

BESTON GLOBAL FOOD COMPANY

ABN 28 603 023 383
LEVEL 9, 420 KING WILLIAM STREET, ADELAIDE, SOUTH AUSTRALIA, 5000
TELEPHONE +61 8 8470 6500

ASX ANNOUNCEMENT

9 January 2020

BFC ANNOUNCES SHARE PURCHASE PLAN

Beston Global Food Company Limited (ASX:BFC) today announces the launch of a Share Purchase Plan Offer (SPP). The intention to make an SPP offer to shareholders was announced at BFC's Annual General Meeting held on 28 November, 2019.

The attached Offer document, including Chairman's Letter to shareholders, will be sent to eligible shareholders on Monday 13 January 2020, the date on which the offer opens.

FOR FURTHER INFORMATION PLEASE CONTACT:

Maryanne Noon, General Manager – Communications and Marketing

+61 473 444 759

mnoon@bestonglobalfoods.com.au

Social Media Handles:

Facebook:

@bestonglobalfoods
@edwards.crossing
@mablesaustralia

Twitter:

@BestonGlobal
@edwards_crossing
@mablesaustralia

Instagram:

@bestonglobal
@edwardscrossing
@mablesaustralia

ABOUT BESTON GLOBAL FOOD COMPANY LIMITED

Beston Global Food Company is a proud SA multi award-winning company taking the best of Australian produce to the world with fresh milk supplied by valued Farmers. The company provides direct and indirect employment for nearly 300 people. For more information please visit:

www.bestonglobalfoods.com.au

Beston Global Food Company – Share Purchase Plan

Share Purchase Plan – Offer

Eligible Shareholders have the opportunity to participate in the Offer by applying for up to A\$30,000 worth of Shares without incurring brokerage, commissions, stamp duty or other transaction costs. Details of the Offer and how to participate are set out in these Terms and Conditions. Shares issued under the Offer will rank equally in all respects with all other Shares on issue as at the date of issue and will carry the same voting rights, dividend rights and other entitlements as those Shares.

Share Purchase Plan – Key Dates

Event	Date
Record Date (being the business day prior to BFC's announcement of the Plan)	8 January 2020
Opening Date	13 January 2020
Closing Date	31 January 2020
Issue Date (i.e. the date of issue of Shares under the Offer)	7 February 2020
Date on which Shares issued under the Offer are expected to commence trading on ASX	10 February 2020
Despatch of holding statements in respect of Shares issued under the Offer	10 February 2020

Note: The Company reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable laws.

Chairman's letter

Wednesday 8 January 2020

Dear Shareholder

BFC Share Purchase Plan

On behalf of the Board of Beston Global Food Company Limited (**BFC** or the **Company**), I am pleased to invite you to participate in the offer of fully paid shares (**Shares**) in BFC under the share purchase plan (**Plan**) established by BFC (**Offer**).

The Offer provides each 'Eligible Shareholder' of BFC (subject to certain conditions) with an opportunity to apply for up to, in aggregate, \$30,000 worth of Shares in BFC. Participation is optional. There are no brokerage or transaction costs for participating.

Shares under the Plan are offered at the lower of:

- \$0.10 per Share; or
- a 5% discount to the volume-weighted average price of the Shares traded on ASX over the 5 trading days up to and including the day on which the Offer is scheduled to close (being from 24 January to 31 January 2020 inclusive),

(being the **Issue Price**).

BFC will announce the Issue Price after the Offer closes.

BFC is targeting to raise \$3 million under the Offer. BFC may decide to accept applications (in whole or in part) that result in the Plan raising more or less than this amount in its absolute discretion.

The aggregate maximum number of Shares that will be issued under the Plan will not exceed 30% of the Shares already on issue (being the applicable maximum specified in Exception 5 in ASX Listing Rule 7.2).

BFC is raising capital via the Offer ahead of the capital management initiatives planned for 2020, as announced at BFC's 2019 Annual General Meeting (**AGM**) for the following key reasons:

- to facilitate early investment in the next phase of expansion of BFC's lactoferrin plant at Jervois, South Australia; and
- to provide an opportunity for BFC's shareholders, particularly small shareholders, to take advantage of the current BFC market share price, which in the opinion of the Board, does not fairly reflect the underlying quality and value of BFC's assets, and its forward strategies.

Lactoferrin remains in strong demand and is generating high gross margins. The funds raised from the Offer will enable BFC to expand the productive capacity (and hence production) of BFC's existing lactoferrin plant which utilises liquid whey as its feedstock. The changes planned from the additional investment into BFC's existing plant are expected to significantly increase the daily output of the plant and help ensure consistency in the quality of the lactoferrin produced.

A further stage of expansion in BFC's lactoferrin plant is planned for later in 2020, which will utilise skim milk as the feedstock and be part of a separate capital management initiative as outlined at the AGM and in the letter to Shareholders dated 28 November, 2019. The full cost of this second stage "skim milk lactoferrin" project is estimated to be around \$10 million over a period of 12 months, with an expected

payback of less than two years. This next stage of expansion will allow an even higher recovery of lactoferrin from BFC's milk supply to meet the increasing demand for this high-quality nutraceutical product. Once completed, we expect that BFC's lactoferrin production will be at around treble the current levels of production.

Both lactoferrin projects i.e., the first phase expansion (to be funded from the Offer) and the second stage of expansion (to be funded from a separate capital management initiative later in the year) are part of the Company's "stretching our milk" initiatives outlined at the AGM (i.e. producing more products from less milk).

To be eligible to participate in the Offer, you must be a registered holder of shares in BFC at the Record Date (7:00pm, AEDT time) on 8 January 2020, and be shown on the Register to have an address in Australia.

If an 'Eligible Shareholder' holds shares as a 'custodian' (as that term is defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) the Offer is also being made to the 'custodian' and, subject to a number of conditions, the 'custodian' has the discretion to extend the Offer to the relevant beneficiaries.

The fastest and easiest way to apply and pay is by BPAY. Alternatively, you can complete and return the enclosed personalised Application Form with your Application payment.

Timing considerations

The Offer will be undertaken in accordance with the below timetable. However, BFC reserves the right to vary the dates and times set out below subject to the Corporations Act and other applicable laws.

Event	Date
Record Date (the business day prior to BFC's announcement of the Plan)	8 January 2020
Opening Date	13 January 2020
Closing Date	31 January 2020
Issue Date (i.e. the date of issue of Shares under the Offer)	7 February 2020
Despatch of holding statements in respect of Shares issued under the Offer	10 February 2020
Date on which Shares issued under the Offer are expected to commence trading on ASX	10 February 2020

Please ensure that the Registrar receives your payment in cleared funds by the Closing Date (5:00pm (AEDT time) on 31 January 2020).

Further information

In accordance with the enclosed terms and conditions (**Terms and Conditions**), the Offer is non-renounceable and Shares in BFC may be issued under the Offer only to the 'Eligible Shareholder' to whom they are offered.

The accompanying documentation, including the Terms and Conditions, set out further details in relation to the Offer. I encourage you to read them carefully and in full, and to seek your own independent financial, legal and taxation advice in relation to the Offer, before making a decision on whether to participate. No cooling off regime applies to the acquisition of ordinary shares in BFC under the Offer.

On behalf of the Board of BFC, I thank you for your continued support.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Roger Sexton".

Roger Sexton AM
Chairman
Beston Global Food Company Ltd

Questions and answers

Question	Answer
What is the Share Purchase Plan?	<p>The Plan is an opportunity for Eligible Shareholders to purchase additional Shares without brokerage, commissions or other transaction costs.</p> <p>All Shares issued to you under the Plan will rank equally with your existing fully paid Shares and will carry the same voting rights and other entitlements to receive dividends.</p>
Am I eligible to participate?	<p>You are eligible to participate if you fulfil the criteria set out in section 2 of the Terms and Conditions.</p> <p>For you to be eligible to participate in the Offer, you must have been a holder of BFC shares at 7:00pm AEDT on 8 January 2020 (Record Date) with a registered address in Australia.</p> <p>Certain Eligible Shareholders who are custodians holding Shares on behalf of certain beneficiaries are also able to participate in the Plan in accordance with the Terms and Conditions.</p>
Do I have to participate?	<p>No. Participation in the Plan is entirely voluntary.</p> <p>If you do not wish to participate in the Plan, no action is required on your part.</p> <p>Before you apply for Shares, BFC recommends you seek independent financial advice from your stockbroker, accountant or other professional adviser, and you monitor the price of the Shares (which are quoted on the financial pages of major metropolitan newspapers and on the ASX website).</p> <p>This booklet does not purport to contain all of the information that you need to make an investment decision.</p>
Are there any risks in participating in the Plan?	<p>There are risks associated with holding Shares and participating in the Plan.</p> <p>These risks are summarised in Annexure A to the Terms and Conditions. Eligible Shareholders are encouraged to read these risks carefully before deciding to apply for Shares under the Plan.</p> <p>In addition, there is a risk that the Issue Price may differ from the market price of Shares on the day you lodge your application, or on the day the Shares are issued or allotted to you under the Plan. The market price or value of Shares is subject to market volatility.</p>
Can I transfer my entitlement to participate?	<p>If you are eligible to participate in the Offer, you cannot transfer your right to purchase shares under the Offer to anyone else.</p>
What is the Issue Price of the Shares under the Plan	<p>The issue price will be the lower of:</p> <ul style="list-style-type: none"> • \$0.10 per Share; or • a 5% discount to the volume-weighted average price of the Shares traded on ASX over the 5 trading days up to and including the day on which the Offer is scheduled to close (being from 24 January to 31 January 2020 inclusive), <p>(being the Issue Price).</p> <p>BFC will announce the final Issue Price after the Offer closes.</p>
How many Shares can I apply for under the Plan?	<p>If you are an Eligible Shareholder, you are entitled to contribute a set amount of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 in applying for new Shares, regardless of the number of Shares you currently hold. These amounts may be subject to scale back.</p> <p>If you receive more than one copy of this booklet, or you hold Shares in more than one capacity (e.g. because you are both a sole and joint holder of Shares), the maximum amount you may apply to invest under the Plan in all capacities, and in aggregate, is \$30,000. By applying to purchase Shares under the Plan, you certify you have not exceeded this \$30,000 limit.</p> <p>If the Issue Price cannot be divided into \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, to give a whole number of Shares, there will be rounding down of the number of Shares. By applying to purchase Shares under the Plan, you acknowledge that any remaining balance of your payment arising from any rounding down will be deemed to form part of the aggregate issue price for the Shares. You will not receive a refund for this amount which will always be less than the issue price of one</p>

Question	Answer
	Share.
What will happen if the Plan is oversubscribed?	<p>The Plan is targeting to raise \$3 million.</p> <p>BFC may decide to accept applications (in whole or in part) that result in the Plan raising more or less than this amount in its absolute discretion.</p> <p>The aggregate maximum number of Shares that will be issued under the Plan will not exceed 30% of the Shares already on issue (being the applicable maximum specified in Exception 5 in ASX Listing Rule 7.2).</p> <p>BFC may, at its absolute discretion, scale back the number of Shares that will be allotted to individual Shareholders under the Plan. If this happens you may be allocated Shares to a value which is less than the value of Shares that you applied for and the difference will be refunded to you.</p>
How do I apply?	<p>To apply for shares under the Offer you can either:</p> <p>Option 1: Pay by BPAY[®] (for Shareholders with an eligible Australian bank account only)</p> <p>Apply for Shares by making a payment of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, using the BPAY[®] facility provided by your bank as per the instructions on the Application Form. If you make a payment by BPAY[®], you will be deemed to have completed an Application Form accepting Shares to the value of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000. You do not need to return the Application Form if paying by BPAY[®].</p> <p>Option 2: Pay by cheque, bank draft or money order</p> <p>Follow the instructions set out in the enclosed Application Form. Return your completed Application Form with your cheque, bank draft or money order drawn on an Australian branch of a financial institution in Australian currency, made payable to Beston Global Food Company' and crossed 'Not Negotiable' to:</p> <ul style="list-style-type: none"> • Beston Global Food Company Ltd c/- Link Market Services GPO Box 3560 Sydney NSW 2001 in the enclosed reply-paid envelope; or • for hand delivery only - Beston Global Food Company Limited c/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138. <p>You will not be able to withdraw or revoke your Application once you have made a payment by BPAY[®] or sent us the completed Application Form.</p>
Can I apply for Shares under the Plan if my Shares are held by a custodian, trustee or nominee?	<p>If you are beneficiary of Shares held by a custodian, trustee or nominee, and you reside in Australia, you may be eligible to participate in the Plan through your custodian, subject to the requirements set out in section 3.2 of the Terms and Conditions.</p>
How long is the Plan open for?	<p>The Plan opens at 9.00 am (AEDT) on 13 January 2020 and closes at 5.00 pm (AEDT) on 31 January 2020</p> <p>If you want to participate you should ensure that Link Market Services receives payment in cleared funds by no later than 5.00 pm (AEDT) on 31 January 2020 (the Closing Date for the Plan).</p>
Do I have a guaranteed allocation of Shares under the Plan?	<p>No.</p> <p>BFC reserves the right (at its absolute discretion) to:</p> <ul style="list-style-type: none"> • increase the size of the Plan. If this happens, you may be allocated the Parcel of Shares for which you applied (rounded down to the nearest whole number of Shares); or • scale back applications under the Plan. If this happens, you may be allocated fewer Shares than the Parcel of Shares for which you applied, and you will be refunded the difference in the application amount (without interest payable on funds prior to your refund).
What is the market price of Shares?	<p>The market price of BFC Shares can be found on the BFC website at https://bestonglobalfoods.com.au/ or the ASX website using the stock code 'BFC'. Information is also in the financial pages of major metropolitan newspapers.</p>
What will funds raised under the Plan be used for?	<p>BFC is raising capital via the Offer ahead of the capital management initiatives planned for 2020, as announced at BFC's 2019 Annual General Meeting (AGM) for the following key reasons:</p>

Question	Answer
	<ul style="list-style-type: none"> • to facilitate early investment in the next phase of expansion of BFC's lactoferrin plant at Jervois, South Australia; and • to provide an opportunity for BFC's shareholders, particularly small shareholders, to take advantage of the current BFC market share price, which in the opinion of the Board, does not fairly reflect the underlying value of BFC's assets.
Further assistance	<p>If you have any questions in relation to the Plan please call your stockbroker, accountant or other professional advisor. If you require information on how to complete the Application Form please contact Beston Global Food Company Limited Offer Information Line (Link Market Services) on 1300 847 879 between 8.30 am and 5.30 pm (AEDT), Monday to Friday while the Offer remains open for acceptance.</p>

Terms and conditions

1. Establishment

The Plan is established pursuant to *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and in accordance with ASIC Regulatory Guide 125 and the ASX Listing Rules. *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* grants relief from the requirement to prepare a prospectus for the offer of Shares under the Plan, subject to the satisfaction of certain conditions.

2. Participation

The Board may make offers under the Plan to all persons who, as at the Record Date, are Eligible Shareholders.

You are eligible to participate in the Offer (an **Eligible Shareholder**) if you were a registered holder of Shares at the Record Date (7.00pm (AEDT) on 8 January 2020) with a registered address in Australia (as shown on BFC's share register) unless:

- (a) you hold shares on behalf of another person who resides outside Australia in which case you will not be eligible to participate in respect of the Shares of that person; or
- (b) you are, or are acting for the account or benefit of, a U.S. Person as defined in Regulation S under the US Securities Act of 1933, as amended (**U.S. Person**).

BFC has determined that it is not practical for a holder of Shares with a registered address (as shown on BFC's share register) in any jurisdiction other than Australia to participate in the Offer. No Offer is made to persons who are not Eligible Shareholders.

Participation in the Offer by Eligible Shareholders is optional and is subject to these Terms and Conditions.

3. Offer

3.1 Nature of offer

The Offer is non-renounceable and Shares may be issued under the Plan only to the Eligible Shareholders to whom they are offered.

The Offer will be made on the same terms and conditions to each Eligible Shareholder. For the avoidance of doubt, all Eligible Shareholders will receive the same offer, irrespective of the number of Shares which they hold on the Record Date.

3.2 Plan participation rules

The following rules apply to participation by Eligible Shareholders.

Single holders

Unless a holder is a Custodian, each Eligible Shareholder is entitled to apply under the Offer to purchase a Parcel of Shares valued at \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 (irrespective of whether the holder receives multiple offer documents under the Plan, for example, due to multiple registered sole or joint holdings), subject to the holder certifying that the total of the application price for the following does not exceed \$30,000:

- (a) the Shares the subject of the application;
- (b) any other Shares applied for by the holder under the Plan or any similar arrangement in the 12 months before the application;

- (c) any other Shares which the holder has instructed a Custodian to acquire on their behalf under the Plan; and
- (d) any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before the application as a result of an instruction given by the holder to the Custodian or another Custodian which resulted in the holder holding beneficial interests in the Shares.

By completing and submitting an application for Shares under the Offer, a holder certifies the above.

Joint holders

Unless a holder is a Custodian, if an Eligible Shareholder is recorded with one or more other persons as a joint holder of Shares, that joint holding is considered to be a single registered holding for the purpose of the Plan and certifications or representations given by a joint holder are taken to have been given by all joint holders. Joint holders are only entitled to participate in the Offer in respect of that single holding. If the same joint holders receive more than one offer document under the Plan due to multiple identical holdings, the joint holders may only apply for one maximum amount of \$30,000 worth of Shares.

Custodians

If an Eligible Shareholder holds Shares as a Custodian, the Offer is made to the Custodian and, subject to a number of conditions, the Custodian has the discretion to extend the Offer to the Beneficiaries. The Custodian may apply for up to a maximum amount of \$30,000 worth of Shares in respect of each Beneficiary, however, BFC will not allocate Shares under the Offer to the Custodian unless the Custodian certifies the matters set out in paragraph 8 of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* in a Custodian Certificate, which it will need to provide to Link Market Services in conjunction with its application.

Custodians wishing to participate in the Offer on behalf of one or more Beneficiaries should contact Beston Global Food Company Limited Offer Information Line (Link Market Services) on 1300 847 879 to obtain further information on how to apply and how to obtain a Custodian Certificate. If a Custodian holds Shares jointly on behalf of two or more Beneficiaries, the \$30,000 limit applies jointly in relation to those Beneficiaries as if the Custodian held the Shares on behalf of a single person.

A Custodian must not participate in the Plan if their participation in the Plan would breach *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.

3.3 Other terms

The Offer opens at 9.00am (AEDT) on 13 January 2020. Under the Offer you may apply for shares up to a maximum of \$30,000 (subject to scale back described further below). The Offer will be made subject to any other terms and conditions that the Board thinks fit.

4. Issue Price

The issue price will be the lower of:

- \$0.10 per Share; or
- a 5% discount to the volume-weighted average price of the Shares traded on ASX over the 5 trading days up to and including the day on which the Offer is scheduled to close (being from 24 January to 31 January 2020 inclusive),

(being the **Issue Price**).

Important Note: There is a risk that the Issue Price may differ from the market price of Shares on the day you lodge your application, or on the day the Shares are issued or allotted to you under the Plan. The market price or value of Shares is subject to market volatility. No cooling-off regime applies in relation to the application for or acquisition of Shares under the Plan.

BFC recommends that you monitor the Share price and any BFC announcements, which can be found on BFC's website at <https://bestonglobalfoods.com.au/> or in the financial pages of major Australian metropolitan newspapers, or on ASX's website at www.asx.com.au.

5. Costs of Participation

No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and issue of, Shares under the Plan.

6. Acceptance of Offers

6.1 Payment method

If you wish to participate in the Offer, you need to do one of the following:

Option 1 – Payment by cheque, bank draft or money order

If you are paying for Shares by cheque, bank draft or money order, please complete and return your Application Form, together with your cheque, bank draft or money order for \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, by no later than the Closing Date (5.00pm (AEDT) on 31 January 2020), to:

Beston Global Food Company Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand delivery only –
Beston Global Food Company Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Cheques, bank drafts and money orders must be made payable in Australian dollars to Beston Global Food Company', crossed 'Not Negotiable' and must be drawn on an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account, as cheques, bank drafts and money orders received may not be re-presented and may result in your application being rejected.

Option 2 – Payment by BPAY®

For Eligible Shareholders with an Australian bank account, you may apply for Shares under the Offer by making a BPAY® payment on the internet or by telephone by using the personalised customer reference number shown on your Application Form which is required to identify your holding.

If you are paying for Shares via BPAY® you do not need to return your Application Form, but are taken to make the certifications and representations described in these Terms and Conditions and the Application Form. However, Custodians applying for Beneficiaries must still complete and return a Custodian Certificate.

Payment must be received by no later than the Closing Date. You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by the Closing Date.

6.2 Further information

For the avoidance of doubt, applications must be received by the Closing Date. Applications received after that time will not be accepted.

If you have more than one holding of Shares and consequently receive more than one Application Form, when applying for Shares in respect of one of those shareholdings you must only use the customer reference number specific to that shareholding as set out in the relevant Application Form. Do not use the same customer reference number for more than one of your shareholdings. This can result in your application monies being applied to your application in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

If one or more Application Forms are received under the Plan from an Eligible Shareholder in relation to Shares with a value greater than \$30,000 in any 12-month period, the Shareholder will be issued with the maximum number of Shares permitted by the Plan and the terms of the Offer. Any excess subscription monies will be refunded to the Eligible Shareholder (without interest) as soon as reasonably practicable following allocation.

If an Eligible Shareholder subscribes for an amount which is not exactly divisible by the Issue Price, in calculating the number of Shares to be issued, all fractional entitlements will be rounded down to the nearest whole number of Shares. BFC will not refund any resulting small excess in subscription monies (i.e. less than the issue price of one Share) which will be deemed to form part of the aggregate issue price for the Shares.

6.3 Board discretion

Notwithstanding any other provision of these Terms and Conditions, the Board may, at its absolute discretion, accept, reject, correct or amend your application for Shares under the Offer, including, without limitation, if:

- (a) the Application Form is incomplete, incorrectly filled out or accompanied by a cheque, bank draft or money order which is not paid in full on first presentation;
- (b) the BPAY® payment received in respect of your application is for less than the full, requisite amount; or
- (c) the Board is not reasonably satisfied that you are an Eligible Shareholder.

7. Scale back

Subject to complying with applicable laws and *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, BFC reserves the right to close the Offer early or to scale back applications in its sole and absolute discretion. The aggregate maximum number of Shares that will be issued under the Plan will not exceed 30% of the Shares already on issue (being the applicable maximum specified in Exception 5 in ASX Listing Rule 7.2).

If applications from Eligible Shareholders for participation in the Plan in aggregate exceed this limit or any lower limit determined by the Board, the Board will scale back applications to the extent and in the manner that the Board sees fit, including by taking into account the size of an Eligible Shareholder's holding as at the Record Date.

If there is a scale-back, Eligible Shareholders may receive less Shares than the number of Shares for which they applied. If a scale-back produces a fractional number of Shares when applied to a particular parcel, the number of Shares allocated to an Eligible Shareholder will be rounded down to the nearest whole number of Shares.

In the event of a scale back, the difference between the application monies received, and the number of Shares allocated to you under the Offer multiplied by the Issue Price, will be refunded to you, without interest, as soon as reasonably practicable following allocation.

8. Issue of Shares

BFC intends to issue Shares pursuant to the Offer on the Issue Date (7 February 2020).

All Shares issued under the Plan will rank equally in all respects with all other Shares on issue as at the date of issue and will carry the same voting rights, dividend rights and other entitlements as those Shares.

BFC will apply for Shares issued under the Plan to be quoted on ASX. It is expected that they will be quoted on ASX shortly after the Issue Date.

BFC will, within the period required by the ASX Listing Rules, send Eligible Shareholders, whose application has been accepted by the Board, a holding statement in respect of any Shares issued to them under the Plan.

9. Shortfall

The Plan is not underwritten.

BFC reserves its right to place any shortfall under the Plan at a price not less than the Issue Price in accordance with its share issue capacity under the ASX Listing Rules.

10. Key risks

There are a number of general and specific risks which may affect the future operating and financial performance and financial position of BFC along with the trading price of the Shares and dividends (if any) paid on them in the future. These risks are summarised in Annexure A to the Terms and Conditions. Eligible Shareholders are encouraged to read these risks carefully before deciding to apply for Shares under the Plan.

These risks are associated with an investment in Shares but are not an exhaustive list. As a Shareholder, you will continue to be exposed to such risks. There may also be additional risks and uncertainties not currently known which may have an adverse effect on BFC's business and the value of the Shares. Where possible, BFC will seek to minimise its exposure to, and mitigate the effects of, these risks. However, certain risks relate to matters that are outside the control of BFC, and there can be no assurance that any steps that BFC takes will successfully protect it from any particular risk.

The risks identified in Annexure A do not take into account the investment objectives, financial situation, tax position or other circumstances of any particular Shareholder. Shareholders should have regard to their own investment objectives and financial circumstances and seek professional advice from their legal, financial or other independent adviser before determining whether or not to participate in the Plan.

11. Acknowledgements

If you apply to participate in the Offer by submitting a BPAY® payment or completing and returning the Application Form, you will be deemed to have represented on behalf of each person on whose account you are acting that:

- (a) you acknowledge that you are, and each person on whose account you are acting is, an Eligible Shareholder;

- (b) you agree that your application is made on, and you agree to be bound by, these Terms and Conditions and the terms and conditions set out in the Application Form and BFC's constitution;
- (c) you declare that all details and statements in your Application Form are true and complete and not misleading;
- (d) your application is irrevocable and unconditional;
- (e) the Company may in its sole and absolute discretion scale back any application and/or participation in the Plan to the extent and in the manner, it sees fit;
- (f) if there is a scale back (at the Company's sole and absolute discretion) you may receive less than the number of Shares for which you have applied;
- (g) if your application results in a fractional number of Shares, the number of Shares you will be allotted (subject to the other terms of the Offer, including in relation to any scale back) will be rounded down to the nearest whole number of Shares;
- (h) the Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia and accordingly, the Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (i) you have not and will not send any materials relating to the Offer to any person in the United States or that is, or is acting for the account or benefit of a U.S. Person;
- (j) that the total of the application price for the following does not exceed \$30,000:
 - (i) the Shares the subject of the application;
 - (ii) any other Shares applied for by the holder under the Plan or any similar arrangement in the 12 months before the application;
 - (iii) any other Shares which the holder has instructed a Custodian to acquire on their behalf under the Plan; and
 - (iv) any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before the application as a result of an instruction given by the holder to the Custodian or another Custodian which resulted in the holder holding beneficial interests in the Shares;
- (k) you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act 2001 (Cth) (insider trading) and laws and regulations designed to restrict terrorism financing and/or money laundering);
- (l) you are not a 'designated person' or 'designated entity' (or other like term) for the purpose of any domestic or international law or regulation implementing United Nations sanctions; and
- (m) you acknowledge that the market price of Shares may change between the date of the Offer and the date on which Shares are issued pursuant to the Plan; and that the price you pay per Share pursuant to the Offer may exceed the market price of the Shares at the time the Shares are issued, or otherwise allocated, to you under the Offer.

12. Miscellaneous

12.1 Amendment, suspension and termination of the Plan

The Board may, in its discretion, amend, suspend or terminate the Plan at any time and adopt any administrative procedures it thinks appropriate in relation to the Plan. BFC will notify ASX of any

amendment, suspension or termination of the Plan, but failure to do so will not invalidate the amendment, suspension or termination.

Without limiting any other provision of these Terms and Conditions, the Board may vary the timetable for the Offer, including the Closing Date.

BFC may issue to any person fewer Shares than subscribed for under the Plan (or none at all), including, if BFC believes that the issue of those Shares would contravene any law (in any jurisdiction) or the rules of any financial market on which Shares are quoted.

12.2 Administration and Dispute Resolution

BFC's principal objective in administering the Plan is to facilitate participation consistent with compliance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and all applicable laws and efficient administrative practices. The Board may adopt any administrative procedures it thinks appropriate (from time to time) in relation to the Plan.

BFC may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the Plan, whether generally or in relation to any participant or class of participants, offer, application or Shares, and the decision of BFC shall be conclusive and binding on all participants and other persons to whom the determination relates.

BFC reserves the right to waive compliance with any provision of these Terms and Conditions.

12.3 Notices

Notices and statements to Eligible Shareholders may be given in any manner determined by the Board from time to time.

12.4 Privacy

- (a) Chapter 2C of the Corporations Act requires information about Shareholders (including name, address and details of the shares held) to be included in BFC's public register. If a Shareholder ceases to be a Shareholder, Chapter 2C of the Corporations Act requires this information to be retained in BFC's public register. These statutory obligations are not altered by the Privacy Act 1988 (Cth) as amended.
- (b) BFC may collect personal information to process your application and implement the Plan, and to administer your shareholding.
- (c) The personal information contained on the BFC register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- (d) The personal information BFC collects may include your name, address, other contact details, bank account details and details of your BFC shareholdings.
- (e) Shareholders who are individuals and the other individuals in respect of whom personal information is collected, as outlined above, have certain rights to access, correct or update the personal information held about them, subject to some exceptions allowed by law. Such individuals should contact Link Market Services on 1300 847 879 if they wish to request access to that personal information. Reasons will be given if access is denied.
- (f) Your personal information may be disclosed to joint investors, registry, to securities brokers, to third party service providers (including print and mail service providers, technology providers, and professional advisers), and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom BFC will disclose your personal information may be located overseas.

- (g) The main consequence of not providing the personal information outlined in clauses 12.4(a) to 12.4(d) above would be that BFC may be hindered in, or prevented from, processing your application, and from conducting and implementing the Plan.
- (h) Link Market Services privacy policy is available on their website: www.linkmarketservices.com.au.

12.5 No U.S. Securities Act Registration

This document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. The Shares have not been and will not be registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States and may not be directly or indirectly, offered, sold or resold to:

- (a) a U.S. Person or a person acting for the account or benefit of a U.S. Person; or
- (b) a person within the United States or a person acting for the account or benefit of a person within the United States.

Because of these legal restrictions, and consistent with the representations contained in these Terms and Conditions and the Application Form, you must not:

- (c) send copies of these Terms and Conditions or any other material relating to the Offer to any person in the United States or who is, or is acting for the account or benefit of, U.S. Persons; or
- (d) submit an Application Form or make payment by BPAY® or otherwise for Shares for any person in the United States or who is, or is acting for the account or benefit of, U.S. Persons.

12.6 No Financial Product Advice

BFC is not licensed to provide financial product advice in relation to the Shares issued under the Plan or any other financial products. No cooling off regime applies in respect of the acquisition of Shares under the Plan (whether the regime is provided for by law or otherwise). Eligible Shareholders should obtain their own advice on whether or not to participate in the Plan.

12.7 Governing law

The Offer is governed by the law in force in South Australia. By accepting the Offer, you submit to the non-exclusive jurisdiction of the courts of South Australia.

13. Glossary

Capitalised terms in these Terms and Conditions have the meaning set out below unless the context otherwise requires.

Application Form	means the personalised application form enclosed with these Terms and Conditions.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited or its financial market, the Australian Securities Exchange, as the context requires.
ASX Listing Rules	means the listing rules of ASX as they are amended from time to time.
BFC or Company	Beston Global Food Company ACN 603 023 383.
Beneficiary	means a person who resides in Australia for whom a Custodian (being an Eligible Shareholder) held Shares on behalf of on the Record Date, and who is not, or is not acting for the account or benefit of, a U.S. Person.
Board	means the board of directors of BFC from time to time.

Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Custodian	has the meaning given to that term in paragraph 4 of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i> .
Custodian Certificate	means a certificate complying with paragraph 8 of <i>ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547</i> .
Eligible Shareholder	has the meaning given to that term in section 2 of these Terms and Conditions.
Dollars or \$	means Australian dollars.
Issue Price	has the meaning given to that term in section 4 of these Terms and Conditions.
Link Market Services	means Link Market Services Limited ACN 083 214 537, the Company's share registrar.
Offer	means the offer of Shares under the Plan to Eligible Shareholders.
Parcel	A parcel of Shares in respect of an amount of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, at the Issue Price.
Plan	means the share purchase plan which is the subject of these Terms and Conditions.
Share	means a fully paid ordinary share in the capital of BFC.
Shareholder	means a holder of one or more Shares.
Terms and Conditions	means these terms and conditions.
U.S. Person	has the meaning given in section 2 of these Terms and Conditions.

Annexure A – Investment risks

Potential investors should be aware that there are risks associated with investing in the Company. Certain risks are beyond the control of the Company and its directors and management and may have a material impact on the Company's future operating and financial performance, and/or the financial position of the Company, its prospects and/or the value of the Shares. Some of the key risks associated with an investment in the Company are described as follows.

Investment risks	
General risk factors	<p>Prospective investors should also consider the following risks which apply to all investments in shares:</p> <ul style="list-style-type: none"> • investment risks, such as changes in the Company's own assessment of the economics of developing its assets or the market perception of the value of the Company's assets and shares; • Share market and liquidity risks involved in the listing and trading of shares on the ASX; and • Economic factors including the effect on the market price of shares of movements in equities markets, commodity prices, currency fluctuations and interest rates, and local and global political and economic conditions.
Regulatory risk	<p>Changes in relevant taxes, legal and administration regimes, accounting practices and government licensing and operations policies may adversely affect the financial performance of the Company. In order to perform its dairy activities, the Company must comply with the environmental legislation of Federal, State and Local governments, which may include changes to the conditions of or further obligations under the Company's environmental and water use licenses and other regulated entitlements.</p>
Key person dependence	<p>The future success of the Company depends, to a significant extent, upon the continued services of the members of the management team of the Company. There can be no assurance that the Company will be able to retain or hire all personnel necessary for the development and operation of its business. The loss of senior managers could harm the Company's business and its future prospects.</p>
Valuation of Shares	<p>Broad market fluctuations could negatively (or positively) impact on the market value of the Shares.</p> <p>The market value of dairy factories and plant and equipment have shown themselves historically to be linked to the world milk price and the supply and demand of dairy commodities, as long as dairy farming is the highest and best use for the assets. During periods in which the market is weaker than normal, reduced confidence in the market-place may see a reduction in recognition of forward cashflows. This may have an effect on attributed net tangible asset share value in distressed circumstances.</p>
Insurance risks	<p>Factory insurance may not cover certain events.</p> <p>The Company intends to meet its obligations to maintain its insurance requirements on the assets and business in accordance with industry practice. However, in certain circumstances, the insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance i.e. an Act of God, could have a material adverse effect on the business, financial condition and results.</p>
Asset Risk	<p>It is anticipated that new plant installations to improve productivity, if soundly selected, will enhance the value of the dairy factories. However, uncontrollable world market changes will affect the ongoing demand for all types of property and commodities. In the event of termination of customer contracts and rationalisation of the assets, realisable value in the market-place may be lower than expected.</p> <p>There is a risk that the value of the assets or investments selected may decline in market value.</p>

Investment risks	
Cashflow assurance	<p>Cashflow is not assured. If the Company's cash flow is reduced, it may not be able to pay dividends. The Company's ability to pay distributions to Shareholders is based on key factors such as:</p> <ul style="list-style-type: none"> operational skills and seasonal conditions impacting on production levels and costs of operations; and success in negotiating future favourable dairy product contract terms. <p>In the event of defaults or unexpected events, operational surpluses and/or payments could decrease or cease, which would result in a reduction in cash available for distribution. Dependent on the circumstances, the impact may result in a reduction in the capital value of the Company's assets. The Company will seek to regularly ensure any disruption to payments or unsatisfactory compliance to commercial obligations are identified early and acted upon promptly.</p>
Operational risk	<p>The Company's potential revenue will primarily be derived from the sale of its products. The prices for those products may fluctuate and are affected by factors beyond the Company's control. Relevant factors include supply and demand fluctuations, competitor activities, availability and pricing of milk supplies and macro-economic factors.</p> <p>The access to milk for production from either the Company's owned farms and / or from third party milk contracts may be affected by environmental or seasonal factors. While many farms are better water assured than others via sustainable permanent irrigation licenses, some will not be. Third party farmer suppliers who contract their milk supply, operate in an open commercial market in which the Company remains competitive. However, the Company has no control over competing companies pricing behaviour.</p>
Competition risk	<p>The Company's business may be affected by international events it has no control over. As much as possible this risk will be mitigated by fixed term contracts and agreements.</p> <p>The dairy industry is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively affect the operating and financial performance of the Company's projects and business.</p>
Economic risk	<p>Changes to Australia's general economic conditions both in Australia and internationally may impact on the performance of the Company. This could include:</p> <ul style="list-style-type: none"> contractions in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions, such as movements in domestic interest rates and reduced economic activity; increases in the costs of goods and services; changes to government or regulatory fees and taxes or duties; changes in value to Australian dollar versus other assets and currencies; changes in law and government policy, particularly in respect of taxation or the environment, and regulation of the mining industry generally; and the introduction of new government levies or resource taxes.
Environmental risk	<p>Processing businesses are often exposed to various environmental risks, which can have adverse impacts on the operation of the business, the health and wellbeing of the safety personnel and equipment. These risks are part of the unforeseen pattern business and there are limited avenues to mitigate such risks. The business strategy of the Company is to undertake mitigation controls and procedures, including awareness training and planning to limit to the extent reasonable the impact from such events when they occur.</p>

This page has been left intentionally blank

This page has been left intentionally blank