

To: The Shareholders
 Scales Corporation Limited

Disclosure to shareholders of financial assistance

- 1 Scales Corporation Limited (the *Company*) proposes to give financial assistance, of a total aggregate amount equal to \$524,487, to certain senior executives within the Scales group to assist them in purchasing shares in the Company on market in accordance with the terms of the Scales Senior Executive Share Scheme (the *Scheme*). The senior executives invited to participate are listed in the Appendix (the *Participants*).
- 2 Under the Scheme, the Board may offer loans to the Participants to acquire shares on market under the Scheme. These loans constitute financial assistance (as defined in the Companies Act 1993) to the Participants under the Scheme.
- 3 The terms of the financial assistance, which is to be made pursuant to section 76(1)(b) of the Companies Act 1993, are as follows:
 - 3.1 the financial assistance is to be provided by way of an interest-free, limited recourse loan to each of the Participants;
 - 3.2 the loans will be made to the Participants but advanced to Scales Employees Limited, which will hold the shares as custodian for the Participants during a restrictive period (3 years);
 - 3.3 the main terms relating to repayment of the loan provided to each Participant are as follows:
 - (a) all net distributions and net dividends received in respect of the shares acquired must be applied in repayment of the loan during the restrictive period, together with the proceeds of sale of the shares under any takeover offer;
 - (b) if the Participant ceases to be employed in the Scales group during the restrictive period, then the Company will procure the sale of the shares and the full proceeds will be applied in repayment of the loan and any surplus paid to the Company, provided that the application of the full proceeds of sale to the repayment of the loan will be deemed repayment of the loan in the event that the proceeds of sale are less than the amount of the loan;
 - (c) if the Participant sells the shares within one month after the expiry of the restrictive period then the proceeds of such sale will be applied in repayment of the loan, with any surplus remaining with the Participant, provided that the application of the full proceeds of sale to the repayment of the loan will be

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deemed repayment of the loan in the event the proceeds of sale are less than the amount of the loan;

- (d) if the Participant sells the shares after the one month period, then the proceeds of sale will be applied in repayment of the loan with any surplus remaining with the Participant, provided that any shortfall under the loan must be repaid directly by the Participant;
- (e) if the Participant ceases to be employed by the Company after the restrictive period, then the Participant will not be required to sell the shares but must repay the loan in full.

- 4 To initiate the proposed financial assistance described above, the Board resolved on 4 April 2016 that:

*“the giving of the financial assistance is in the best interests of the Company and is of benefit to those shareholders not receiving the financial assistance”; and
“the terms and conditions under which the financial assistance is given are fair and reasonable to the Company and to those shareholders not receiving the financial assistance”.*

- 5 This disclosure document is given to you pursuant to section 78(5) of the Companies Act 1993 and complies with section 79 of the Companies Act 1993.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jon Mayson', with a horizontal line underneath the name.

Jon Mayson
Chairman
For the Board of Directors
7 April 2016

appendix: list of participants

Andy Borland
Steve Kennelly
James Lee
John Sainsbury
Peter Drury
Richard Hill
Andrew McDougall
Ben McLeod
Karen Morrish
Andrew van Workum
David Friend
Kent Ritchie
Mary Stephens
Gary Austin
Carla Gray
Graham Klein
Ben McCambridge
Ross Davies
Russell Gray
Russell Trent
Liz Smith
Greg Pope
Stephen Foote
Scott Foster
Rob Hales
David Russell
Grant Rae
Brent Forbes