

Offer Document

FULL CASH TAKEOVER OFFER made under the Takeovers Code to acquire all of the equity securities issued by Blue Sky Meats (N.Z.) Limited

21 November 2016

Offer opens: 21 November 2016

Offer closes: 31 January 2017

IMPORTANT

If you are in doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your equity securities issued by Blue Sky Meats (N.Z.) Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser, or the agent (e.g. the broker) through whom the sale was made, to be passed to the purchaser.

Blue Sky Meats (N.Z.) Limited's target company statement, together with an independent adviser's report on the merits of this offer, either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

SUMMARY OF THE OFFER

NZ BINXI (OAMARU) FOODS LIMITED ("the **Offeror**") is offering to acquire all of the equity securities ("**Shares**") issued by Blue Sky Meats (N.Z.) Limited ("**Blue Sky**") that it does not already own (the "**Offer**").

The key terms of this Offer are:

Offer Price

The consideration offered for each Share is NZ\$2.20 in cash.

Full Offer

This Offer is for 100% of the Shares in Blue Sky that the Offeror does not already own.

Offer Period

This Offer is dated 21 November 2016 (the "**Offer Date**") and closes at 11:59 pm on 31 January 2017 (the "**Closing Date**").

Conditions

This Offer is conditional on the conditions set out in paragraphs 5.1 and 6 of the terms and conditions of the Offer. The key conditions are:

- (a) that the Offeror receives irrevocable acceptances in respect of the Shares by no later than the Closing Date that would, upon the Offer being declared unconditional and the relevant Shares being transferred to the Offeror, when taken together with any other Shares already held or controlled by the Offeror, result in the Offeror holding or controlling 90% or more of the voting rights in Blue Sky;
- (b) if the condition above is waived by the Offeror then, in accordance with Rule 23 of the Takeovers Code, the Offeror receives irrevocable acceptances in respect of the Shares by no later than the Closing Date that would, upon the Offer being declared unconditional and the relevant Shares being transferred to the Offeror, when taken together with any other Shares already held or controlled by the Offeror, result in the Offeror holding or controlling more than 50% of the voting rights in Blue Sky; and
- (c) the Offeror receives all necessary consents under the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 for the Offeror to complete the acquisition of the Shares in accordance with the Offer on terms which are usual for the granting of such consents or otherwise consistent with the Offeror's intentions in relation to Blue Sky to continue to operate Blue Sky's business on a sustainable and profitable basis as a processor, seller and exporter of processed meat and by-products.

Payment Date

If you accept this Offer, you will be paid no later than 7 days after the later of:

- the date on which your acceptance form is received by the Offeror; and
- the date on which the Offer becomes unconditional.

Brokerage costs

You will not pay any brokerage costs if you accept this Offer.

THE ABOVE IS A SUMMARY OF THE OFFER ONLY.

**THE DETAILED TERMS AND CONDITIONS OF THE OFFER ARE SET OUT ON PAGES 4 TO 15.
YOU SHOULD READ THOSE TERMS AND CONDITIONS CAREFULLY.**

**TERMS AND CONDITIONS OF FULL CASH TAKEOVER OFFER TO PURCHASE ALL OF THE
EQUITY SECURITIES IN BLUE SKY MEATS (N.Z.) LIMITED**

1. THE OFFER

- 1.1 The Offeror is offering to acquire all of the ordinary shares in Blue Sky that it does not already own being 9,966,676 ordinary shares on issue by Blue Sky (all such ordinary shares are referred to in this Offer as “**Shares**” and each of them singly is referred to as a “**Share**”) on the terms and conditions set out in this offer document (the “**Offer**”).

2. CONSIDERATION

- 2.1 The consideration offered for each Share is \$2.20 cash, subject to any adjustment in accordance with paragraphs 7.1 to 7.4 below.
- 2.2 The consideration payable to Blue Sky shareholders whose Shares are taken up under the Offer (“**Acceptors**”) will be paid by cheque sent by ordinary mail or paid in cleared funds by electronic transfer at the election of the Acceptor, no later than 7 calendar days after the later of:
- (a) the date on which that Acceptor's acceptance is received by the Offeror; and
 - (b) the date on which the Offer becomes unconditional.

Legal and beneficial ownership of the Shares will pass to the Offeror upon payment of the consideration in the foregoing manner.

3. HOW TO ACCEPT THIS OFFER

- 3.1 If you wish to accept this Offer, you should:
- (a) complete the enclosed Acceptance Form in accordance with the instructions set out in the Acceptance Form; and
 - (b) return the completed Acceptance Form in the enclosed reply paid envelope **AS SOON AS POSSIBLE**, but in any event so as to be received by the Offeror not later than 11:59 p.m. on 31 January 2017 (subject to any extension). Please return your Acceptance Form in any of the following ways:

By mail: Mail in the pre-paid envelope or address to:

NZ Binxi (Oamaru) Foods Limited
C/- Link Market Services Limited
PO Box 91976
Auckland 1142
New Zealand

Deliver: NZ Binxi (Oamaru) Foods Limited
C/- Link Market Services Limited
Level 11 Deloitte Centre
80 Queen Street
Auckland
New Zealand

Scan & Email: operations@linkmarketservices.com (please put "Blue Sky Acceptance" in the subject line for easy identification)

Fax +64 9 375 5990

A reply pre-paid envelope is enclosed.

- 3.2 The Offeror will not acknowledge receipt of your acceptance of this Offer.
- 3.3 **If you have sold all of your Shares:** Please hand this Offer document and the accompanying Acceptance Form to:
- (a) the purchaser(s) of your Shares; or
 - (b) the agent (e.g. the broker) through whom the sale was made, requesting that this Offer document and the accompanying Acceptance Form be passed to the purchaser(s).
- 3.4 **If you have sold some of your Shares:**
- (a) Please alter the total holding on the Acceptance Form to the number of Shares which you have retained, initial the change and deliver, mail, fax or email the amended Acceptance Form to the Offeror as per the instructions above. On receipt of the amended Acceptance Form, the Offeror will recalculate the amount of cash to be paid to you to reflect the number of Shares sold by you.
 - (b) Please also advise the purchaser(s) of your Shares, or request the agent (e.g. the broker) through whom you made the sale to advise the purchaser(s) of your Shares, of this Offer. Please also advise them that a copy of this Offer is available by contacting Link Market Services Limited at one of the contact points referred to in paragraph 3.1(b) above.
- 3.5 **If you have lost your Acceptance Form:** please contact Link Market Services Limited at one of the contact points referred to in paragraph 3.1(b) above.
- 3.6 You may accept this Offer in respect of all or any of your Shares. The Offeror may, in its discretion, treat any Acceptance Form as valid notwithstanding that it does not comply with paragraph 3.1 or the instructions on the Acceptance Form, and may, in its discretion, rectify any errors in, or omissions from, any Acceptance Form, including inserting or completing details of the Shares held by the Acceptor and filling in any blanks.
- 3.7 Acceptance of this Offer by each Acceptor constitutes a contract between that Acceptor and the Offeror on the terms and conditions of this Offer and the Takeovers Code. Other than in the circumstances set out in paragraph 8.2, an Acceptor may not withdraw their acceptance during the time this Offer is open for acceptance, whether or not there has been any variation of this Offer.

4. TERMS AND CONDITIONS OF OFFER

The Offer

- 4.1 This Offer remains open for acceptance until 11:59 p.m. on 31 January 2017 (being a period of 72 days from the date of this Offer), or such later closing date(s) as the Offeror may decide in accordance with the Takeovers Code (the "**Closing Date**"), unless this Offer is completely

withdrawn in accordance with the Takeovers Code and every person is released from every obligation incurred under the terms of it, or it lapses in accordance with its terms.

- 4.2 The enclosed Acceptance Forms comprise part of this Offer. The applicable Acceptance Form duly completed may be treated by the Offeror as a valid acceptance of this Offer (see paragraph 3.6 above).
- 4.3 This Offer is open for acceptance by any person who holds Shares, whether acquired on, before or after the date of this Offer, upon production of satisfactory evidence of such person's entitlement to those Shares. Each acceptance must be free of all conditions of acceptance of any nature.

Satisfaction of Conditions

- 4.4 The Offer is subject to the key conditions set out in paragraph 5 and the further conditions set out in paragraph 6 below.
- 4.5 The latest date by which this Offer can become unconditional is 11:59 p.m. on 2 March 2017 (which is 30 calendar days after the end of the Offer period specified in paragraph 4.1, but this date may change if the Offer period is extended in accordance with that paragraph) (the "**Condition Date**"). If the Offer period is extended and the Offer has not been declared unconditional, the Offeror will specify in the variation notice a new date by which the Offer must be declared unconditional.
- 4.6 If this Offer does not become unconditional, or the outstanding conditions to it are not waived by the Offeror (to the extent waivable), by the Condition Date, then the Offer will lapse, Acceptance Forms received by the Offeror will be destroyed and every Acceptor will be released from their obligations under this Offer and the contract arising from their acceptance of it.

The Shares

- 4.7 The Shares acquired under this Offer are to be acquired free from all liens, charges, mortgages, encumbrances and other adverse interests and claims of any kind whatsoever, but together with all rights, benefits and entitlements attaching to them at the date of this Offer or which arise subsequently, including the right to all dividends and other distributions.

Representations and Warranties by Acceptors

- 4.8 By accepting this Offer, each Acceptor represents and warrants to the Offeror that:
- (a) it is the sole legal and beneficial owner of the Shares in respect of which it has accepted this Offer, or is the legal owner and has the necessary power, capacity and authority to accept this Offer in respect of such Shares;
 - (b) the Acceptance Form has been duly completed and executed, is free of any conditions of acceptance and is binding on it in accordance with its terms and the terms of the Offer;
 - (c) despite anything to the contrary in the Acceptance Form, if it is a joint holder of Shares (whether or not as a trustee of a trust) and the Acceptance Form is signed by one or some, but not all, joint holders, then you represent and warrant to the Offeror that the holder(s) who has/have signed the Acceptance Form do(es) so on behalf of and as duly authorised agent(s) for the joint holder(s) who has/have not signed, that such authority has not been revoked, and that the acceptance is binding on the joint holder(s) who has/have not signed the Acceptance Form and, if it holds the relevant Shares as a trustee of a trust, that the instrument

constituting the trust permits the execution of the Acceptance Form in the manner in which it was executed.

4.9 Each Acceptor:

- (a) will not, and will not attempt to, sell, transfer, dispose of (or agree to do any of those things), any or all of the Shares in respect of which the Acceptor has accepted this Offer (other than any transfer arising from acceptance of this Offer);
- (b) is deemed to have irrevocably authorised the Offeror to instruct Blue Sky and its share registrar to refuse, during the Offer period, to register any transfer of any or all of the Shares in respect of which the Acceptor has accepted this Offer, except for transfers in accordance with this Offer;
- (c) will pay to the Offeror on demand, any cost or expense incurred, or loss or damage suffered, by the Offeror in connection with, or as a result of, that Acceptor's failure to comply with paragraph 4.9(a), and
- (d) must, on request by the Offeror, provide to the Offeror or to Blue Sky's share registrar satisfactory evidence of his/her/its entitlement to Shares for which the Acceptor has, or wishes to, accept the Offer and/or the full and immediately effective release and discharge of any and all liens, charges, mortgages, encumbrances and other adverse interests and claims of any kind over those Shares. The Offeror may treat an acceptance as invalid if the Acceptor does not comply with its obligations under this paragraph, and the Offeror is not obliged to notify the Acceptor that the Offeror has done so.

4.10 The Offeror may vary this Offer in accordance with Rule 27 of the Takeovers Code. For the avoidance of doubt, the Takeovers Code does not permit the Offer to be varied so as to reduce the consideration offered.

5. MINIMUM ACCEPTANCE CONDITION

5.1 This Offer, and any contract arising from acceptance of it, is conditional on:

- (a) the Offeror receiving irrevocable acceptances in respect of the Shares by no later than the Closing Date that would, upon the Offer being declared unconditional and the relevant Shares being transferred to the Offeror, when taken together with any other Shares already held or controlled by the Offeror, result in the Offeror holding or controlling 90% or more of the voting rights in Blue Sky; and
- (b) if the condition above is waived by the Offeror then, in accordance with Rule 23 of the Takeovers Code, the Offeror receiving irrevocable acceptances in respect of the Shares by no later than the Closing Date that would, upon the Offer being declared unconditional and the relevant Shares being transferred to the Offeror, when taken together with any other Shares already held or controlled by the Offeror, result in the Offeror holding or controlling more than 50% of the voting rights in Blue Sky;

6. FURTHER CONDITIONS OF THIS OFFER

6.1 This Offer, and any contract arising from acceptance of it, are subject to the conditions that, during the period from 4 November 2016 (being the date on which the Offeror sent a takeover notice to Blue Sky under Rule 41 of the Takeovers Code ("**Notice Date**") until the Condition Date:

- (a) the Offeror receives all necessary consents under the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 for the Offeror to complete the acquisition of the Shares in accordance with the Offer on terms which are usual for the granting of such consents or otherwise consistent with the Offeror's intentions in relation to Blue Sky to continue to operate Blue Sky's business on a sustainable and profitable basis as a processor, seller and exporter of processed meat and by-products;
- (b) no dividends, bonuses or other payments or distributions (within the meaning of the Companies Act 1993) of any nature whatsoever (including, for the avoidance of doubt, by way of share buy-back, redemption or cancellation of any other form of capital reduction) are authorised, declared paid or made upon or in respect of any of the Shares;
- (c) no shares, convertible notes or other equity securities of any nature (including options, rights or interests in any ordinary shares) of Blue Sky or any of its subsidiaries (together the "**Blue Sky Group**"), are issued, agreed to be issued, or made the subject of any option or right to subscribe other than pursuant to a transaction between Blue Sky and wholly-owned subsidiaries of Blue Sky, or between wholly-owned subsidiaries of Blue Sky (the "**Intra-Group Transaction**");
- (d) there has not been and will not be any alteration to the rights, benefits, entitlements and restrictions attaching to any of the Shares or financial products (if any) of any member of the Blue Sky Group;
- (e) no action, claim, litigation, prosecution or other form of proceeding that, as at the Notice Date, was not publicly notified or commenced, is notified or commenced against, or by, any member of the Blue Sky Group involving a claim, or claims, together totalling in excess of \$100,000;
- (f) no action, claim, litigation, prosecution or other form of proceeding is notified or commenced against any member of the Blue Sky Group, or the Offeror, in respect the Offer;
- (g) the businesses of each member of the Blue Sky Group are carried on, in all respects which are material to the Blue Sky Group taken as a whole, in the normal and ordinary course;
- (h) no liquidator, receiver, receiver and manager, statutory manager or similar official is appointed in respect of any member of the Blue Sky Group or any of their respective assets;
- (i) no board resolution or shareholders' resolution of any member of the Blue Sky Group is passed to do or authorised the doing of any act or matter referred to in any of the subparagraphs (a) to (h) (inclusive);
- (j) no licence, authority, warrant, consent, approval or permit issued to Blue Sky by any authority including (without limitation) any government department, statutory, municipal or local body is

- cancelled, suspended or expires and that causes a material adverse change (see para 6.1 (t));
- (k) there is no notification of a disease in New Zealand materially adversely affecting the livestock of the New Zealand mutton, lamb, sheep or beef products industry which causes a material adverse change (see para 6.1 (t));
 - (l) none of the following key markets China, USA, South Africa, Canada, Egypt, Japan, Korea, the European Union, Mexico, Vietnam, Russia, Singapore impose any ban on the importation of mutton, lamb or other sheep products from New Zealand and such ban causes a material adverse change (see para 6.1 (t));
 - (m) Blue Sky does not fail or receive a negative result from the Ministry for Primary Industries' on a Technical Review or Performance-based Verification and Species Verification Programme that results in a material adverse change (see para 6.1 (t));
 - (n) there is no change in Blue Sky's current quota allocations (including, without limitation, the European Union Sheepmeat and Goatmeat Tariff Rate Quota Allocation and the United States Beef and Veal Tariff Rate Quota Allocation) or no current quota allocations are transferred, sold or otherwise disposed of by Blue Sky that results in a material adverse change (see para 6.1 (t));
 - (o) all records relating to production history for the purposes of quota allocation are maintained by Blue Sky;
 - (p) the board of the Blue Sky Group not exercising their powers do any of the following:
 - (i) make a payment to any director of any company within the Blue Sky Group for loss of office;
 - (ii) make a loan to any director of any company within the Blue Sky Group;
 - (iii) give a guarantee for debts incurred by any director of any company within the Blue Sky Group;
 - (iv) resolving to refuse to register a transfer of shares in Blue Sky to overseas persons or any company beneficially owned by overseas persons; or
 - (v) resolving that in respect of a shareholder, such shareholder's vote is not exercisable due to that shareholder being an overseas persons or company beneficially owned by overseas persons;
 - (q) no member of the Blue Sky Group is, or will be, under any obligation to make any payment or provide any consideration to any director, former director, consultant, contractor or senior executive in the event of any member of the Blue Sky Group becoming a subsidiary of the Offeror, or under Offeror's control;
 - (r) the Offeror receiving a copy of acknowledgments from the directors of Blue Sky resigning as directors of the Blue Sky Group (as applicable) confirming that no moneys are owing to them by the Blue Sky Group whether by way of fees, salaries or otherwise and that they have no other claims against the Blue Sky Group of any nature whatsoever;

- (s) there are no contractual arrangements entered by the Blue Sky Group for the exclusive, guaranteed or preferential supply of product into China and no contractual arrangements that restrict the use of Blue Sky Group brands or trade marks in China. To the extent that any such contractual arrangements or restrictions do exist they will be terminated by the Closing Date unless otherwise agreed by the Offeror; or
- (t) there is no material adverse change (“**MAC**”) in the Blue Sky Group. A MAC is an event or change that results in a negative fall in the EBITDA of the Blue Sky Group of 50% or more against the revised EBITDA forecast of \$2.8m for FY17 or any of the events in paragraph 6.2 occurring. In the absence of agreement between the Offeror and Blue Sky Group as to whether a MAC has occurred the Offeror and Blue Sky Group shall appoint a suitably qualified independent expert (“**Expert**”) or, if they cannot reach agreement on such appointment within two business days from one party notifying the other in writing that they believe a MAC has occurred, by a person appointed by the President for the time being of Chartered Accountants Australia and New Zealand, to determine whether a MAC has occurred. The costs of such appointment is to be borne between the parties as directed by the Expert.

6.2 The following actions by any member of the Blue Sky Group shall be deemed to be material to the Blue Sky Group taken as a whole and not to be normal or in the ordinary course for the purposes of paragraph 6.1:

- (a) the making of (or agreeing to make) unusual or abnormal payments, or the incurring of (or agreeing to incur) unusual or abnormal commitments or liabilities (including contingent liabilities), in each case with a value exceeding \$200,000 and except pursuant to an Intra-Group Transaction;
- (b) if, other than in the ordinary course of business, any member of the Blue Sky Group disposes of, purchases, transfers, leases, grants or permits any encumbrance over, grants an option or legal or equitable interest in respect of, or otherwise deals with a legal or equitable interest in a material asset, business, operation, property or subsidiary (or agrees, including agreeing to materially vary any agreement, to do any of these things or makes an announcement in respect of any of them), that is material to the Blue Sky Group taken as a whole;
- (c) the making of any unusual payment of income tax, including taxation in advance, of an amount exceeding \$250,000;
- (d) the committing to any capital expenditure or divestment (other than in the ordinary course of business (and other than pursuant to an Intra-Group Transaction));
- (e) the entry into, renewal or variation of, onerous, long-term (exceeding 12 months) or material contracts, commitments or arrangements, or transactions with a related party (except in the ordinary course of business) and such actions will include any sale (in whole or part), joint venture arrangements or entering contractual arrangements relating to any of the plant and machinery owned by Blue Sky including the rendering plant and operation;
- (f) there is any alteration to the constitutional documents of any member of the Blue Sky Group other than amendments that are of a formal or technical, and not substantive, nature;

- (g) there is any change to the remuneration, or to any of the terms of employment or engagement, of any director, officer, employee or consultant of any member of the Blue Sky Group currently (except for changes made in accordance with established review policies, or otherwise made in the ordinary course of business consistent with past practices) and there is no agreement to make any of those changes;
- (h) the making of any announcement by any member of the Blue Sky Group that it is legally bound to do any of the actions set out in paragraphs 6.2(a) to 6.2(g);
- (i) any board resolution or shareholders' resolution of any member of the Blue Sky Group is passed to do or authorised the doing of any act or matter referred to in any of the paragraphs (a) to (g);
- (j) any resolution is passed for any amalgamation of any member of the Blue Sky Group, and none of them is involved in any merger or scheme of arrangement;
- (k) there is a sale, transfer or disposal of any intellectual and industrial property rights or interests, whether registered or unregistered, (including common law rights and interests) including, without limitation: trade marks, applications for trade marks, trade name(s), know-how, being technical and other information, experience or trade secrets, designs whether or not registered or protected by copyright, patents and applications for patents, plant variety rights, copyright material, confidential information and other intellectual property owned by the Blue Sky Group; and
- (l) any person exercises or purports to exercise or states an intention to exercise any rights or refuses to give any required waiver or consent under any provision of any agreement or other instrument to which any member of the Blue Sky Group is a party, or by or to which any member of the Blue Sky Group or any of its assets may be bound or be subject, which results, or could result, to any extent which is material in the context of the Blue Sky Group taken as a whole in:
 - (i) any moneys borrowed by any member of the Blue Sky Group becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
 - (ii) any such arrangement or other such instrument being terminated or modified or any action being taken or arising thereunder; or
 - (iii) the interest of any member of the Blue Sky Group in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified or required to be transferred or offered for sale.

6.3 To the extent required by the Takeovers Code, where any condition requires a determination as to whether a matter is or could reasonably be expected to be material or not, is normal or not, is onerous or not, is in the ordinary course of business or not, or is of a formal or technical (and not substantive) nature or not, before the condition may be invoked, such determination must be made by a suitably qualified expert nominated by the Offeror who is independent of, and not an associate of, the Offeror.

- 6.4 The conditions in paragraph 5.1 and 6.1 are for the sole benefit of the Offeror and, subject to Rule 23 of the Takeovers Code, each such condition may be waived, in whole or in part, by the Offeror, and on such terms as it decides, in its sole discretion. Any waiver or consent given by the Offeror in respect of any matter or thing shall apply only in accordance with its terms and shall not constitute a consent or waiver in respect of any similar matter or thing.
- 6.5 Each condition set out in paragraphs 5.1 and 6.1 is a separate condition. The Offer will only proceed if all conditions in those paragraphs are satisfied or, to the extent permissible, waived.
- 6.6 The Offeror may not invoke a condition in paragraph 6.1 or otherwise cancel or withdraw this Offer to the extent that any event, matter, circumstance, condition or information was publicly announced by Blue Sky, or otherwise was generally in the public arena, including being available on the following public registers: New Zealand Companies Office, New Zealand Personal Property Securities Register, Land Information New Zealand and the New Zealand High Court, prior to the Notice Date.
- 6.7 Immediately following the conditions in paragraph 5.1 and 6.1 being satisfied or waived in accordance with the terms of this Offer, the Offeror will:
- (a) declare the Offer to be unconditional in all respects; and
 - (b) provide written notice that the Offer is unconditional to Blue Sky and the Takeovers Panel, such declaration to be made, and notice given, no later than 10:00am on the date following the date on which the conditions in both paragraph 5.1 and 6.1 are satisfied or waived in accordance with the terms of this Offer.
- 6.8 The Offeror may not allow this Offer to lapse:
- (a) in unreasonable reliance on a condition of this Offer; or
 - (b) in reliance on a condition of this Offer that restricts Blue Sky's activities in the ordinary course of Blue Sky's business during the period commencing on the Notice Date and ending on the Condition Date.

7. CHANGE IN CIRCUMSTANCES

- 7.1 If, on or after the Notice Date, Blue Sky declares, makes, or pays any dividend or any distribution (within the meaning of the Companies Act 1993) of any nature whatsoever (including, for the avoidance of doubt, by way of share buy-back, redemption or cancellation or any other form of capital reduction) and:
- (a) the condition in paragraph 6.1(b) is waived by the Offeror; and
 - (b) this Offer is or becomes unconditional,
- then, at the election of the Offeror, either:
- (c) each Acceptor will be bound to pay to the Offeror on demand an amount equivalent to such dividend or the value of such other distribution (in each case inclusive of withholding taxes deducted, if applicable) that is received by, or is properly payable to, that Acceptor in respect of the Shares for which the Acceptor has accepted the Offer; or

(d) the consideration which would otherwise have been paid to each Acceptor for their Shares shall be reduced by an amount equivalent to such dividend payment or the value of such other distribution that is received by, or is properly payable to, that Acceptor.

7.2 If, on or after the Notice Date, Blue Sky authorises, declares, or makes any issue of shares, convertible securities or other securities of any nature (including warrants, options, rights or interests in its ordinary shares), by way of bonus issue, and:

(a) the condition in paragraph 6.1(c) is waived by the Offeror; and

(b) this Offer is or becomes unconditional,

then Acceptors will, subject to the terms of any waiver referred to in paragraph 7.2(a), be bound to transfer, in respect of those Shares for which they have accepted this Offer, any such shares, convertible securities, other securities or options, rights and interests to the Offeror, without any additional consideration.

7.3 If, on or after the Notice Date, Blue Sky makes any issue of ordinary shares to any person other than by way of bonus issue, and:

(a) the condition in paragraph 6.1(c) is waived by the Offeror; and

(b) this Offer is or becomes unconditional,

then this Offer will be deemed to be extended to and include such ordinary shares and the consideration payable for them will be as provided in paragraph 2.1.

7.4 If, on or after the Notice Date, all or any of the Shares are subdivided or consolidated by Blue Sky, or the number of shares is reduced other than by way of subdivision or consolidation by Blue Sky, then:

(a) this Offer will be interpreted to take into account that subdivision or consolidation and will be deemed to be for the Shares resulting from that subdivision or consolidation;

(b) the consideration per Share offered under this Offer will be increased or reduced, as the case may require, in proportion to that subdivision or consolidation; and

(c) Acceptors will be bound to transfer those subdivided or consolidated Shares to the Offeror on the basis of the consideration so increased or reduced.

8. METHOD OF SETTLEMENT

8.1 If the completed Acceptance Form required by the Offeror is in order, then no later than 7 calendar days after the later of:

(a) the date of which that Acceptor's acceptance is received by the Offeror; and

(b) the date on which the Offer becomes unconditional,

either a cheque will be sent (by ordinary mail) or an electronic transfer of cleared funds will be made (at the election of the Acceptor) by or on behalf of the Offeror for the consideration payable for the Shares acquired under this Offer. At that point, and not before, the Offeror will acquire legal and beneficial title to such Shares. If an Acceptor does not select a method of payment, or the details

that are provided are not sufficient to effect an electronic transfer, payment will be made to the most recently notified account details of the Acceptor and if no such details have been given, then that Acceptor will be paid by cheque. Acceptors electing payment by electronic transfer may be charged fees by their bank or financial institution.

- 8.2 If the consideration for the Offer is not sent within the period specified in paragraph 8.1 to any Acceptor, that Acceptor may withdraw acceptance of the Offer by notice in writing to the Offeror, but only after the expiration of 7 days' written notice to the Offeror of that Acceptor's intention to do so. This right to withdraw acceptance of the Offer will not apply if the Acceptor receives the consideration during the 7 day period referred to in this paragraph.
- 8.3 The Offeror will present all Acceptance Forms to Blue Sky for registration as soon as possible following this Offer being declared unconditional.

9. NOTICES

9.1 Notices given by the Offeror to Blue Sky and the Takeovers Panel:

- (a) declaring this Offer unconditional; or
 - (b) advising that this Offer is withdrawn in accordance with the Takeovers Code; or
 - (c) advising that a term or condition of this offer has been waived; or
 - (d) advising that this Offer has lapsed in accordance with its terms or the Takeovers Code,
- in each case, will be deemed to be notice to all Blue Sky shareholders when so given.

9.2 Notice of any variation of the Offer will be sent to Blue Sky and the Takeovers Panel and, except where not required in accordance with the Takeovers Code, to each Blue Sky shareholder under this Offer.

10. FURTHER INFORMATION

10.1 Further information relating to the Offeror and this Offer, as required by Schedule 1 of the Takeovers Code, is set out in the Appendix and forms part of this Offer document.

11. INTERPRETATION AND MISCELLANEOUS

11.1 In this Offer document:

- (a) any reference to the Takeovers Code means the Takeovers Code Approval Order 2000 (SR 2000/210);
- (b) except if expressly defined in this document, or where the context requires otherwise, terms defined in the Takeovers Code shall have the same meaning in this document;
- (c) all references to sums of money are in New Zealand currency;
- (d) any reference to time is to New Zealand time;
- (e) headings are for convenience only and do not affect the interpretation of this Offer document or the Acceptance Form;

- (f) unless otherwise specified, material and materiality will have their respective ordinary and customary meanings;
- (g) the singular includes the plural and vice versa; and
- (h) references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it.

11.2 This Offer and any contract arising from it shall be governed by and construed in accordance with the laws of New Zealand, and the parties to any such contract submit to the non-exclusive jurisdiction of the Courts of New Zealand.

11.3 The provisions set out in the Acceptance Form are part of the terms of this Offer.

11.4 If there is an inconsistency between the terms of this Offer and the provisions of the Takeovers Act 1993 or the Takeovers Code, the provisions of the Takeovers Act 1993 or the Takeovers Code (as the case may be) will prevail.

APPENDIX

INFORMATION REQUIRED TO BE SPECIFIED IN OFFER BY SCHEDULE 1 TO THE TAKEOVERS CODE

The information required by Schedule 1 of the Takeovers Code, and not stated elsewhere in this Offer document is set out below. Where information is not applicable or not required, no statement is made regarding that information. The following matters are stated as at the date of the Offer.

1. Date

1.1 The Offer is dated 21 November 2016.

2. Offeror and its Directors

2.1 The name and address of the Offeror is:

NZ Binxi (Oamaru) Foods Limited
Beker Findlay Allan Ltd, 109 Tuwharetoa Street, Taupo, 3330, New Zealand.

2.2 The directors of the Offeror are:

- (a) Zhiyun HE; and
- (b) Richard James Thorp.

3. Target Company

3.1 The target company is Blue Sky Meats (N.Z.) Limited, company number 315886.

4. Offer Terms

4.1 The full terms and conditions of this Offer are set out on pages 4 to 15 of this Offer.

5. Ownership of Equity Securities of Blue Sky

5.1 The Offeror owns 1,559,422 ordinary shares (being 13.53 % of all ordinary shares on issue) in Blue Sky¹. The Offeror is aware that the following persons hold or control more than 5% of the ordinary shares in Blue Sky:

Name	Number of Shares held or controlled	Percentage of Shares
Lowe Corporation Limited	2,068,374	17.95%
H.W. Richardson Group Limited	1,663,300	14.43%
Blue Star Corporation Limited	1,296,748	11.25%

5.2 Other than as set out at paragraph 5.1, the following persons do not hold any equity securities in Blue Sky:

¹ The Offeror has submitted transfers for these Shares to Blue Sky but is awaiting confirmation from Blue Sky that the transfers have been registered – see paragraph 6.

- (a) the Offeror;
- (b) any related company of the Offeror;
- (c) any person acting jointly or in concert with the Offeror;
- (d) any director of any persons described in paragraphs to (a) to (c) above; or
- (e) any other person holding or controlling 5% or more of the class, to the knowledge of the Offeror.

6. Trading in Blue Sky Equity Securities

6.1 During the 6 month period before the Offer Date, the Offeror acquired the following ordinary shares in Blue Sky:

Name of Shareholder	Number and Class of Shares	Price Per Share	Date of Acquisition
K McLeod	8,750 ordinary shares	\$2.20	3 November 2016
G Tippet	6,000 ordinary shares	\$2.20	3 November 2016
A Mallon	6,000 ordinary shares	\$2.20	3 November 2016
D Hopgood	9,000 ordinary shares	\$2.20	3 November 2016
Perpetual Trust Limited	70,000 ordinary shares	\$2.20	3 November 2016
G Monk	6,000 ordinary shares	\$2.20	3 November 2016
Mission Family Trust	9,000 ordinary shares	\$2.20	3 November 2016
J Brown	48,350 ordinary shares	\$2.20	3 November 2016
M Upton	43,600 ordinary shares	\$2.20	3 November 2016
James Peter Houlker	30,000 ordinary shares	\$2.20	3 November 2016
Glimmer Limited	6,000 ordinary shares	\$2.20	3 November 2016
Brendan Cooney	30,000 ordinary shares	\$2.20	3 November 2016
Graham and Jill Cooney	1,000,000 ordinary shares	\$2.20	16 November 2016
David Gray	286,722 ordinary shares	\$2.20	17 November 2016

6.2 The Offeror has submitted completed and executed transfers for the above Shares to Blue Sky but is awaiting confirmation from Blue Sky that the transfers have been registered in the share register of Blue Sky in accordance with the constitution of Blue Sky and the Companies Act 1993.

6.3 Other than as set out at paragraph 6.1 above, no equity securities of Blue Sky have been acquired or disposed of by the Offeror or any other person of the kind referred to in sub-clauses 5.2(b) to 5.2(d) inclusive.

7. Agreements to Accept Offer

7.1 No person has agreed conditionally or unconditionally to accept the Offer.

8. Arrangements to Pay Consideration

8.1 The Offeror confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer (including debts arising under Rule 49 of the Takeovers Code).

8.2 A statement setting out the rights of each offeree under Rule 34 of the Takeovers Code, to withdraw its acceptance for non-payment by the Offeror of the consideration, is set out in paragraph 8.2 (page 14) of this Offer document.

9. Arrangements Between the Offeror and Blue Sky

9.1 The Offeror entered a confidentiality agreement dated on or around 20 June 2016 with an agent of Blue Sky for the purpose of entering discussions with Blue Sky and potential sellers of equity securities in Blue Sky and receiving business information with respect to Blue Sky, all with a view to making this Offer.

9.2 Other than as set out in paragraph 9.1, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Offeror or any associates of the Offeror and Blue Sky or any related company of Blue Sky, in connection with, in anticipation of, or in response to, this Offer.

10. Arrangements Between the Offeror and Directors and Officers of Blue Sky

10.1 No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between the Offeror or any associates of the Offeror, and any directors or senior officers of Blue Sky or of any related company of Blue Sky (including any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to, this Offer except for an agreement that has been entered into between the Offeror and Graham John Cooney (a former director of Blue Sky) for Graham to provide consultancy services to the Offeror for a period of 12 months.

11. Financial Assistance

11.1 No agreement or arrangement has been made, or is proposed to be made, under which Blue Sky or any related company of Blue Sky will give (directly or indirectly) financial assistance for the purpose of, or in connection with, this Offer.

12. Intentions about material changes to Blue Sky

12.1 The Offeror has no present intention to make any material change to the business activities, material assets or capital structure of Blue Sky other than:

- (a) capital improvements to plant and machinery as may be required to enhance efficiency, for environmental compliance or for health and safety best practice; and
- (b) any changes required to comply with the conditions of any Overseas Investment Office approval obtained in accordance with the conditions of this Offer.

12.2 However, the Offeror reserves the right of itself to make changes in the future, depending on the business and economic environment and other relevant circumstances which arise after the Offer.

12.3 The foregoing statements are consistent with any information that has been given by the Offeror to any regulatory body in New Zealand or in an overseas jurisdiction in relation to the Offer. No information has been given by the Offeror to any regulatory body in an overseas jurisdiction in relation to the Offer.

13. Pre-emption clauses in Blue Sky's Constitution

13.1 As at the date of this Offer document there is no restriction on the right to transfer any equity securities to which the Offer relates contained in the constitution of Blue Sky which has the effect of requiring the holders of those securities to offer the securities for purchase to Blue Sky shareholders or to any other person before transferring those securities.

14. Escalation Clauses

14.1 There is no agreement or arrangement (whether legally enforceable or not) under which any existing holder of equity securities in Blue Sky will or may receive in relation to, or as a consequence of, the Offer any additional consideration or other benefit over and above the consideration set out in the Offer, or any prior holder of equity securities in Blue Sky will or may receive any consideration or other benefit as a consequence of the Offer.

15. Classes of Securities

15.1 No report is required under Rule 22 of the Takeovers Code (which, if the offer is for more than 1 class of financial products, requires a report by an independent adviser on the fairness and reasonableness of the consideration and terms of the offer as between different classes of financial products).

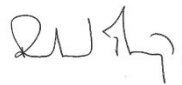
16. Certificate

16.1 To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying the offer document (including this Appendix) is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the offeror under the Takeovers Code.


Signed by the persons named below or their respective agents authorised in writing.



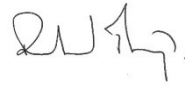
Zhiyun He
Director



Richard Thorp
Person fulfilling role of Chief Executive Officer of
Offeror



Richard Thorp
Director



Richard Thorp
Person fulfilling role of Chief Financial Officer of
Offeror

ACCEPTANCE FORM FOR ORDINARY SHARES

FULL CASH TAKEOVER OFFER FOR ALL ORDINARY SHARES IN BLUE SKY MEATS (N.Z.) LIMITED

SHAREHOLDER ("You")

[Mailing house will personalise with name and address and will ensure that this fits the window of the envelope used to mail the Offer. They will print all details on the right + barcode]

CSN / SHAREHOLDER NUMBER

XXXXXXXXXXXXXXXX

NUMBER OF SHARES HELD IN BLUE SKY as at [DATE]

XXXXXXXXXXXXXXXX

TOTAL CONSIDERATION (at NZ\$2.20 per share)

\$XXXXX.XX

PLEASE REFER TO THE INSTRUCTIONS OVERLEAF FOR DIRECTIONS ON HOW TO COMPLETE THIS ACCEPTANCE FORM

Insert in the box below the number of ordinary shares ("Shares") in Blue Sky Meats (N.Z.) Limited ("Blue Sky") in respect of which you accept the takeover offer by NZ Binxi (Oamaru) Foods Limited ("the Offeror") dated 21 November 2016 (the "Offer")

NUMBER OF BLUE SKY SHARES YOU WISH TO SELL:

Note:

1. You may accept this Offer in respect of all or any Blue Sky Shares held by you.
2. If you do not state the number of Blue Sky Shares in respect of which you wish to accept the Offer, you will be deemed to have accepted the Offer in respect of all the Blue Sky Shares held by you and to have stated that number in the box above.

By signing this Acceptance Form you hereby:

- (a) irrevocably accept the Offer for the number of shares in Blue Sky held and nominated by you as set out in the box above ("Nominated Shares") on and subject to the terms and conditions of the Offer, and agree to transfer the Nominated Shares to the Offeror;
- (b) without limitation to any other term of the Offer, authorise, represent and warrant as set out in paragraphs 4.8 and 4.9 (to the extent applicable) of the Offer Terms and Conditions in the Offer Document; and
- (c) irrevocably appoint the Offeror as your attorney and agent on the terms set out in this Acceptance Form.

The Offeror hereby agrees to take the Nominated Shares subject to the terms and conditions of the Offer.

METHOD OF PAYMENT

Payment will be made by either electronic transfer directly into your New Zealand bank account, or by cheque. Please select a Method of Payment by ticking the appropriate box below. Note that all payments will be made in New Zealand dollars.

Method of Payment (please tick one): CHEQUE ELECTRONIC TRANSFER

Note: If you do not select a Method of Payment, or the details that you provide are not sufficient to effect an electronic transfer, you will be paid by cheque.

Electronic Transfer Details: Please complete the details below if you wish to be paid by electronic transfer:

Bank: _____ Account Name: _____

NZ Bank Account Number:

Bank	Branch	Account	Suffix
<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>

Daytime Phone Number:

E-mail Address:

Dated and executed the day of 2016

SIGNATURE(S)

SIGNATURE(S) FOR AN INDIVIDUAL/ATTORNEY/TRUSTEE	SIGNATURE(S) FOR A COMPANY

All Shareholders as stated on the Acceptance Form above must sign

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS ACCEPTANCE FORM

- 1 **TO ACCEPT THE OFFER:**
 - 1.1 Complete the date of signing in the boxes provided above. Please ensure that all details of this Acceptance Form are correct. Please alter this Acceptance Form if required.
 - 1.2 Sign this Acceptance Form where marked "Signature(s)". Companies must sign where marked "For a Company" in accordance with the Companies Act 1993 or other applicable law.
 - 1.3 If the Shares are registered in the name of joint holders, all holders must sign this Acceptance Form. If one or some, but not all, joint holders sign, the joint holder(s) who has/have signed represent and warrant to the Offeror that the joint holder(s) who has/have signed the Acceptance Form do(es) so on behalf of and as duly authorised agent(s) for the joint holder(s) who has/have not signed, that such authority has not been revoked, and that the acceptance is binding on the joint holder(s) who has/have not signed the Acceptance Form.
- 2 **METHOD OF PAYMENT:** You should select a Method of Payment. If you do not, or the details that you provide are not sufficient to effect an electronic transfer to you, you will be paid by cheque. Neither the Offeror nor Link Market Services Limited has any responsibility to verify any details provided on this Acceptance Form. Your bank may charge you fees in relation to receipt of an electronic transfer.
- 3 **POWER OF ATTORNEY:** If this Acceptance Form is signed under a power of attorney, the certificate of non-revocation printed below must be completed by the party holding the power of attorney. Where the attorney is a body corporate, the attorney must sign and attach a certificate of non-revocation of power of attorney in the form set out in the Property Law Act 2007 (not the form printed below). In either case, the relevant instrument appointing the attorney must be submitted with this Acceptance Form for noting and return, unless it has already been provided to Link Market Services Limited.
- 4 **ON COMPLETION:** Place the signed Acceptance Form in the enclosed reply-paid envelope and mail, or return in any of the ways stated below, as soon as possible, but in any event so as to be received not later than 11:59pm New Zealand time on 31 January 2017 (unless extended).

By mail: NZ Binxi (Oamaru) Foods Limited
C/- Link Market Services Limited
PO Box 91976
Auckland 1142
New Zealand

Deliver: NZ Binxi (Oamaru) Foods Limited
C/- Link Market Services Limited
Level 11 Deloitte Centre
80 Queen Street
Auckland
New Zealand

Scan & Email: operations@linkmarketservices.com (please put "Blue Sky Acceptance" in the subject line for easy identification)

Fax +64 9 375 5990

If you fax or email this Acceptance Form to Link Market Services Limited please mark the original Acceptance Form "FAXED".

- 5 **PREVIOUS SALE:** If you have sold all your Blue Sky Shares, please pass this Acceptance Form together with the Offer documents to the agent (e.g. the broker) through whom the sale was made or the purchaser(s) of such Blue Sky Shares. If you have sold part of your shareholding, record that fact on this Acceptance Form by amending the number of Blue Sky Shares noted as being held by you on the face of this Acceptance Form.
- 6 **SALE OF PART OF HOLDING ONLY:** If you want to accept the Offer for part of your holding only, please enter the number of Blue Sky Shares you wish to sell in the relevant box above before returning the Acceptance Form to the Offeror.
- 7 **INTERPRETATION:** In this Acceptance Form references to "you" in the singular shall include the plural. Capitalised terms used but not defined in this Acceptance Form have the meanings given to them in the Offer.

IF YOU ARE IN ANY DOUBT ABOUT THE PROCEDURE FOR ACCEPTANCE, PLEASE CALL LINK MARKET SERVICES LIMITED ON +64 9 375 5998

POWER OF ATTORNEY

As from the date of legal and beneficial ownership, and title, to your Nominated Shares passing to the Offeror in accordance with the terms of the Offer, you hereby irrevocably authorise and appoint the Offeror (with power of substitution by the Offeror in favour of such person(s) as the Offeror may appoint to act on its behalf) as your attorney and agent to act for you and do all matters of any kind or nature whatsoever in respect of or pertaining to the Nominated Shares and all rights and benefits attaching to them as the Offeror may think proper and expedient and which you could lawfully do or cause to be done if personally acting as a legal and beneficial owner of the Nominated Shares.

IF THIS ACCEPTANCE FORM IS SIGNED UNDER POWER OF ATTORNEY, THE ATTORNEY(S) SIGNING MUST SIGN THE FOLLOWING

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I/WE,

(Insert name of Attorney(s) signing)

of _____

(Address and Occupation)

HEREBY CERTIFY:

- 1. THAT by a Power of Attorney dated the _____ day of _____ the Transferor named and described on the attached Acceptance Form ("**Donor**") appointed me his/her/its/their attorney on the terms and conditions set out in that Power of Attorney.
- 2. THAT I/we have executed the attached Acceptance Form as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me/us.
- 3. THAT at the date hereof I/we have not received any notice or information of the revocation of that Power of Attorney by the death (or winding up) of the Donor or otherwise.

Signed at _____ this _____ day of _____ 2016

(Signature of Attorney(s))