonably, within 20 Business Days (or such other time as may be agreed between the parties) after the Seller receives written notice of the Claim.

#### 11.4. No reliance

The Buyer represents to the Sellers and agrees that:

- (a) **review:** it has entered into this Agreement after satisfactory inspection and investigation of the affairs of the Group and it has conducted a due diligence review of the Group and independently verified all information that is material to it before entering into this Agreement;
- (b) **prior statements:** any statement, representation, term, conduct, warranty, condition, promise or undertaking made, given, implied or agreed to by any Seller or member of the Group or any representative or adviser of the Sellers in any prior negotiation, arrangement, understanding, discussion, correspondence or agreement has no effect except to the extent expressly set out in this Agreement;
- (c) **reliance:** except for the Warranties, no other statement, representation (whether express or implied, oral or written), including any forecast, or other conduct of the Sellers or member of the Group or any representative or adviser of the Sellers or member of the Group has been relied on by the Buyer or has induced or influenced the Buyer to enter into this Agreement;
- (d) **statutory rights:** to the maximum extent permitted by law, the Buyer waives any right to make any claim against the Sellers or any member of the Group or any of their respective representatives under the Corporations Act, the Competition & Consumer Act, 2010 (Cth), the Australian Securities and Investments Commission Act 2001 (Cth) or similar provisions in legislation of any state or territory; and
- (e) **exclusion of other terms:** except to the extent expressly set out in this Agreement, all representations, warranties and conditions, implied by statute or otherwise in respect of the Shares, the Group, any of their business, assets and liabilities are (to the maximum extent permitted by law) expressly excluded and to the extent an exclusion is not permitted by law but a limitation of liability is permitted, the maximum aggregate liability of the Sellers and their respective officers, representatives and advisers or any other third parties involved in the sale process is \$1.00.

#### 11.5. Opinions, estimates and forecasts

The Parties acknowledge that the Sellers are not under any obligation to provide the Buyer or its advisers with any information on the future financial performance or prospects of the Group. If the Buyer (or its advisers) has received opinions, estimates, projections, business plans, budget information or other forecasts in respect of the Group, the Buyer acknowledges and agrees that:

- (a) there are uncertainties inherent in attempting to make these estimates, projections, business plans, budgets and forecasts;
- (b) the Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, business plans, budgets and forecasts furnished to it; and
- (c) the Sellers are not liable under any Claim arising out of or relating to any opinions, estimates, projections, business plans, budgets or forecasts in respect of the Group.

#### **11.6. Limitation for insurance**

The Sellers are not liable to the Buyer for any Claim for loss or damage which is recovered by the Buyer or a Related Corporation under a policy of insurance.

#### **11.7. Time limits**

The Sellers are not liable to the Buyer for any Claim unless:

- (a) if the Claim relates to an Extended Term Warranty the Buyer has given written notice to the Sellers setting out specific details of the Claim on or before the date 4 years after the Completion Date;
- (b) if the Claim relates to any other Warranty or a breach of this Agreement, the Buyer has given notice to the Sellers setting out specific details of the Claim on or before the date 18 months after the Completion Date; and
- (c) the Claim is agreed, compromised or settled or the Buyer has issued and served legal proceedings against the Sellers in respect of the Claim within 6 months of giving notice in respect of the Claim under Clauses 11.7(a) or 11.7(b) (as applicable).

#### **11.8. Monetary Limits**

- (a) Subject to Clause 11.8(b), the Sellers are not liable to the Buyer for any Claim unless the aggregate amount fully adjudicated or agreed as being payable in respect of:
  - (i) any such Claim which may be recovered is not less than \$150,000; and
  - (ii) all such Claims which may be recovered is not less than \$250,000;
 in which case the Sellers are liable for all of the Claim.
- (b) Clause 12.8(a) does not apply in respect of a Claim for a breach of an Extended Term Warranty.

#### **11.9. Maximum amount of Claims**

The maximum aggregate amount which the Buyer may recover from the Sellers in respect of all Claims is the market value of the Consideration as at the Calculation Time. For the purposes of determining this value, each Acquisition Share has a value equal to the volume weighted average price at which Buyer Shares have traded on ASX over the 20 Business Days prior to the Calculation Time.

#### **11.10. Exclusion of Taxation benefits**

The Sellers are not liable to the Buyer for any Claim to the extent to which the circumstances giving rise to the Claim result in a saving in Tax to the Buyer or any Related Body Corporate of the Buyer or would have so resulted had the Buyer or the relevant Related Body Corporate availed itself of proper credits, deductions, allowances and other savings in respect of such taxes.

**11.11. Circumstances where limitations not to apply**

None of the limitations in this Clause 11 apply to any Claim to the extent that it arises out of, or is increased as a result of any fraud, wilful default or wilful concealment by the Sellers or any of their Representatives.

**11.12. Mitigation**

The Buyer must ensure that all reasonable steps are taken and all reasonable assistance is given to avoid or mitigate any Loss in respect of any Claim or possible Claim under the Warranties.

**11.13. Buyer not to Claim**

The Buyer must not make, or institute any legal proceedings in respect of, a Claim that would be inconsistent with the liability of the Sellers under this Clause 11.

**11.14. Right to reimbursement**

The Buyer must reimburse to the Sellers an amount equal to any sum paid by the Sellers in respect of any Claim which is subsequently recovered by or paid to the Buyer by any third party (including any insurer).

**11.15. Obligations of the Buyer**

- (a) Within 10 Business Days of receiving any claim or demand or being served with any legal proceedings which may lead to liability on the part of the Sellers under any Claim, the Buyer must give written notice to the Sellers setting out full details of the claim, demand or legal proceedings.
- (b) The Buyer must not accept, compromise or pay any claim or demand or agree to arbitrate, compromise or settle any legal proceedings which may lead to liability on the part of the Sellers under any Claim without the prior written approval of the Sellers (which approval will not be unreasonably withheld).
- (c) The Buyer must take any action and provide any assistance the Sellers' Representative reasonably requires to avoid, contest, compromise or defend any claim, demand or legal proceedings which may lead to liability on the part of the Sellers under any Claim including providing witness and documentary or other evidence and allowing the Sellers and its legal advisers to inspect and take copies of all relevant books, records, files and documents. The Sellers will indemnify the Buyer against any costs reasonably incurred by the Buyer in respect of the action taken by the Buyer under this Clause 11.15(c).
- (d) The Sellers are not liable to the Buyer for any Claim arising from a claim, demand or legal proceedings in respect of which the Buyer does not fully comply with this Clause 11.15.
- (e) The Buyer need not take any action under Clause 11.15(c) if the Buyer acting reasonably and in good faith determines that the action will or may have a material adverse impact on the Business, the Buyer or its Related Bodies Corporate as a whole.

**11.16. Remedies**

The Buyer's sole remedy for breach of any Warranty given by the Sellers is damages in accordance with (and subject to) Clause 10 and in no event is the Buyer entitled to rescind this Agreement for breach of any Warranty given by the Sellers.

**12. Termination****12.1. Termination by Buyer**

The Buyer may terminate this Agreement at any time before Completion:

- (a) in accordance with Clause 2.5; or
- (b) by notice to the other Parties if there is a breach of any of the Extended Term Warranties,

but is not entitled to terminate or rescind this Agreement for any other reason.

#### **12.2. Termination by Sellers**

The Sellers may terminate this Agreement at any time before Completion:

- (a) in accordance with Clause 2.5; or
- (b) if a Buyer Regulated Event occurs,

but is not entitled to terminate or rescind this Agreement for any other reason.

#### **12.3. Termination by the Parties**

Either Party may terminate this Agreement in accordance with Clause 7.8.

#### **12.4. Effect of termination**

If this Agreement is terminated then:

- (a) the provisions of this Agreement cease to have effect except for the provisions of Clauses 1 and 10, this Clause 12 and Clauses 13 to 17 which survive termination; and
- (b) each Party retains the rights it has against the others in respect of any breach of this Agreement occurring before termination.

### **13. Sellers' Representative**

#### **13.1. Sellers' Representative**

Each Seller:

- (a) authorises the Sellers' Representative to act on its behalf in relation to any act, matter or thing required or permitted by the terms of this Agreement to be done by the Sellers including:
  - (i) to give and receive payments and documents;
  - (ii) to give and receive notices; and
  - (iii) to give any approval or exercise any discretion;
- (b) acknowledges that the Buyer is entitled to treat any act matter or thing done by the Sellers' Representative as binding on all Sellers; and
- (c) acknowledges that the Buyer may discharge any obligation under this Agreement to give any payment, document, notice or other thing to the Sellers by giving it to the Sellers' Representative.

### **14. Payments**

#### **14.1. Direction**

Any reference in this Agreement to a payment to any Party includes payment to another person at the direction of that Party.

#### **14.2. Method of payment**

Payment of any amount due under this Agreement by any Party must be made by the paying Party to the recipient Party by:

- (a) electronic funds transfer to an account with an Australian bank specified by the recipient Party to the paying Party at least 2 Business Days before the due date for payment and confirmed by the paying Party to the recipient party by notice; or

- (b) otherwise, unendorsed bank cheque drawn on an Australian bank or other immediately available funds.

#### **14.3. No deduction**

Any payment to be made under this Agreement must be made free and clear of any deduction or withholding, except where that deduction or withholding is required or compelled by law.

#### **14.4. Gross up for withholdings**

Any person who is required or compelled by law to make any deduction or withholding from any amount payable under this Agreement must, to the extent permitted by law, pay to the payee an additional amount sufficient to ensure that the amount received by the payee equals the full amount that would have been received by the payee, if that deduction or withholding had not been required or compelled.

### **15. Announcements**

#### **15.1. Public Announcement and Disclosure**

- (a) The Parties acknowledge that, as soon as reasonably practicable after execution of this Agreement, the Buyer will release an announcement regarding the terms of the Agreement in order to satisfy its disclosure obligations under Chapter 3 of the Listing Rules (**Announcement**).
- (b) The Buyer and the Sellers must provide to each other and permit the disclosure of such information relating to each Group Company and the business of the Buyer and the Sellers as the Buyer reasonably requires for the purpose of satisfying its obligations under the Listing Rules from time to time.
- (c) Each Party must consult fully with the other Party with respect to the preparation of the Announcement and must in good faith have regard to the reasonable requests of the other Party regarding the Announcement.
- (d) In the event of dispute between the Parties regarding the form or content of an Announcement the determination of the Party making the Announcement is final.

#### **15.2. Confidentiality**

The obligations of the Parties under the dated Confidentiality Agreement continue to apply to the Parties after the date of this Agreement except to the extent that information must be disclosed in accordance with this Clause 15.

#### **15.3. Legal Requirements**

A Party may disclose anything in respect of this Agreement as required:

- (a) by applicable law; or
- (b) by any stock exchange on which its Shares or the shares of any Related Corporation are listed,

but to the extent possible, it must consult with the other Parties before making the disclosure and use reasonable endeavours to agree on the form and content of the disclosure.

#### **15.4. Disclosure to Officers and Professional Advisers**

A Party may disclose anything in respect of this Agreement or the terms of the sale of the Shares to the officers and professional advisers of that Party (who have been engaged in respect of the Acquisition) and its Related Corporations but it must use its best endeavours to ensure all matters disclosed are kept confidential.

### 15.5. Further Publicity

Subject to this Clause 15, no Party may disclose the provisions of this Agreement or the terms on which the Shares are sold unless the other Party has first consented in writing.

### 15.6. Survival

This Clause 15 survives termination of this Agreement.

## 16. Duties, costs and expenses

### 16.1. Duties

- (a) The Buyer must pay any Duty in respect of the execution, delivery and performance of:
  - (i) this Agreement; and
  - (ii) any agreement or document entered into or signed under this Agreement.
- (b) The Buyer must pay any fine, penalty or other cost in respect of a failure to pay any Duty except to the extent that the fine, penalty or other cost is caused by an act or default on the part of the Sellers.
- (c) The Buyer indemnifies the Sellers against any amount payable under Clause 16.1(a) or Clause 16.1(b) or both.

### 16.2. Costs and Expenses

Subject to Clause 16.1, each Party must pay its own costs and expenses in respect of the negotiation, preparation, execution, delivery and registration of this Agreement or other agreement or document described in Clause 16.1(a).

### 16.3. Costs of Performance

Any action to be taken by the Buyer or the Sellers in performing its obligations under this Agreement must be taken at its own cost and expense unless otherwise provided in this Agreement.

### 16.4. GST

- (a) Unless expressly included, the consideration for any supply under or in connection with this Agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this Agreement is a taxable supply, the recipient must pay, in addition to the consideration provided under this Agreement for that supply (unless it expressly includes GST) an amount (**additional amount**) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.
- (c) Whenever an adjustment event occurs in relation to any taxable supply to which Clause 16.4(b) applies:
  - (i) the supplier must determine the amount of the GST component of the consideration payable; and
  - (ii) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.
- (d) If either Party is entitled under this Agreement to be reimbursed or indemnified by the other Party for a cost or expense incurred in connection with this Agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is:

- (i) a creditable acquisition incurred by the Party being reimbursed or indemnified or by its representative member; and
  - (ii) for a creditable purpose.
- (e) The supplier must issue a Tax Invoice to the recipient of a supply to which Clause 16.4(b) applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.
- (f) If any Party is entitled under this Agreement to be reimbursed or indemnified by the other Party for a cost or expense incurred in connection with this Agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is the consideration for a creditable acquisition made by the Party being reimbursed or indemnified, or by its representative member.
- (g) Words used in this Clause 16.4 which have a defined meaning in the GST Law have the same meaning as in the GST Law.

## 17. General

### 17.1. Notices

- (a) Any notice or other communication including, but not limited to, any request, demand, consent or approval to or by a Party:
- (i) must be in legible writing and in English addressed as shown below:
    - (A) if to the Buyer:
 

Address: 349 Forth Road  
Devonport TAS 7310

Attention: Susan Stegmann

Facsimile: 61 3 6427 5001
    - (B) if to the Sellers:
 

Address: Level 19  
Waterfront Place  
1 Eagle Street  
Brisbane

Attention: David Robinson

Facsimile: 02 6752 5674

or as specified to the sender by notice;
  - (ii) where the sender is a company, must be signed by an officer of the company or under the common seal of the sender;
  - (iii) is to be regarded as having been given by the sender and received by the addressee:
    - (A) if by delivery in person, when delivered to the addressee;
    - (B) if by post, 3 Business Days from and including the date of postage; or
    - (C) if by facsimile transmission, when transmitted to the addressee,

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00pm (addressee's time) it is regarded as having been received at 9.00am on the following Business Day; and



- (iv) can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.
- (b) A facsimile transmission is to be regarded as legible unless the addressee telephones the sender within 2 hours after the transmission is received or regarded as received under Clause 17.1(a)(iii) and informs the sender that it is not legible.
- (c) In this Clause 17.1, a reference to an addressee includes a reference to an addressee's officers, agents or employees.

#### **17.2. Governing Law**

- (a) This Agreement is governed by the laws of the State of New South Wales.
- (b) Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New South Wales.

#### **17.3. Waivers**

- (a) Waiver of any right arising from a breach of this Agreement or of any Power arising upon default under this Agreement must be in writing and signed by the Party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
  - (i) a right arising from a breach of this Agreement; or
  - (ii) a Power created or arising upon default under this Agreement,
 does not result in a waiver of that right or Power.
- (c) A Party is not entitled to rely on a delay in the exercise or non-exercise of a right or Power arising from a breach of this Agreement as constituting a waiver of that right or Power.
- (d) A Party may not rely on any conduct of another Party as a defence to exercise of a right or Power by that other Party.
- (e) This Clause 17.3 may not itself be waived except by writing.

#### **17.4. Amendment**

This Agreement may only be amended or supplemented in writing signed by the Parties.

#### **17.5. Severability**

Any provision in this Agreement which is invalid or unenforceable in any jurisdiction is to be read down for the purposes of that jurisdiction, if possible, so as to be valid and enforceable, and is otherwise capable of being severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

#### **17.6. Further Assurances**

The Parties must do all such things and execute all documents as may be necessary or desirable to give effect to the provisions of this Agreement and the transactions contemplated by it.

#### **17.7. Default interest**

- (a) If a Party fails to pay any amount payable under this agreement on the due date for payment, that party must pay interest on the amount unpaid at the higher of the Interest Rate plus 3% per annum or the rate (if any) fixed or payable under Clause 17.7(b)(i).
- (b) The interest payable under Clause 17.7(a):

- (i) accrues from day to day from and including the due date for payment up to the actual date of payment, before and, as an additional and independent obligation, after any judgment or other thing into which the liability to pay the amount becomes merged; and
- (ii) may be capitalised by the person to whom it is payable at monthly intervals.

#### 17.8. Assignment

A Party may not assign its rights or obligations under this Agreement without the consent of the other Parties.

#### 17.9. Consents

Unless this Agreement expressly provides otherwise, a consent under this Agreement may be given or withheld in the absolute discretion of the Party entitled to give the consent and to be effective must be given in writing.

#### 17.10. No merger

A Party's rights and obligations do not merge on completion of any transaction under this Agreement.

#### 17.11. Counterparts

This Agreement may be executed in any number of counterparts each of which, when so executed, will be deemed to be an original and those counterparts will constitute one and the same instrument.

#### 17.12. Cumulative Rights

The rights, powers, authorities, discretions and remedies of a Party under this Agreement do not exclude any other right, power, authority, discretion or remedy.

#### 17.13. Entire Agreement

This Agreement supersedes all previous agreements in respect of its subject matter and embodies the entire agreement between the Parties.

#### 17.14. Binding when last executed

This Agreement is binding on all of the Parties only when it is executed by the last of the Parties named as a party.

**EXECUTED** by the Parties as an agreement:

SIGNED by  
**Webster Limited** (ACN 009 476 000)  
 in accordance with section 127 of the  
 Corporations Act:

  
 Director/Secretary

SUSAN STEGMANN  
 Name (please print)

  
 Director

Rod Roberts  
 Name (please print)

SIGNED by )  
**Australian Food & Fibre Limited** )  
 (ACN 077 983 370) )  
 in accordance with section 127 of the )  
 Corporations Act:



Director/Secretary

Amara Jane Dayle  
 Name (please print)

SIGNED by )  
**Belfort Investment Advisers Limited** )  
 in the presence of: )

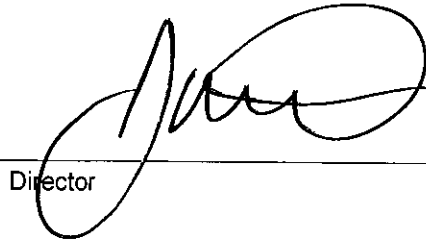
Director/Secretary

Name (please print)

SIGNED by )  
**Verolot Limited** )  
 in the presence of: )

Director/Secretary

Name (please print)



Director

John Joseph Robinson  
 Name (please print)

Director

Name (please print)

Director

Name (please print)

**SIGNED by** )  
**Australian Food & Fibre Limited** )  
 (ACN 077 983 370) )  
 in accordance with section 127 of the )  
 Corporations Act:

\_\_\_\_\_  
 Director/Secretary

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Name (please print)

\_\_\_\_\_  
 Name (please print)

**SIGNED by** )  
**Belfort Investment Advisers Limited** )  
 in the presence of: )  
 )

\_\_\_\_\_  
 Director/Secretary

\_\_\_\_\_  
 Director

**ANTHONY FIELD**  
 \_\_\_\_\_  
 Name (please print)

**LOUISE KWAPP**  
 \_\_\_\_\_  
 Name (please print)

**SIGNED by** )  
**Verolot Limited** )  
 in the presence of: )  
 )

\_\_\_\_\_  
 Director/Secretary

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Name (please print)

\_\_\_\_\_  
 Name (please print)

SIGNED by )  
**Australian Food & Fibre Limited** )  
 (ACN 077 983 370) )  
 in accordance with section 127 of the )  
 Corporations Act:

\_\_\_\_\_  
 Director/Secretary

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Name (please print)

\_\_\_\_\_  
 Name (please print)

SIGNED by )  
**Belfort Investment Advisers Limited** )  
 in the presence of: )


\_\_\_\_\_  
 Director/Secretary

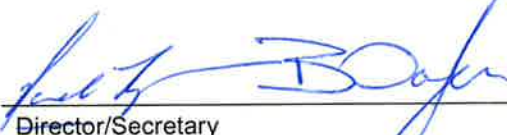
\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Name (please print)

\_\_\_\_\_  
 Name (please print)

SIGNED by )  
**Verolot Limited** )  
 in the presence of: )

  
 TAYLOR ANTHONY  
 TRAINEE TRUST ADMINISTRATOR

  
 Director/Secretary

**HSBC Trustee (C.I.) Limited - As Secretary**  
**Authorised Signature**

\_\_\_\_\_  
 Name (please print)

  
 Director  
 Authorised representative of  
**HSBC PB Corporate Services 1 Limited**  
**Sole Corporate Director**

\_\_\_\_\_  
 Name (please print)

## **Schedule 1**

### **Warranties**

Unless the context otherwise requires, specific references in warranties 1, 2, 3, 4.1, 4.2 and 5.1 in this Schedule 1 to the "Seller" shall be deemed to refer to each Seller warranting on behalf of itself only in relation to the matters in respect of which the warranty is given or in relation to the Shares being sold by it under this Agreement (as applicable).

#### **1. Authority**

- 1.1 Each Seller has full power and authority to enter into and perform its obligations under this Agreement.
- 1.2 Each Seller has taken all necessary action to authorise its execution, delivery and performance of this Agreement in accordance with its terms.
- 1.3 The obligations of each Seller under this Agreement are legal, valid, binding and admissible in evidence subject to any necessary stamping and registration, and are enforceable against it in accordance with its terms subject to applicable bankruptcy laws and equitable principles.
- 1.4 The execution, delivery and performance of each Seller's obligations under this Agreement complies with:
  - (a) Applicable Law;
  - (b) its constitution or other constituent documents; and
  - (c) any Security Interest or document which is binding upon it or any asset of it and does not and will not result in:
    - (i) the creation or imposition of any Security Interest or restriction of any nature on any asset or it under the provisions; or
    - (ii) accelerate the payment of any obligation existing under any Security Interest or document which is binding upon it or any asset of it.

#### **2. Capacity**

- 2.1 No Seller is entering into this document as trustee of any trust or settlement.

#### **3. Solvency**

- 3.1 None of the Sellers nor any Group Company is an externally-administered body corporate under the Corporations Act and no steps have been taken by any person towards making the Sellers or any Group Company an externally-administered body corporate, whether by way of liquidation, provisional liquidation, administration or otherwise
- 3.2 A controller (as defined in Section 9 of the Corporations Act) has not been appointed of any of the property of any Seller or any Group Company nor have any steps been taken for the appointment of such a person.
- 3.3 None of the Sellers nor any Group Company has been served with a demand under Section 459E of the Corporations Act which it is taken, under Section 459F of the Corporations Law, to have failed to comply with.
- 3.4 None of the Sellers nor any Group Company is liable to be struck off the register of companies.
- 3.5 Each Seller and each Group Company is able to pay all its debts as and when they become due and payable.

#### **4. Shares and Capital**

- 4.1 Each Seller is the legal and beneficial owner of the Shares set out adjacent to its name in Schedule 3 which are free of all Security Interests and other third party interests or rights.
- 4.2 Each Seller is able to sell and transfer the Shares without the consent of any other person and free of any pre-emptive rights or rights of first refusal.
- 4.3 The Shares are all of the issued share capital of the Company.
- 4.4 The Shares are fully paid and no money is owing in respect of them.
- 4.5 No Group Company is under any obligation to issue or allot and has not granted any person the right to call for the issue or allotment of any shares or other securities of any Group Company at any time.
- 4.6 No fact, matter or circumstance exists which may impose on any Group Company an obligation to issue or confer on any person the right to call for the issue of any securities of the Group Company (either unconditionally, conditionally or subject to an election by the Group Company or another person).
- 4.7 No Group Company has made available any interest in a managed investment scheme.

#### **5. Conduct of Business**

- 5.1 There has not been any breach or default by the Sellers or any Group Company of any term or provision of:
  - (a) its constitution;
  - (b) any instrument to which it is a party or by which it is bound; and
  - (c) to the best of the knowledge of the Sellers, any judgment, order or injunction of any court, commission, board or other administrative Government Agency,
 and to the best of the knowledge of the Sellers, there has not occurred any event which, with the passage of time or giving of notice, would constitute a breach or default of that kind.
- 5.2 Each Group Company has full power and has obtained all necessary consents of all persons and authorities to own, operate and/or lease the Business Assets and to conduct the Business.
- 5.3 Each Group Company holds all Authorisations necessary for the conduct of the Business and to the best of the knowledge of the Sellers, there is no fact or matter that might prejudice the continuance or renewal of those Authorisations. No such Authorisations may be cancelled by the appropriate Government Agency as a result of Completion.
- 5.4 To the best of the knowledge of the Seller, the Business is conducted in accordance with all Applicable Laws, does not contravene any laws and no allegation of any contravention of any Applicable Laws is known to any Group Company or the Seller.

#### **6. Business Assets**

- 6.1 The Business Assets are:
  - (a) to the extent applicable, fully paid for;
  - (b) to the extent applicable, in the possession of the Group; and
  - (c) used solely for the purposes of the Business.

## **7. Financial Matters**

### **7.1 The Accounts:**

- (a) have been prepared:
  - (i) in accordance with the requirements of the Corporations Act and any other applicable laws; and
  - (ii) in accordance with the Accounting Standards; and
- (b) disclose a true and fair view of the state of the affairs, financial position, assets and liabilities of any Group Company as at their respective dates and the income, expenses and results of operations and cash flows of any Group Company for the financial period ending on their respective date.

### **7.2 The Pro Forma Balance Sheet gives a true and fair view of the financial position of the Group as at the Pro Forma Balance Sheet Date and is not misleading or deceptive in any material respect.**

### **7.3 Since the Accounts Date, each Group Company has:**

- (a) carried on the Business in a normal, proper and efficient manner;
- (b) used all reasonable endeavours to preserve the goodwill of the Business;
- (c) maintained the Business Assets at normal levels;
- (d) not permitted or suffered any material change detrimental to the interest of the Buyer in the financial position or business affairs of the Group Company.

### **7.4 Other than in the ordinary course of business or except as disclosed in the Accounts or the Pro Forma Balance Sheet, to the best of the knowledge of the Seller, there are no liabilities or future financial commitments (contingent or otherwise) owed by any Group Company to any third party in relation to the Business.**

### **7.5 The Group Company is the beneficial owner of each of the Business Assets included in the Accounts except to the extent that a Business Asset of Group Company may, in the ordinary course of business of the Group Company, have changed, been reduced, or disposed of after the Accounts Date.**

## **8. Contracts**

### **8.1 Each Group Company has complied at all times with its material obligations under all Material Contracts.**

### **8.2 To the best of the knowledge of the Sellers, each Group Company has complied at all times with its material obligations under all other Contracts (other than Material Contracts) and arrangements to which it is a party.**

### **8.3 To the best of the knowledge of the Seller, each party to the Cotton Gin Contract has complied at all times with its obligations under that contract. The Seller is not aware of any circumstances that may result in completion of the Cotton Gin Contract completing in accordance with its terms.**

### **8.4 Each of the Material Contracts, Asset Leases and Property Leases:**

- (a) is valid, binding and enforceable against the parties to it;
- (b) is on arms length terms;
- (c) is within the ordinary course of business;
- (d) is not with a Related Corporation of the Sellers or any Group Company; and



- (e) does not impose any restrictions on the ability of any Group Company to trade freely in any part of the world.
- 8.5 To the best of the knowledge of the Sellers, no party is in breach of, or in default under, any Material Contract, Asset Lease or Property Lease or would be in breach of or default but for a requirement of notice or lapse of time or both.
- 8.6 The Sellers are not aware of any reason or circumstance which might cause any Material Contract, Asset Lease or Property Lease not to be performed and completed in accordance with its terms.
- 8.7 To the best of the knowledge of the Seller, no parties to any Material Contract or Property Lease is likely, as a result of a change in ownership of any Group Company:
  - (a) to terminate the Material Contract or Property Lease; and
  - (b) to require the adoption of terms which are less favourable to the Buyer than the current terms.
- 8.8 No Group Company is directly or indirectly obliged, in any way to guarantee, assume or provide funds to satisfy any obligation of any person.

## **9. Properties**

- 9.1 The Business is carried on only at the Properties. The Group has exclusive occupation and quiet enjoyment of the Properties free from all Security Interests or third party rights except as provided in the Property Leases and subject to sub-leases and sub-licences granted by them.
- 9.2 To the best of the Sellers' knowledge, there are no breaches of the terms of any enclosure permits, leases or licences that benefit the Properties including any applications for closure and purchase of any crown roads that are incomplete.
- 9.3 The Group has not received:
  - (a) any notice or order from a Government Agency advising the Group of any material non-compliance with any consents, approvals, licences or requirements of an Authority relating to the Properties; or
  - (b) any notice or order from a Government Agency advising the Group that any of the Properties does not comply with any law or requirements of a Government Agency.
- 9.4 All buildings and other improvements on Properties are in a good condition and state of repair.
- 9.5 The Properties are not subject to any material defect or other thing which will or might materially decrease its ability to be used in the Business.
- 9.6 There are no pending or, to the best of the Sellers' knowledge, threatened suits, claims (including any claims in relation to any unregistered interests), actions, proceedings or investigations in respect of any Properties.

## **10. Water Entitlements**

- 10.1 Part 1 of Schedule 10 sets out an accurate list of all Water Entitlements held by the Group. Part 2 of Schedule 10 sets out an accurate list of all Water Entitlements that will be held by the Group as at Completion. The Water Entitlements listed in Schedule 9 have not been assigned, transferred or cancelled (other than the agreement to transfer the Additional Water Entitlements in accordance with Clause 5.9(a)(i)) and no entitlement or allocation of those Water Entitlements have been assigned, transferred, cancelled or traded to any third party.
- 10.2 The Group has or will from Completion have exclusive rights to use the Water Entitlements free from all Security Interests or third party rights.

- 10.3 There are no breaches of the terms of any agreement, consent, approval or licence relating in any way to the Water Entitlements.
- 10.4 The Group and AFF has not received any notice or order from an Government Agency, irrigation co-operative or other body advising the Group of any material non-compliance with any consents, approvals, licences or requirements relating to the Water Entitlements.
- 10.5 All liabilities for payments with respect to the Water Entitlements are current and up to date.

## **11. Environmental Matters**

- 11.1 All Environmental Permits have been obtained and are in full force and effect.
- 11.2 With respect to each of the Properties each Group Company has, in the period that such Properties have been under the control or direction of the Group, complied at all times and in all material respects with applicable Environmental Laws and Environmental Permits and, to the best of the Sellers' knowledge, there are and have been no acts or omissions in relation to Environmental Matters which could give rise to fines, penalties, losses, damages, costs, expenses or liabilities or could require any work.
- 11.3 None of the Properties is polluted or contaminated or has been used for any purpose which has or is reasonably likely to have resulted in pollution or contamination. No pollution or contamination from any of the Properties has migrated to or otherwise affected any other property.
- 11.4 There are no polychlorinated biphenyls or asbestos at any of the Properties. There are no landfill sites or underground storage tanks in, at or within 250 metres of any of the Properties.
- 11.5 There are no litigation proceedings, claim or complaint by any person under Environmental Laws relating to any of the Properties.

## **12. Stock**

- 12.1 So far as the Sellers is aware none of the Stock (including crop, crop-in-ground and livestock) is affected by any disease or adverse conditions.

## **13. Intellectual Property Rights**

- 13.1 The Group owns all right, title and interest in Australia in and is entitled to use the Company Intellectual Property Rights free of all Security Interests.

## **14. Business Records**

- 14.1 The Sellers have filed all notices, statements, returns and other forms which are due in respect of the Business as and where required to be filed or registered under the requirements of Governmental Agencies.
- 14.2 Each Group Company has supplied an accurate and up to date copy of its constitution to the Buyer.
- 14.3 No Group Company has received notice of any application or intended application for the rectification of its registered members or any other register which it is required by law to maintain.

## **15. Shareholdings and Memberships**

- 15.1 Schedule 5 sets out an accurate diagram illustrating all members of the Group.
- 15.2 No Group Company is a member of any joint venture, partnership or unincorporated association (other than a recognised trade association).

## **16. Employees**

- 16.1 The Sellers has delivered to the Buyer a copy of all Material Contracts with employees or consultants to all Group Companies.
- 16.2 To the best of the knowledge of the Sellers, each of the Material Contracts entered into with Employees or consultants to a Group Company is enforceable against the parties to it and, to the best of the knowledge of the Sellers, there is no party in breach of, or in default under, any such Material Contract.
- 16.3 The Sellers have provided to the Buyer a list of the employees of the Group as at 24 November 2014 and their Employment Benefits.
- 16.4 Each Group Company is in material compliance with its obligations under each agreement, statute, industrial order or code of conduct relating to the Employees.
- 16.5 Each Group Company has not given any material commitment (whether legally binding or not) to increase or supplement the wages, salaries, annual leave and leave loading, long service leave, sick leave or any other remuneration, compensation or benefits of any Employee beyond the amounts and entitlements listed in Schedule 7.
- 16.6 To the best of the knowledge of the Sellers, no Group Company has been involved in any material industrial dispute with any Employee at any time within the 3 years preceding the date of this Agreement and the Sellers do not know of any circumstances likely to give rise to any material industrial dispute.
- 16.7 The Company or the Sellers have provided the Buyer with written details in relation to all claims for worker's compensation, WorkCover or otherwise in relation to work related injuries. These details are accurate and complete in all material respects.
- 16.8 To the best of the knowledge of the Sellers, no Group Company is a party to any agreement with a union or industrial organisation in respect of the Employees.
- 16.9 To the best of the knowledge of the Sellers, no industrial awards or enterprise agreements apply to any Employee.
- 16.10 The Group does not maintain an employee share plan or executive share option plan applicable to Employees.

## **17. Insurance**

- 17.1 The Group maintains insurance coverage with reputable insurers in such amounts and covering such risks as are in accordance with normal industry practice for companies engaged in businesses similar to the Business.
- 17.2 To the best of the knowledge of the Sellers, no Group Company has been notified by any insurer that it is required or is advisable for it to carry out any maintenance, repairs or other works in relation to any of the Plant and Equipment or Properties.
- 17.3 No material claim is pending in respect of any policy of insurance.

## **18. Litigation and Disputes**

- 18.1 No Group Company is engaged in or threatened with prosecution, litigation or arbitration which exceeds the value of \$150,000.
- 18.2 No Group Company is subject to any unsatisfied judgment or any order, award or decision handed down in any litigation or arbitration proceedings.
- 18.3 To the best of the knowledge of the Sellers, no Group Company is, nor has it in the last two years been subject to any investigation by any Government Agency.

- 18.4 To the best of the knowledge of the Sellers, there are no circumstances which might give rise to any investigation, prosecution, litigation, proceeding or any other form of mediation referred to in Warranties 18.1 to 18.3.

## **19. Superannuation**

- 19.1 Each Group Company has made all payments in respect of occupational superannuation required under law, any contract or award in respect of each of the Employees in the Business or otherwise.

## **20. Taxes and Duty**

- 20.1 No Group Company has sought capital gains tax relief under section 160ZZO or Subdivision 126-B of the 1936 Act with respect to any asset acquired by any Group Company and which is still owned by a Group Company at Completion.
- 20.2 Any Duty payable in respect of any Tax Law in relation to any transaction or agreement to which a Group Company is or has been a party or by which a Group Company derives or has derived a substantial benefit has been paid. No event has occurred as a result of which any Duty from which a Group Company may have obtained release has become payable.
- 20.3 Each Group Company has maintained and retained for the period required by law proper and adequate records to enable it to comply with its obligations to:
- (a) prepare and submit any information, notices, computations, returns and payments required in respect of any Tax Law;
  - (b) prepare any accounts necessary for the compliance with any Tax Law; and
  - (c) retain necessary records as required by the Tax Law.
- 20.4 Each Group Company has maintained and retained for the period required by law:
- (a) accurate records of all assets to which Part IIIA of the 1936 Act and Parts 3-1 and 3-3 of the 1997 Act apply or applied; and
  - (b) accurate records of all information relating to those assets as is referred to in section 160ZZU of the 1936 Act and Division 121 of the 1997 Act.
- 20.5 Each Group Company has submitted any necessary information, notices, computations and returns to the relevant Government Agency in respect of any Tax or any Duty related to the Company.
- 20.6 The office of public officer as required under any Tax Law has always been occupied.
- 20.7 No Group Company is aware of any pending or threatened Tax or Duty audit of the any Group Company or the Sellers.
- 20.8 There are no disputes with any Government Agency with respect to any Tax or Duty relating to or involving any Group Company.
- 20.9 No Group Company nor the Sellers has entered into or been a party to any transaction which contravenes the anti-avoidance provisions of any Tax Law.
- 20.10 No Group Company is nor will become liable to pay, reimburse or indemnify any person in respect of any Tax or Duty relating to any act or omission occurring before Completion because of the failure of any other person to discharge that Tax or Duty.
- 20.11 All information necessary for the calculation of any Tax liabilities of all Group Companies:
- (a) after the Accounts Date has been disclosed to the Buyer before the date of this Agreement; and

- (b) between the date of this Agreement and the Completion Date, has been or will be disclosed to the Buyer not later than 2 Business Days before the Completion Date.

20.12 On the Completion Date no Group Company's share capital account will be tainted within the meaning of section 160ARDM of the 1936 Act.

## **21. Information**

- 21.1 The Due Diligence Materials have been compiled and prepared in good faith and are not misleading in any way.
- 21.2 The Sellers have not knowingly failed to disclose to the Buyer any information known to the Sellers regarding any event or circumstance or any action taken or failed to be taken that is or could be materially adverse to the Buyer.
- 21.3 All details relating to the Shares, any Group Company, the Business or the Business Assets (including the Due Diligence Materials) that would be material for disclosure to a prudent intending purchaser of the Shares have been disclosed to the Buyer.
- 21.4 All information in Schedule 3, Schedule 4, Schedule 5, Schedule 6, Schedule 7, Schedule 9, Schedule 10, Schedule 11 and Schedule 12 is accurate and complete and not misleading in all material respects.

## **Schedule 2**

### **Buyer Warranties**

#### **1. Authority**

- 1.1 The Buyer has full power and authority to enter into and perform its obligations under this Agreement.
- 1.2 The Buyer has taken all necessary action to authorise its execution, delivery and performance of this Agreement in accordance with its terms.
- 1.3 The obligations of the Buyer under this Agreement are legal, valid, binding and admissible in evidence subject to any necessary stamping and registration, and are enforceable against it in accordance with its terms subject to applicable bankruptcy laws and equitable principles.
- 1.4 The execution, delivery and performance of the Buyer's obligations under this Agreement complies with:
  - (a) Applicable Law; and
  - (b) its constitution or other constituent documents.

#### **2. Capacity**

- 2.1 The Buyer is not entering into this document as trustee of any trust or settlement.

#### **3. Solvency**

- 3.1 The Buyer is not an externally-administered body corporate under the Corporations Act and no steps have been taken by any person towards making the Buyer an externally-administered body corporate, whether by way of liquidation, provisional liquidation, administration or otherwise
- 3.2 A controller (as defined in Section 9 of the Corporations Act) has not been appointed of any of the property of the Buyer nor have any steps been taken for the appointment of such a person.
- 3.3 The Buyer has not been served with a demand under Section 459E of the Corporations Act which it is taken, under Section 459F of the Corporations Law, to have failed to comply with.
- 3.4 The Buyer is not liable to be struck off the register of companies.
- 3.5 The Buyer is able to pay all its debts as and when they become due and payable.

#### **4. Shares and Capital**

- 4.1 The Buyer has, or will have at the date of Completion, obtained all authorisations necessary to issue the Acquisition Shares to the Sellers in compliance with all Applicable Law.
- 4.2 Other than in respect of the transactions contemplated by this Agreement and the Tandou Transaction (if it proceeds), the Buyer is not under any obligation to issue or allot and has not granted any person the right to call for the issue or allotment of any shares or other securities of the Buyer at any time.
- 4.3 No fact, matter or circumstance exists which may impose on the Buyer an obligation to issue or confer on any person the right to call for the issue of any securities of the Buyer (either unconditionally, conditionally or subject to an election by the Group Company or another person).

## **5. Compliance with laws**

- 5.1 The Buyer has not failed to comply in any material respect with any Applicable Law or any judgment, order or injunction of any court, commission, board or other administrative Government Agency.
- 5.2 The Buyer has complied in all material respects with its continuous disclosure obligations under ASX Listing Rule 3.1 and, as at the date of this Agreement, there is no information that the Buyer is withholding from the market pursuant to a carve-out under ASX Listing Rule 3.1.

## **6. Disclosure**

- 6.1 The Buyer is able to provide, and there is nothing to prevent it from providing, the cleansing notices in accordance with section 708A(5)(1) of the Corporations Act in respect of the Acquisition Shares to be issued to the Seller (or their nominees) under this Agreement.
- 6.2 As at the date of this Agreement and but for information comprising the existence and terms of this Transaction and the Tandou Transaction, the Buyer has no information that a reasonable person would expect to have a material effect on the price or value of Buyer Shares that has not been disclosed to ASX under Listing Rule 3.1 or which could be required to be disclosed as "excluded information" under subsection 708A(7) of the Corporations Act. If, after the date of this Agreement, the Buyer has any "excluded information" for the purposes of subsection 708A(7) of the Corporations Act, it warrants that such information will be disclosed to ASX under Listing Rule 3.1 prior to release of the cleansing notices or within such cleansing notices.
- 6.3 The cleansing notices in respect of the Acquisition Shares to be issued to the Sellers (or their nominees) complies with, or will when issued comply with, all applicable laws including the Corporations Act and, and will be true and accurate and not misleading or deceptive or likely to mislead or deceive.

## Schedule 3

### Group Structure

#### 1. Capital structure of Company

##### Bengerang Limited (ACN 127 984 123)

Name of Shareholder	Number of Shares
Australian Food & Fibre Limited	27,540,000 Shares
Belfort Investment Advisers Limited	13,500,000 Shares
Verolot Limited	13,500,000 Shares

#### 2. Capital structure of Subsidiary

##### PrimeAg Fund Operations Pty Limited (ACN 152 175 203)

Name of Shareholder	Number of Shares
Bengerang Limited	1



**Bengerang Limited**

PO Box 399  
MOREE NSW 2400

**Balance Sheet**

As of December 2014

		31 Dec 14	Bourke	Medgun	Revaluation	Current S/Holders Additional equity	New Equity	Acquisition Proforma Balance Sheet
<b>1-0000</b>	<b>Assets</b>							
<b>1-1000</b>	<b>Current Assets</b>							
<b>1-1001</b>	<b>Cash</b>	117	0			0	0	117
<b>1-1100</b>	NAB Cheque Account							
<b>1-1105</b>	Petty Cash	0	0					0
	Cash	118	0	0		0	0	118
<b>1-1200</b>	<b>Debtors</b>							
<b>1-1201</b>	Sundry debtors	222	0					222
<b>1-1210</b>	Trade debtors	45	0					45
<b>1-1211</b>	Property Deposits	3,500	(3,500)					0
	Debtors	3,767	(3,500)	0	0	0	0	267
<b>1-1400</b>	<b>Prepayments</b>							
<b>1-1401</b>	Prepaid rates and taxes	41	0					41
<b>1-1402</b>	Prepaid insurance	86	0					86
<b>1-1403</b>	Prepaid workers comp	4	0					4
<b>1-1406</b>	PAYG income tax instalments	10	0					10
<b>1-1500</b>	<b>Prepayments</b>							
	Inventories on	141	0	0	0	0	0	141

**Schedule 4**

**Pro Forma Balance Sheet**

1-1501	hand		0	0	0	0	0	0	0	0
1-1502	Cotton on hand	\$0.00	0	0	0	0	0	0	0	0
1-1503	Seed on hand	\$16,102.60	16	0	0	0	0	0	0	16
	Sprays & chemicals on hand	\$87,071.05	87	0	0	0	0	0	0	87
1-1504	Cotton Bale Wrap on hand	\$73,755.00	74	0	0	0	0	0	0	74
1-1505	Fuel on hand	\$234,798.33	235	0	0	0	0	0	0	235
1-1506	Water	\$47,129.26	47	0	0	0	0	0	0	47
1-1507	Irrigation materials	\$146,301.86	146	0	0	0	0	0	0	146
1-1510	Grain on Hand	\$151,016.30	151	0	0	0	0	0	0	151
	<b>Inventories</b>	<b>\$756,174.40</b>	<b>756</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>756</b>
1-1520	<b>Biological Assets</b>									
1-1521	Irrig Cotton TY	\$1,395,656.08	1,396	0	0	0	0	0	0	1,396
1-1524	Other Summer Crop TY (fallow)	\$13,465.74	13	0	0	0	0	0	0	13
1-1529	Irrig Cotton NY	\$1,127,097.58	1,127	0	0	0	0	0	0	1,127
1-1530	DL Cropping NY	\$430,758.95	431	0	0	0	0	0	0	431
	<b>Biological Assets</b>	<b>\$2,966,978.35</b>	<b>2,967</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,967</b>
1-1600	<b>Livestock</b>									
1-1602	Livestock - Trade cattle	\$30,800.00	31	0	0	0	0	0	0	31
	Livestock	\$30,800.00	31	0	0	0	0	0	0	31
	<b>Total Current Assets</b>	<b>\$7,779,691.06</b>	<b>7,780</b>	<b>(3,500)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,280</b>
1-4000	<b>Non Current Assets</b>									
1-4001	<b>Property, Plant &amp; Equipment</b>									
1-4200	<b>Furniture &amp; fittings - cost</b>									
1-4201	Furniture & fittings - opening	\$26,508.21	27	0	0	0	0	0	0	27
1-4202	Fum & fittings - additions	\$17,440.12	17	0	0	0	0	0	0	17
	<b>Total Furniture &amp; fittings - cost</b>	<b>\$43,948.33</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>



1-4407	eq - opening Acc dep Plant & eq - additions	(197)	0						(197)
1-4408	Acc dep Plant & eq - disposals Total Plant & equipment - acc dep	0 (1,684)	0 0	0	0	0	0	0	0 (1,684)
1-4500	Leased Assets - P/E								
1-4501	Leased P&E Opening	2,603	0						2,603
1-4505	Total Leased Assets - P/E	2,603	0	0	0	0	0	0	2,603
1-4506	Leased Assets - P/E Accum Dep								
1-4506	Leased P&E Acc Dep Opening	(1,054)	0						(1,054)
1-4507	Leased P&E Dep Add	(102)	0						(102)
1-4600	Total Leased Assets - P/E Accum Dep	(1,155)	0	0	0	0	0	0	(1,155)
1-4601	Leased Assets - MV								
1-4601	Leased MV Opening	175	0						175
1-4605	Total Leased Assets - MV	175	0	0	0	0	0	0	175
1-4606	Leased Assets MV Acc Dep								
1-4606	Leased MV Acc Dep Opening	(63)	0						(63)
1-4607	Leased MV Dep Additions	(13)	0						(13)
1-4800	Total Leased Assets MV Acc Dep	(76)	0	0	0	0	0	0	(76)
1-4801	Land - fair value								
1-4801	Land - opening	29,851	0						29,851
1-4802	Land - additions	0	11,066		2,478				13,544
1-4803	Land - Transfers	0	0			(3,039)			(3,039)

1-4804	Land - revaluations	\$0.00	0	0	4,586	4,586	0	0	0	4,586
	<b>Total Land - fair value</b>	<b>\$29,851,178.13</b>	<b>29,851</b>	<b>11,066</b>	<b>2,478</b>	<b>1,547</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44,942</b>
<b>1-4900</b>	<b>Buildings &amp; Improvements</b>									
1-4901	Buildings - opening	\$3,075,032.22	3,075	0						3,075
1-4902	Buildings - additions	\$0.00	0	0	300					300
1-4904	Buildings - revaluation	\$0.00	0	0	158	(269)				(111)
	<b>Total Buildings &amp; Improvements</b>	<b>\$3,075,032.22</b>	<b>3,075</b>	<b>0</b>	<b>458</b>	<b>(269)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,264</b>
<b>1-4910</b>	<b>Buildings - accum dep</b>									
1-4911	Buildings acc dep - opening	(\$89,087.81)	(89)	0						(89)
1-4912	Buildings acc dep - additions	(\$68,227.57)	(68)	0						(68)
	<b>Total Buildings - accum dep</b>	<b>(\$157,315.38)</b>	<b>(157)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(157)</b>
<b>1-5100</b>	<b>Property Imp - cost</b>									
1-5101	Property Imp - opening	\$989,708.57	990	0						990
1-5102	Property Imp - additions	\$2,976,908.62	2,977	0						2,977
1-5103	Property Imp - disposals	\$0.00	0	0						0
	<b>Total Property Imp - cost</b>	<b>\$3,966,617.19</b>	<b>3,967</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,967</b>
<b>1-5110</b>	<b>Property Imp - acc amort</b>									
1-5111	Acc Amortisation - opening	(\$3,809.43)	(4)	0						(4)
1-5112	Acc Amortisation - additions	(\$15,557.96)	(16)	0						(16)
	<b>Total Property Imp - acc amort</b>	<b>(\$19,367.39)</b>	<b>(19)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(19)</b>
	<b>Total Property, Plant &amp; Equipment</b>	<b>\$39,938,242.07</b>	<b>39,938</b>	<b>11,066</b>	<b>2,936</b>	<b>1,278</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55,218</b>











Total Liabilities	\$25,083,037.99	25,083	29,186	7,500	2,118	(5,000)	(40,000)	18,887
Net Assets	\$58,594,744.25	58,595	0	609	7,059	10,000	40,000	116,262
Equity	\$74,986,206.50	74,986	0	0	0	10,000	40,000	124,986
Reserves	\$2,138,516.10	2,139	0	609	7,059	0	0	9,806
Retained Earnings	-\$18,529,978.35	(18,530)	0	0	0	0	0	(18,530)
Total Equity	\$58,594,744.25	58,595	0	609	7,059	10,000	40,000	116,262
Reconciliation - \$118,437m								116,262
The North Bourke Gin has been excluded								2,314
Other adjustments								-139
Total								118,437

## Schedule 5

### Asset Leases

#### **Bengerang Limited** **Plant & Equipment - Financed**

##### Motor Vehicles

Mazda BT50 4x2 MU (224SKL)  
Mitsubishi Triton (902SMI)  
Toyota Hilux 4X4 3L Turbo Diesel Single Cab (BL16TN)  
Toyota Hilux 4x4 Turbo Diesel Double cab  
Toyota Hilux 4x4 Workmate ute( BP89EV)  
Holden Colorado DX (BX21HI)  
Holden Colorado DX (BX20HI)  
Holden Colorado DX (BX22HI)  
Toyota Hilux 4x4 SR (890TVW)

##### Plant & Equipment

John Deere 8295R Tractor  
Elevator Conveyor  
Tilco 36-333 Parralellagram Planter  
John Deere 8345R Tractor GO (C92770)  
6 Row Tilco Sidebuster (T6SB-228-0412)  
John Derre Tractor 8345R  
Landaco TS8000 Maxispread  
3 Point linkage portable pump  
6 Row Tilco Sidebuster (TSB62270312)  
40ft Grader Board ( NO4REGO)  
7760 John Deere Cotton Picker (C84474)  
7760 John Deere Cotton Picker (C84473)  
McCormack Cotton Bale Grab (MCH 166-164-2)  
McCormack Cotton Bale Grab  
8 GPS Units - Various Tractors

**Schedule 6**

**Intellectual Property Rights**

<b>Part 1</b>	<b>Business Names</b>
	PrimeAg Australia*
	*Former name of Bengelang Limited
<b>Part 2</b>	<b>Company Intellectual Property Rights</b>
	<u>Trademark</u>
	Word <i>PRIMEAG</i> (Ref: 1201696)
<b>Part 3</b>	<b>Licensed Intellectual Property Rights</b>
	Nil

## **Schedule 8**

### **Key Contracts**

1. The **Darling Farms Agreements** comprising:
  - (a) Contract for the sale of land with respect to the properties known as "Fort Bourke", "Darling Farms" and part of "Alambi" Bourke, NSW between Fort Bourke Pty Limited, John Dickey Buster, Chauncey Daniel Buster, Margery Louise Cole, Samuel Ernst Buster, Steven Hadley Buster, Gidgee Farming Pty Limited as trustee for the Buscole Unit Trust and Bengelang Limited dated 11 November 2014; and
  - (b) Contract for the sale of water access licences between Fort Bourke Pty Limited, John Dickey Buster, Chauncey Daniel Buster, Margery Louise Cole, Samuel Ernst Buster, Steven Hadley Buster, Gidgee Farming Pty Limited as trustee for the Buscole Unit Trust and Bengelang Limited dated 11 November 2014.
2. The lease with respect to the property known as "Medgun", Garah, NSW Folio Identifier 101/1130219 and Auto Consol 13845-40 between Ian Gordon Smith, Marilyn Kay Smith and Company dated 4 September 2014.
3. The Medgun Option.

## Schedule 9

### Properties

#### Part 1 Properties

##### 'BULLAMON'

Folio Identifier	Title Diagram
11/1116648	DP1116648
1/1150546	DP1150546

##### 'BENGERANG'

Folio Identifier	Title Diagram
1/705385	DP705385
1/755977	CP1096.1857
1/734681	DP734681
1/721462	DP721462
45/705426	DP 705426
AC 14816-74	All Crown Plans
1/705425	DP705425
29/755977	CP 1149.1857
27/755977	CP1098.1857

##### 'ROCKLESS PARK'

Folio Identifier	Title Diagram
2/810212	DP810212

##### 'LOWER BOX AND DODDS'

Folio Identifier	Title Diagram
4/253733	DP253733
1 & 2/616282	DP616282
11/1037673	DP1037673
20/1020865	DP1020865

##### 'KURRAJONG HILLS' - LEASED TO PEGALA PTY LTD

Folio Identifier	Title Diagram
2/1080125	DP 1080125
31/751133	CP 3118.1951
AC 7113-17	See title search
AC 6860-218	See title search
45/659790	DP659790
AC 8427-94	DP130933
44/751133	DP2226.1951

##### 'LAKELAND DOWNS', CONDOMINE QUEENSLAND

Title reference	Title Diagram
15716147	153427
11988009	BWR130

**Part 2            Leased Properties****'MEDGUN' - PURCHASE BY BENERANG LIMITED FROM SMITH**

Folio Identifier	Title Diagram
Auto Consol 13845-40	CP 535.1857 & 630.1857
101/1130219	DP1130219

## Schedule 10

### Water Entitlements

#### Part 1 – Existing Water Entitlements

WAL	Tenure	Category	Megalitres	Water Source
8239	Continuing	Supplementary	1,178.03	Gwydir Regulated River Source
9348	Specific	Stock & Domestic	48	Gwydir Regulated River Source
14973	Continuing	Supplementary	336.58	Gwydir Regulated River Source
14970	Continuing	General Security	0	Gwydir Regulated River Source
14972	Continuing	Supplementary	0	Gwydir Regulated River Source
14971	Continuing	General Security	972	Gwydir Regulated River Source
10428	Continuing	Supplementary	1,308.9	Gwydir Regulated River Source
8238	Continuing	General Security	3,402	Gwydir Regulated River Source
10427	Continuing	General Security	4,430	Gwydir Regulated River Source
13350	Continuing	General Security	4,860	Gwydir Regulated River Source
14886	Continuing	Supplementary	1,682.9	Gwydir Regulated River Source
13351	Specific	Stock & Domestic	16	Gwydir Regulated River Source

WAN 13/7585 – Water Allocation Licence – 2,040 Megalitres – Condamine Balonne Zone CBU-04

#### Part 2 – Additional Water Entitlements

WAL	Tenure	Category	Megalitres	Water Source
9909	Continuing	Supplementary	2,019.5	Gwydir Regulated River Source
9909	Continuing	General Security	5,832	Gwydir Regulated River Source
13267	Continuing	Supplementary	1,682.9	Gwydir Regulated River Source
13266	Continuing	General Security	4,860	Gwydir Regulated River Source

## **Schedule 11**

### **Plant and Equipment**

#### **Bengerang Limited**

#### **Plant & Equipment**

##### Motor Vehicles

Toyota Hilux 4x4 Turbo Diesel (BX15HI)  
Dual Cab Hilux 2004 turbo Diesel (982LCG)  
Toyota Landcruiser Ute (575FQS)  
Toyota Hilux S/Cab (AA85KP)  
Toyota Landcruiser  
Landcruiser Wagon  
Hilux Dual Cab Ute  
Toyota Hilux SR5 (BW45NY)  
Holden Colorado LX (BT17YK)  
Holden Colorado (BX84HH)  
Holden Colorados (BX83HH)  
Holden Colorado (BX86HH)  
Toyota Landcruiser 1998 (No Rego)

##### Plant & Equipment

40 FT Shipping Container  
8x Goanna NextG Probes plus installation  
2013 JD Z255 Lawn Mower  
5x Goanna Next G Probes  
Supply & Install 2x Fire Systems for Pickers  
Genelite 4-1 Honda Workstation  
JD 2850  
Hitachi EX270LC 5 Excavator  
CAT 428B Backhoe  
3x Quads  
Grizzly Field Boss  
2x Agroplow  
Yale GDP25RE Forklift  
Roesner 880T Fertiliser Spreader  
White MB70T Bomile Grain Bin



Steel Tank approx 10,000L  
Fuel tank on trailer 10,000L  
20" shipping containers  
Case generator & air compressor  
Welding Equipment  
Advance bucket  
Cotton rake, levelling beams, tyre roller  
Farmor Manufacturing & grader attachment  
Rear trailer air seeder & shield sprayer  
Gessner 8 row tyned cultivator  
Toolex & DDS Welding Trailer  
Duruplas R22700 Water Tank  
Computer/Radio link  
Syphons approx. 1,000  
JD 9660 Harvester  
Dihatsu  
Trailer  
Gessner rolling cultivator  
Jim Smith GTS HD  
Cultivator  
John Shearer Trash worker  
Twin Boom Spray  
Field bin 30 tonne  
Tag along folding arms  
Coates & CoBroil  
Scraping Bar  
Diesel Fuel Fill Points  
Roller take from 8m to 12m  
Fit & Calibrate Planter  
JD Auto Steer Kit for Header  
JD 4560  
JD 4640  
JD 9500 Header  
Oxy Set  
Drill  
Steel Cutting Saw  
8m Spring Tyre Cultivator  
6m Rotobuck  
4m International Offset  
16T Walsh & Ford Chaser Bin

27T MPH Sherwell Bin with Auger  
10"x60ft Farm King Auger  
9"x41ft Auger  
Leyland 8T Truck with Water Tank  
Fuel Tanker 2200L  
Honda 680 Rincon Quad  
1000L Channel Sprayer  
12ft Linkage Bucket  
14ft Hooper Grade & Flyer  
16" China Pump  
JD 8310 Tractor  
1830 Acco Truck  
UD Water Truck  
Acco Bogey Water Truck  
Yellow Drag Bucket  
Green Drag Bucket  
Ford Light Blue  
Low Loader  
Bogie Black Tipper  
Rotabuck  
Rotabuck  
JD Scarifier  
12m roller  
NH3 tanks  
Fuel Trailer 10,000Ltr  
Fuel Trailer Red 2,400Ltr  
Nissan Forklift  
Electric Forklift  
Grizzly Ripper  
Siphon 63mm  
International 780 disc  
Greenstar Base Station  
KC Grader Board 14mtr  
Perkins 6" pump  
7930JD MFWD Tractor and Front Tank (13322C)  
JD 7730 Tractor (99763C)  
JCB 3CX Classic Backhoe loader  
Excel Inter-row cultivator  
Dickey John Monitor System for Big N application  
2011 Gessner 12mtr Cultivator

8mtr Scarifier  
2 tonne gas trailers  
12mtr chain rig  
3000ltr water trailer  
Drake Low Loader  
Fuel Trailer and pump  
Welding Trailer plus fittings  
Megajet Welder Generator and Leads  
1500 Irrigation Syphons  
1540 irrigation syphons  
2498 Syphons  
1 Honda - Onga Water Pump 5.5 HP (Water Trailer)  
2004 Walsh & Ford 18 Ton Grain Buggy  
Head Ditch Delver  
Drag Bucket  
8M Tyre Roller  
1700 Maxi Merge Planter  
John Shearer Trash Worker 6M  
5M Rotobuck Machine  
8M Gessnedr Triple Dics Hiller  
2M Cutter Bar  
12M Channel Book  
2600lt Fuel Cart  
JCB Backhoe 3CX  
Lincoln Generator Welder & Oxy  
Higwood Air Compressor  
8120 John Deer Tractor  
Motor Bike Shield Sprayer  
Motor Bike Spray tank  
Stihl farm boss chainsaw  
Greenstar Steering System and base  
Diviner System  
8M Hayes & Baguley Shield Sprayer  
Lathe  
Mini fastrac Honda Engine Mower  
Cattle Feeders x 4 Older bins 4/5 MT capacity  
Greenstar Base - Starfire RTK 2004  
Drag Bucket (12 Foot)  
Roto Buck (16 feet Heavy)  
Shearer Scarifier (29 Tyne)

Chains

Chem mix trailer + 1 1/2 inch pump 4500 L

3 phase electric Pressure Cleaner - Workshop

Aust mech 60'x9 inch tube-veyor

Car Trailer (Syphons)

PTO Pump 9 inch (S385B)

Fuel Trailer

Syphons

Syphons

Engine (Onga Fire Fighter)

Firefighter 5.5 Honda Davey

2 Computers & monitors

TRX500FM Honda 4 Wheel Motorcycle

Omega Upright Package & Panasonic Inverter Rev Spl

Welder - smooth arc BOC

Bike sprayer with 4m boom & accessories

Furniture - quarters

LG Fridge

Stihl Chainsaw

International C1500 truck

Fencing Strainers

Daybreak 27 Fully Shielded Sprayer

John Deere Mower [St Ruth]

Makita Demolition Breaker Electric jack hammer

Extension Ladder

5 Tonne N Buggy

"1/2"" drive Rattle Gun"

"3/4"" drive Rattle Gun"

"3/4"" drive Framgram socket set"

Drop Saw

5 foot slasher

CIGWELD oxy/acetylene kit

Genelite 200 amp Welder Generator

Parts Attached to Maxi Merge Planter

1 x vacuum pump c/w hoses and valve

1 x spotpak 200 litre tank with pump and nozzles

1 only 5.5 hp honda firefighting pump - for diesel

graintec he-50 moisture meter

1 x suzuki 400 quad bikes

one only forklift frame to front end loader

graintec he-50 moisture meter  
 Spray Tank 200L and 12v pump  
 1 x 18 CFM Compressor  
 1 x 3 phase Air Compressor  
 Bandsaw and drillpress  
 Parts, fittings & hose reels for installation of ai  
 12' x 7' steel trailer  
 32 x 28 " discs 6mm for offset disc plough  
 2x Oil Drum Pumps, Fuel Gun, 6m Fuel Hose  
 Welder  
 Chemical Tank  
 Chemical Tank (Plus Fittings)  
 Cultivator (Tooling)  
 1 x 9' blade to suit FEL  
 Air Compressor (x1)  
 Welding Helmet (x1)  
 Box Trailer (Keys Welding Works) 1996  
 Water Pump ( On leased tractor 8130)  
 Pumpmaster Pressure Pump  
 6" Drill Press (x1)  
 1 x LL500 Laser, staff and tripod  
 3 Whirlybird Covers  
 1 x WB30 - 3" Honda Pump & Fittings  
 Grain Spear  
 Brushcutter  
 JD8130 Driving Lights( on leased tractor 8130)  
 Planter (Fab. On Farm)  
 Greenstar Tower (Fab. On Farm)  
 Smudgee Bar (Fab. On Farm)  
 Stabiliser Discs (Fab. On Farm)  
 Stihl Chainsaw MS180  
 Lilliston Cultivator  
 16T Grain Buggy (Freight)  
 Spotlights JD8120  
 Pressure Pump XP350  
 Poly pipe racks for trailer (materials)  
 2 C-Probes for Warra  
 16" China Pump  
 D/Skip Conversion Kit  
 8m Gessner Predator Cultivator

C Probes & Software  
 Agrow Flexi Roller  
 4 Row sidebuster(GCA 1016-4 4M )  
 Jim Smith Hiller Gasbar  
 Channel Sprayer 12M (Fab. On Farm)  
 Parts from 24M Hayes Baguley Spray Rig  
 1 set pallet forks for John Deer loader  
 6M Agfab Rotobuck  
 Case Offsets - Plough  
 Fuel Trailer x1  
 Chamberlain Tractor x1  
 Grain Bins x1  
 Grain Bin x 1  
 Pressure Cleaner Honda 2100PSI 5.5HP  
 Water Tanker x1 16500L  
 300L Fridge Kelvinator 21/R for Cottage  
 Cultivator (Fab. On Farm)  
 Depth Wheels 1 Pallet  
 Greenstar 2600 Display + Receiver  
 Greenstar 2600 Display + Receiver  
 1 1/2" Handa Transfer Pump (Cotton Pickers)  
 Doosan Air Compressor-Cotton pickers  
 Onga Fire Fighter (Warra/ Thorndale)  
 Whirlpool Refrigerator (Lower Box)  
 Goanna Next G Probe (Aquaspy & Rain Gauge)  
 1 x3.5 International Offset Discs  
 Chemical Mixers  
 Slasher-Howard Nugget 180S2  
 12mtr Chain Bar rig  
 Howard Slasher-2007 2nd Hand  
 24 volt Starter Cummins Motor for T/W  
 3x C Probes  
 C Probe  
 BIO TIL-Depth Wheels  
 EID-NLIS-Scanner & Recorder unit  
 ONGA Fire fighter pump for fuel trailer  
 Irrigation Syphons (3,008) 63mm tube  
 140 x 40ft Cotton tarps  
 Teco 4KW cool .6W heat cycle window airconditioner  
 2" Honda Trash pump

Midea 7kg Washing Machine-Warra qrts  
 Steel cabinet -workshop safety gear  
 2x Uniden OHO76X Waterproof Radios  
 Safety equipment for pumps- Winch/Harness  
 1x tripod, 1x winch, 1x harness for pump wells  
 1x tripod, 2x winches,harness-pump wells  
 8RN05223 Caterpillar  
 24M 3PL M/F Boom  
 Gessner Rolling Cult  
 John Deere 1720 12 tractor  
 Excel HD Cultipacker  
 Dunstan Bin 80T Field Bin  
 Case IH MX 100C (C70517)  
 JD 6120 Tractor(2nd Hand)  
 2x Safety Harness  
 2002- 2nd hand Manitou Forklift (MT1732)  
 2012 x 75M x 4.6M Syphons( Garah)  
 Grizzly Plough ( model # s64) serial # 3684  
 WHS Safety signs  
 7215R JD Tractor( 2012)  
 12V 3000 Diesel field 400L tank & Pump  
 8M Lely rotary Hoe  
 RMI Tag reader( attached to cotton picker)  
 RDI Tag Reader( attached to cotton picker)  
 Onga Fire Fighting 5.5hp Single Lincin water Pump  
 Chemical Transfer Pump  
 Channel Sprayer x1  
 international acco truck - vin # jo2788  
 2 x used international scarifiers s/nos 2-111354v  
 Rebuild Scarfier  
 Tooling to fit 8 inch toolbar on Listering/Fertili  
 Lister Rig (Fab. On Farm)  
 16T Grain Buggy  
 John Deere 1720 Maximerge  
 Syphon Racks & 3PL Forks  
 John Deere 8120 Tractor( C6517)  
 Verseatile 9030 Tractor with FEL  
 Forklift Carriage  
 1x 5000L Fuel tank

## Schedule 12

### Due Diligence Materials

#### Accounting Work papers

Balance sheet reconciliations for the periods ended:

30 November 2014

31 December 2014

CFO management reports for the periods ended:

30 June 2014

30 November 2014

31 December 2014

#### Budgeting/Forecast

Business plan based on long-term business assumptions  
2015 financial year budget

#### Commodity & Stocktakes

2013/14 Cotton yield

2014/15 Winter harvest yield

2014/15 Winter crop contracts

Grain on hand summary as at 31 December 2014

Farm stocktake as at 31 December 2014

#### Corporate Documents

Company constitution (2014)

Shareholders agreement (2014)

Share subscription agreement

Members register

Share capital issued paperwork for issues post scheme of implementation

Board Papers for meetings held: 8 January 2014, 31 March 2014, 14 July 2014, 15 October 2014, 8 December 2014

#### Employee



Details of current employees as at 19 December 2014

Employee entitlement balances as at:

30 November 2014

31 December 2014

Workers compensation certificate of currency for:

NSW for period ending 30 June 2015

QLD for period ending 30 June 2015

Workers compensation claims history for NSW QBE

Workers compensation claims history for QLD workcover

PAYG payment summary for period ended 30 June 2014

Independent contractor agreement and checklist example

## **Finance**

NAB corporate letter of offer 13 December 2013

NAB corporate letter of offer letter of variation 6 June 2014

NAB corporate letter of offer 21 January 2015

Equipment finance schedule for the periods ended:

30 November 2014

31 December 2014

Equipment finance agreements for outstanding contracts at 31 December 2014

## **Financial Statements**

Annual report 2014

Detailed profit and loss for half year ended 31 December 2014

## **Insurance**

Cotton hail insurance claim for 2014

## **Lease**

Lease agreements for:

Medgun - Bengering as Lessee

Kurrajong Hills - Bengering as Lessor

## **Property, Plant & Equipment**

Fixed asset register for the periods ended:

30 November 2014

31 December 2014

Leased asset register for the periods ended:

30 November 2014

31 December 2014

Property valuations for:

Bengerang issued 14 July 2014 by Opteon

Lakeland Downs issued 10 July 2013 CBRE

Land & Water contracts Bengerang as purchaser:

Bengerang

Bullamon

Medgun including copy of put & call option Deed

Rockless Park

Darling Farms

Land contract Bengerang as vendor:

Kurrajong Hills including put & call option deed

Schedule of land and water titles

**Taxation**

Income tax return including associated tax workbook for periods ending:

30 June 2013

30 June 2014

Fringe benefits tax return including associated tax workbook for periods ending:

31 March 2014

Payroll tax return for:

NSW for period ending 30 June 2014

QLD for period ending 30 June 2014

Business Activity Statements including workpapers for each of the months between December 2013 and October 2014

ATO income tax account for period July 2007 to December 2014

ATO integrated client account for period 1 July 2013 to 17 December 2014