

# TALLEY'S GROUP LIMITED

## FULL OFFER FOR ORDINARY SHARES IN OPEN COUNTRY DAIRY LIMITED

### \$3.18 PER SHARE

**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 shares in Open Country Dairy 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.

Open Country Dairy 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 10 working days and should be read in conjunction with this offer.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR URGENT ATTENTION**



## SUMMARY OF THE OFFER

Talley's Group Limited ("**Talley's**", "**we**" or "**us**") is offering to acquire all of the fully paid ordinary shares ("**Shares**") in Open Country Dairy Limited ("**Open Country Dairy**") not already held or controlled by Talley's (our "**Offer**").

The key terms of our Offer are:

<b>Offer Price for Shares</b>	<b>\$3.18 per Share in cash.</b>
<b>Full Offer</b>	Our Offer is a full offer for all of the Shares.
<b>Conditions</b>	<p>Our Offer is conditional on:</p> <ul style="list-style-type: none"> <li>• us receiving acceptances to our Offer which, when taken together with the Shares already held or controlled by us, will result in us holding or controlling 90% of the Shares; and</li> <li>• none of the events set out in paragraph 5.2 of the Offer Terms and Conditions occurring in the period between the Effective Date until the Condition Date.</li> </ul>
<b>Satisfaction of the Conditions</b>	<p>As at 22 January 2021 we held 128,682,254 Shares, being 76.79% of the total number of Shares on issue. Olam International Limited ("<b>Olam</b>") has agreed to accept our Offer in respect of 25,454,839 Shares, being 15.19% of the total number of Shares on issue, by no later than 5.00 pm on the later of the date which is two working days after the date of despatch of our Offer and the date that Olam receives our Offer.</p> <p>As Olam's acceptance of our Offer will result in the 90% minimum acceptance condition being satisfied, we expect to declare our Offer unconditional in all respects within three working days after we despatch our Offer (provided that none of the events set out in paragraph 5.2 of the Offer Terms and Conditions occur before then).</p>
<b>Compulsory acquisition</b>	If the Offer is declared unconditional (see "Satisfaction of the Conditions" above), Talley's will be entitled to, and intends to, compulsorily acquire all Shares that it does not acquire under the Offer. If you accept the Offer you will be paid more quickly for your Shares than if your Shares are compulsorily acquired from you.
<b>Payment</b>	If you accept our Offer you will be paid no later than five working days after the later of the date on which we receive your acceptance or the date on which our Offer becomes unconditional.

**THIS IS A SUMMARY OF THE OFFER ONLY. DETAILED TERMS AND CONDITIONS OF THIS OFFER ARE SET OUT ON THE FOLLOWING PAGES. YOU SHOULD READ THESE CAREFULLY AND IN FULL.**

## HOW TO ACCEPT THE OFFER

<b>Closing Date</b>	<p>Our Offer closes on 8 March 2021 ("<b>Closing Date</b>"). We may extend the Closing Date in accordance with the Takeovers Code.</p> <p>If you wish to <b>ACCEPT</b> our Offer, you must ensure that your Acceptance Form is sent so that it is received by us on or before the Closing Date.</p>
<b>How to ACCEPT</b>	<p>Complete and sign the enclosed Acceptance Form in accordance with the instructions set out on that form.</p> <p><b>By email</b></p> <p>Email it to Talley's Group Limited c/- Link Market Services Limited <a href="mailto:applications@linkmarketservices.co.nz">applications@linkmarketservices.co.nz</a></p> <p>If you do this, please type "Open Country Dairy Acceptance" in the subject line for easy identification.</p> <p><b>By post</b></p> <p>Talley's Group Limited c/- Link Market Services Limited PO Box 91976 Auckland 1142 New Zealand</p> <p><b>Delivery</b> (between 8.30 am and 5.00 pm only)</p> <p>Level 11, Deloitte Centre 80 Queen Street Auckland CBD</p>
<b>If you have lost your Acceptance Form</b>	<p>Please contact Open Country Dairy's share registrar, Link Market Services Limited, on (09) 375 5998 and they will provide you with a new form.</p>

## OFFER TERMS AND CONDITIONS

### 1. THE OFFER

- 1.1 Talley's offers to purchase all of the Shares in Open Country Dairy not already held by Talley's, on the terms, and subject to the conditions, set out in this Offer Document. On the Effective Date (as defined in paragraph 1.2) Talley's holds or controls 76.79% of the voting rights in Open Country Dairy and will continue to hold or control not less than 76.79% of the voting rights in Open Country Dairy throughout the term of the Offer.
- 1.2 The Offer to purchase your Shares includes the purchase of all rights, benefits and entitlements (such as entitlements to dividends, bonus issues and other payments and distributions of any nature) which attach to your Shares on, after, or by reference to the Effective Date ("**Entitlements**"). The "**Effective Date**" for the purposes of the Offer is 23 December 2020.
- 1.3 The Offer is dated 5 February 2021.
- 1.4 The Offer will remain open for acceptance until 11.59pm on the "**Closing Date**", which is:
- (a) 8 March 2021 ("**Initial Closing Date**"); or
  - (b) if the Offer is extended to a later date in accordance with the Takeovers Code, that later date.
- 1.5 Talley's may extend the Offer and the Closing Date one or more times.
- 1.6 Capitalised terms used in the Offer Terms and Conditions, and which are not otherwise defined, are defined in the Glossary.

### WHAT YOU WILL BE PAID

- 1.7 If you accept the Offer, you will receive **\$3.18** in cash per Share in respect of each Share for which you accept the Offer.

### 2. WHEN YOU WILL GET PAID

- 2.1 Talley's will pay you the price for your Shares taken up under the Offer no later than five working days after the later of:
- (a) the date on which the Offer becomes unconditional; and
  - (b) the date on which Talley's receives your acceptance of the Offer.
- 2.2 If you do not, within the period specified in paragraph 2.1, receive the price for your Shares in accordance with this paragraph 2, you may withdraw your acceptance of the Offer by notice in writing to Talley's, but only by:
- (a) giving written notice to Talley's of your intention to do so; and
  - (b) if you do not receive the price for your Shares during five working days after giving notice under subparagraph (a), giving written notice to Talley's withdrawing acceptance of the Offer.
- 2.3 Further information about how Talley's will pay you is set out in paragraph 6.

### 3. HOW TO ACCEPT THE OFFER

3.1 This Offer Document is accompanied by an Acceptance Form for you to use to accept the Offer for your Shares.

3.2 Talley's has appointed Link Market Services Limited as registrar for the Offer to receive and process Acceptance Forms on its behalf. In this paragraph 3, a reference to sending Acceptance Forms to Talley's, or to Talley's receiving Acceptance Forms, means sending to, or receipt by, Link Market Services Limited.

#### Instructions on how to accept the Offer

3.3 To accept the Offer, you only need to:

- (a) complete and sign the enclosed Acceptance Form for the Offer in accordance with the instructions on that Acceptance Form; and
- (b) return that completed Acceptance Form to Talley's by email or post (in the reply paid envelope which is enclosed with this Offer Document) so that it is received by Talley's by no later than 11.59pm on the Closing Date, to:

#### By email

[applications@linkmarketservices.co.nz](mailto:applications@linkmarketservices.co.nz) (Please type "Open Country Dairy Acceptance" in the subject line for easy identification)

#### By post

Talley's Group Limited  
c/- Link Market Services Limited  
PO Box 91976  
Auckland 1142  
New Zealand

(if mailing from overseas please affix the required postage stamp)

#### Delivery (between 8.30 am and 5.00 pm only)

Level 11, Deloitte Centre  
80 Queen Street  
Auckland CBD

3.4 Talley's will not provide you with any acknowledgement of receipt of your Acceptance Form.

#### Share certificates

3.5 If you have share certificates for any of your Shares, you **MUST** return those share certificates with your completed Acceptance Form. If you do not provide share certificates for all of your Shares with your Acceptance Form, then you give the warranty in paragraph 4.14. As at 22 January 2021, there were no share certificates for any Shares. Accordingly, this paragraph 3.5 will only apply to you if, after that date, you:

- (a) request a share certificate for your Shares; or
- (b) buy Shares and the seller provides you with a share certificate for those Shares.

## **Acceptance Forms**

- 3.6 If you lose or damage your Acceptance Form, please request another one from the share registrar for the Offer, Link Market Services Limited, by calling 09 375 5998 (within New Zealand) or + 64 9 375 5998 (outside New Zealand).
- 3.7 If Talley's receives an Acceptance Form after 11.59pm on the Closing Date which bears a postmark or other evidence of postage or despatch on or prior to 11.59pm on the Closing Date, that Acceptance Form will be deemed to have been received by Talley's prior to 11.59pm on the Closing Date.
- 3.8 Talley's may, in its discretion:
- (a) treat any Acceptance Form as valid even if that Acceptance Form is not accompanied by your relevant Common Shareholder Number/Holder Number, or does not comply with any instructions on the Acceptance Form; and
  - (b) rectify any errors in, or omissions from, any Acceptance Form to enable that form to constitute a valid acceptance of the Offer and to facilitate registration of the transfer of Shares to Talley's (including inserting or correcting details and filling in any blanks).
- 3.9 Talley's will determine, in its discretion, all questions about Acceptance Forms and related documents, including the validity, eligibility, time of receipt, and effectiveness, of an acceptance of the Offer. Talley's determination will be final and will bind you and all other persons. Talley's will not exercise its discretion to replace the number of Shares specified in a valid Acceptance Form unless the Acceptance Form contains an error or omission.

## **4. KEY TERMS OF THE OFFER**

### **Who may accept the Offer**

- 4.1 The Offer is made to each holder of Shares in Open Country Dairy and is open for acceptance in accordance with its terms, whether or not the holder acquired Shares before, on or after the date of the Offer.

### **Acceptance of the Offer and your agreement to sell your Shares**

- 4.2 You may accept the Offer for some or all of your Shares.
- 4.3 If you accept the Offer you create a binding contract with Talley's. You agree to sell, and Talley's agrees to purchase, the Shares for which you accept the Offer and all Entitlements attaching to those Shares on the terms, and subject to the conditions, of the Offer and the provisions of the Takeovers Code.
- 4.4 Your acceptance of the Offer is irrevocable. You may not withdraw your acceptance, whether or not Talley's has varied the Offer in accordance with the Takeovers Code, except in accordance with paragraph 2.2 (which allows you to withdraw your acceptance if Talley's does not pay you within a specified period). You may, however, be released from the obligations arising from acceptance of the Offer in the limited circumstances set out in paragraphs 4.8 and 4.16.
- 4.5 Your acceptance of the Offer must be free of any and all amendments, restrictions, or conditions of any nature whatsoever. If you attempt or purport to impose any amendment, restriction or condition of acceptance, it will be void and of no effect and

Talley's will be entitled to treat your acceptance as a valid and binding acceptance of the Offer free and clear of any amendment or restriction of condition.

#### **Conditions to the Offer**

- 4.6 The Offer is subject to the conditions set out in paragraphs 5.1 and 5.2. Talley's will buy the Shares for which you accept the Offer only if each of those conditions is satisfied or waived, to the extent capable of waiver, and Talley's declares the Offer unconditional.
- 4.7 The latest date on which Talley's can declare the Offer unconditional ("**Condition Date**") is 11.59pm on the next working day after the condition in paragraph 5.1 is satisfied.
- 4.8 Talley's may, subject to paragraph 5.6 and the Takeovers Code, withdraw the Offer if a condition of the Offer is breached or becomes incapable of being satisfied at any time prior to 11.59pm on the Condition Date. If the Offer is not declared unconditional, or the outstanding conditions to it are not waived by Talley's by 11.59pm on the Condition Date, then the Offer will lapse and Talley's and you will be released from any and all obligations under the Offer (and any contract arising from acceptance of it). If the Offer lapses, Talley's may destroy all Acceptance Forms.

#### **Your obligations on acceptance of the Offer**

- 4.9 Legal and beneficial ownership of, and title to, the Shares for which you accept the Offer and the Entitlements attaching to those Shares will pass and transfer to Talley's free of any security interests, mortgages, options, liens, charges, encumbrances or other adverse interests of any nature ("**Encumbrances**") on payment of the consideration for your Shares in accordance with paragraphs 2 and 6.
- 4.10 You must, on request by Talley's, provide to Talley's or Open Country Dairy's share registrar satisfactory evidence of your entitlement to the Shares for which you have, or wish to, accept the Offer and of the full and immediately effective release and discharge of any and all Encumbrances over those Shares. Talley's may treat your acceptance as invalid if you do not comply with your obligations under this paragraph 4.10, and Talley's is not obliged to notify you that it has done so.
- 4.11 You must not, and must not attempt or agree to, sell, transfer, grant an Encumbrance over or otherwise dispose of any interest in or control over any or all of the Shares for which you accept the Offer, except for acceptance of the Offer.
- 4.12 You irrevocably authorise and instruct Open Country Dairy and Open Country Dairy's share registrar to refuse to register any transfer of any or all of the Shares for which you accept the Offer, except for transfers of Shares to Talley's in accordance with the terms of the Offer. You agree that Open Country Dairy and Open Country Dairy's share registrar may rely on the authorisation set out in this paragraph 4.12, even if you attempt to revoke your authorisation. This paragraph will cease to apply if you are released from your obligations under paragraph 4.8 or 4.16.

#### **Your warranties to Talley's**

- 4.13 By completing the Acceptance Form and accepting the Offer you represent and warrant to Talley's (if you are a joint holder of Shares, on a joint and several basis), that:
- (a) you are:
- (i) the sole legal and beneficial owner(s) of the Shares for which you accept the Offer; or



- (ii) the sole legal owner(s) of the Shares for which you accept the Offer and you are entitled to deal with those Shares,

and, in either case, you have all necessary power, capacity and authority to sell those Shares and accept the Offer;

- (b) your Acceptance Form has been duly completed and executed and is binding on you in accordance with its terms and the terms of the Offer; and
- (c) legal and beneficial title and ownership of the Shares for which you accept the Offer will pass to Talley's free from Encumbrances and in accordance with paragraph 4.9.

4.14 If you do not return with your Acceptance Form share certificates for all of your Shares (such Shares being the "**Uncertified Shares**"), you represent and warrant to us there are no share certificates for your Uncertified Shares or that the share certificates for your Uncertified Shares have been lost or destroyed. You agree that Open Country Dairy may rely on this warranty for the purposes of section 95(5) of the Companies Act 1993.

4.15 Despite anything to the contrary in your Acceptance Form, if you are 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 Talley's, jointly and severally, that:

- (a) 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 such Acceptance Form; and
- (b) if you hold the relevant Shares as a trustee of a trust, the instrument constituting the trust permits the execution of the Acceptance Form in the manner in which it was executed.

#### **All obligations will be released in certain circumstances**

4.16 You will be, and Talley's will be, released from any and all obligations arising from Talley's Offer or from your acceptance of Talley's Offer if Talley's withdraws its Offer with the consent of the Takeovers Panel. If the Offer is withdrawn, Talley's may destroy all Acceptance Forms.

### **5. CONDITIONS OF THE OFFER**

#### **Minimum acceptance condition**

5.1 The Offer and any contract arising from acceptance of it are conditional on Talley's receiving acceptances by no later than 11.59pm on the Closing Date in respect of Shares that will, on the Offer being declared unconditional and the Shares being transferred to Talley's, result in Talley's holding or controlling not less than 90% of the voting rights in Open Country Dairy.

#### **Other conditions of the Offer**

5.2 The Offer and any contract arising from acceptance of it are subject to the conditions that, except as otherwise agreed in writing by Talley's, during the period from the Effective Date until the Condition Date (each inclusive):

- (a) no action, claim, litigation, arbitration or other legal proceedings against Open Country Dairy or any subsidiary of Open Country Dairy (together, “**Open Country Dairy Group**”) are commenced, instituted or threatened, except proceedings that are publicly notified at 9.00 am on the Effective Date that are material to the Open Country Dairy Group, taken as a whole;
- (b) no action, claim, litigation, prosecution or other form of proceedings are notified or commenced against any member of the Open Country Dairy Group, or Talley’s, in respect of the Offer;
- (c) no liquidator, receiver, receiver and manager, statutory manager, voluntary administrator or similar official is appointed in respect of any member of the Open Country Dairy Group or any of its assets and no proceeding or other actions to appoint such a person is commenced or announced; and
- (d) there not having occurred any events, circumstances or conditions of the natures referred to in paragraphs (a) to (c) (ignoring, for this purpose, any materiality or similar qualifications therein) which (while not causing a failure of any of the conditions set out in any such paragraphs), when aggregated with all other events, changes, circumstances or conditions of any of the natures referred to in such paragraphs (ignoring, for this purpose, any materiality or similar qualifications therein) that have occurred, mean that the overall impact of all such aggregated events, changes, circumstances or conditions taken as a whole is material, or could be material, to the Open Country Dairy Group, taken as a whole.

#### **Nature of the conditions of the Offer**

- 5.3 Each condition in paragraphs 5.1 and 5.2 is a separate and independent condition, and is solely for Talley’s benefit. Talley’s cannot waive the condition in paragraph 5.1. Talley’s may waive any or all of the conditions in paragraph 5.2, in whole or in part, and on any terms in its discretion. If Talley’s waives a condition, in whole or in part, the waiver will apply only in accordance with its terms, and will not operate as a waiver of or consent to any similar matter or thing. No other person has any right to waive any condition.
- 5.4 Where any condition set out in paragraph 5.2 requires a determination as to whether a matter is or could reasonably be expected to be material or not, or any similar determination required in relation to any such condition, before the condition may be invoked, such determination must (unless the determination does not depend on the judgement of Talley’s or any associate of Talley’s) be made by a suitably qualified expert nominated by Talley’s who is independent of, and not an associate of, Talley’s.

#### **The Offer will only proceed if it becomes unconditional in all respects**

- 5.5 The Offer will only proceed, and you will only be paid for your Shares for which you accept the Offer, if each of the conditions set out in paragraphs 5.1 and 5.2 is satisfied or (if capable of being waived) waived by Talley’s and Talley’s declares the Offer unconditional. If this does not occur, the Offer will lapse and paragraph 4.8 will apply.

#### **When Talley’s will not rely on a condition**

- 5.6 Talley’s will not allow the Offer to lapse:
  - (a) in unreasonable reliance on a condition of the Offer; or
  - (b) in reliance on a condition of the Offer that restricts Open Country Dairy or the Open Country Dairy Group’s activities in the ordinary course of Open Country

Dairy or the Open Country Dairy Group's business during the period commencing on 22 January 2021 and ending on the Condition Date.

## 6. HOW TALLEY'S WILL SETTLE THE OFFER AND PAY YOU

6.1 Talley's will pay you for your Shares taken up under the Offer in accordance with paragraphs 1.7, 2 and this paragraph 6 if:

- (a) Talley's declares the Offer unconditional; and
- (b) your Acceptance Form is in order (or Talley's rectifies any errors in or omissions from your Acceptance Form or otherwise accepts your Acceptance Form as valid under paragraph 3.8).

6.2 Talley's will pay you for your Shares by making a transfer in New Zealand dollars to:

- (a) a New Zealand dollar bank account with a New Zealand registered bank, by electronic transfer; or
- (b) a bank account with an overseas registered bank, by SWIFT payment,

in each case as specified by you in your Acceptance Form, unless you choose to receive payment by cheque, in which case you will be sent a cheque in New Zealand dollars by ordinary post. Please note that some New Zealand registered banks **no longer accept cheques**.

6.3 If:

- (a) your desired account is not a New Zealand dollar account with a New Zealand registered bank or an account with an overseas registered bank; or
- (b) the details that you provide are not sufficient to make an electronic funds transfer or SWIFT payment (as applicable) to your desired account or payment to your desired account is not legally permitted,

Talley's may choose to pay you in New Zealand dollars by:

- (c) electronic funds transfer to any existing New Zealand dollar account that you have advised to Open Country Dairy's share registrar (such as for dividend payments) which is known by Talley's;
- (d) SWIFT payment to an existing account with an overseas bank that you have advised to Open Country Dairy's share registrar (such as for dividend payments) which is known by Talley's, where such payment is legally permitted; or
- (e) cheque by ordinary post.

6.4 If Talley's chooses to make payment to you in accordance with paragraph 6.3:

- (a) Talley's is not obliged to notify you that it has done so; and
- (b) Talley's will have no liability to you for its choice to do so or in doing so.

6.5 In no circumstances will Talley's be liable to you for interest on any payment due to you or any costs or fees charged by your bank. All currency conversions are solely at your risk and Talley's will not have any liability of any nature to you in connection with any currency conversion.

## **7. NOTICES**

7.1 If Talley's gives notice to Open Country Dairy and the Takeovers Panel:

- (a) declaring the Offer unconditional; or
- (b) advising that the Offer is withdrawn in accordance with the Takeovers Code; or
- (c) advising that a term or condition of the Offer had been waived; or
- (d) advising that the Offer has lapsed in accordance with its terms or the Takeovers Code,

that notice will, in each case, be deemed to be notice to you and all other offerees when so given.

7.2 Notice of any variation of the Offer will be sent to Open Country Dairy and the Takeovers Panel and, except where not required in accordance with the Takeovers Code, to you and each other offeree under the Offer.

## **8. FURTHER INFORMATION, INTERPRETATION AND GENERAL TERMS**

### **Further information**

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

### **Interpretation**

8.2 In this Offer Document:

- (a) any reference to the "Takeovers Code" means the Takeovers Regulations 2000 as amended including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993;
- (b) except if expressly defined in this Offer Document, or where the context requires otherwise, terms defined in the Takeovers Code have the same meaning;
- (c) references to amounts of money are to New Zealand currency and to times are to New Zealand time;
- (d) a "working day" has the meaning given in section 29 of the Interpretation Act 1999;
- (e) headings are for convenience only and do not affect the interpretation of this Offer Document or any Acceptance Form;
- (f) the singular includes the plural and vice versa;
- (g) any other grammatical form of a defined term has a corresponding meaning;
- (h) including means including without limitation;
- (i) if you hold your Shares jointly, unless otherwise expressly stated, a reference to you is a reference to all joint holders together; and

(j) all percentages are rounded to two decimal places.

8.3 If there is an inconsistency between the Offer Terms and Conditions 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 to the extent of that inconsistency.

**Cheques, documents and transfers are at your risk**

8.4 All cheques, electronic funds transfers, Acceptance Forms and other documents to be delivered, sent or transferred by or to you will be delivered, sent or transferred at your own risk.

**Variation of the Offer**

8.5 Talley's may vary the Offer in accordance with rule 27 of the Takeovers Code.

**Acceptance Forms are part of the Offer**

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

**Governing law and jurisdiction**

8.7 The Offer and any contract arising from acceptance of it are governed by, and must be construed in accordance with, the laws of New Zealand.

8.8 You agree to submit to the non-exclusive jurisdiction of the Courts of New Zealand.

## **SCHEDULE: INFORMATION REQUIRED BY SCHEDULE 1 TO THE TAKEOVERS CODE**

The information required by Schedule 1 to the Takeovers Code, and not stated elsewhere in this Offer Document, is set out below. Where any information required by Schedule 1 is not applicable, no statement is made regarding that information. The following matters are stated as at 5 February 2021, being the date of the Offer (“**Offer Date**”).

### **1. DATE**

1.1 The Offer is dated 5 February 2021.

### **2. OFFEROR AND ITS DIRECTORS**

2.1 The name of the offeror is Talley’s Group Limited, its registered office is:

Port Motueka  
Motueka  
New Zealand

2.2 The directors of Talley’s are Andrew Ivan Talley, Milan Daniel Talley and Peter Ivan Talley.

2.3 The email address for Talley’s is: [reception@talleys.co.nz](mailto:reception@talleys.co.nz).

2.4 The person who will become the controller of an increased percentage of voting securities in Open Country Dairy as a result of any acquisition made under the Offer is Talley’s. No shareholder in Talley’s holds a majority of the voting securities in Talley’s.

### **3. TARGET COMPANY**

3.1 The name of the target company is Open Country Dairy Limited.

### **4. OWNERSHIP OF EQUITY SECURITIES OF OPEN COUNTRY DAIRY**

4.1 The table below sets out the number, designation and percentage of equity securities of Open Country Dairy of any class held or controlled by:<sup>1</sup>

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

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<sup>1</sup> Percentages in the table are rounded to two decimal places. Share numbers for Talley’s, Olam and Dairy Investment Fund Limited are taken from Open Country Dairy’s share register as at 29 January 2021.

Name	Description	Number of equity securities held or controlled	Type of equity security	Percentage of Class
Talley's	Talley's (as offeror) and person holding or controlling 5% or more of Shares	128,682,254	Ordinary shares	76.79%
Olam	Person holding or controlling 5% or more of Shares	25,454,839	Ordinary shares	15.19%
Dairy Investment Fund Limited	Person holding or controlling 5% or more of Shares	11,169,748	Ordinary shares	6.67%

4.2 Except as stated in the above table, no person referred to in paragraphs 4.1(a) to (d) holds or controls equity securities of Open Country Dairy.

## 5. TRADING IN OPEN COUNTRY DAIRY EQUITY SECURITIES

5.1 No person referred to in paragraphs 4.1(a) to (d) has, during the 6-month period before the Offer Date, acquired or disposed of any equity securities of Open Country Dairy.

## 6. AGREEMENTS TO ACCEPT THE OFFER

6.1 By way of an Agreement Relating to Shares in Open Country Dairy between Talley's and Olam dated 23 December 2020 ("**Agreement**"), Olam agreed to accept the Offer. The material terms of the Agreement are as follows:

- (a) Talley's agreed to make the Offer (being a full takeover offer for all of the Shares not already held or controlled by Talley's for \$3.18 per Share) on the terms set out in the Agreement subject to and conditional on Talley's obtaining finance for the Offer on terms satisfactory to Talley's by 5.00 pm on 22 January 2021.
- (b) Subject to the Offer being made in accordance with the Agreement, Olam has agreed to accept the Offer for all 25,454,839 Shares held by Olam ("**Olam Shares**") by no later than 5.00 pm on or before the later of the date which is two working days after the date of despatch of the Offer and the date that Olam receives the Offer.
- (c) Olam agreed not to:
  - (i) sell, transfer, grant or permit an encumbrance over, or otherwise dispose of any interest in, or control over, any of the Olam Shares, other than accepting the Offer;
  - (ii) seek, solicit or otherwise encourage any person to acquire any interest in, or control over, any of the Olam Shares; or

- (iii) provide any information of any nature to any person for the purposes of encouraging or facilitating, or allowing that person to consider, the acquisition of any interest in, or control over, any of the Olam Shares,

prior to termination of the Agreement, lapse of the Offer or the transfer of Olam Shares to Talley's under the Offer.

- (d) Talley's agreed that, prior to making the Offer, it would not sell, transfer or otherwise dispose of any Shares or the voting rights attached to those Shares (with the exception of the permitted transfer of Shares to a wholly owned subsidiary of Talley's).
- (e) Talley's was permitted to terminate the Agreement if, prior to making the Offer, Talley's became aware that acceptance of the Offer by Olam would not result in the 90% minimum acceptance condition being satisfied.
- (f) Talley's was permitted to terminate the Agreement if, prior to making the Offer:
  - (i) there was any matter, even or circumstance that threatens, or was reasonably likely to threaten, the export of processed milk products from New Zealand to a material extent or which causes, or was reasonably likely to cause, the Open Country Dairy Group to materially reduce the export of processed milk products from New Zealand;
  - (ii) there was any matter, event or circumstance (including any natural disaster, accident, change of law, regulation, act of terrorism or outbreak of disease) that has had, or was reasonably likely to have, a material adverse effect on the business, assets, financial position, trading, liabilities, operations, profitability or prospects of the Open Country Dairy Group taken as a whole; or
  - (iii) Talley's became aware of a breach of a warranty given by Olam relating to Olam's ownership and control of the Olam Shares; or
  - (iv) Talley's became aware of a material breach of the Agreement by Olam.
- (g) Olam may terminate the Agreement if Talley's fails to make the Offer in accordance with the Takeovers Code and the Agreement and on the terms and conditions as set out in the Agreement.
- (h) The Agreement will terminate with immediate effect if the Offer lapses or if Talley's withdraws the Offer in accordance with the Takeovers Code.

6.2 Other than disclosed in paragraph 6.1, no person has agreed conditionally or unconditionally to accept the Offer as at the Offer Date.

## **7. ARRANGEMENTS TO PAY CONSIDERATION**

7.1 Talley's confirms that sufficient resources will be available to it 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 the debts arising under sections 47 to 53 of the Takeovers Act 1993).

7.2 A statement setting out the rights of each holder of Shares under rule 34 of the Takeovers Code is set out in paragraph 2.2 of the Offer Terms and Conditions.



## **8. ARRANGEMENTS BETWEEN TALLEY'S AND OPEN COUNTRY DAIRY**

- 8.1 As at the Offer Date, no agreement or arrangement (whether legally enforceable or not) has been made or is proposed to be made between Talley's (or any associate of Talley's) and Open Country Dairy or any related company of Open Country Dairy in connection with, in anticipation of, or in response to, the Offer.

## **9. ARRANGEMENTS BETWEEN TALLEY'S, AND DIRECTORS AND SENIOR MANAGERS OF OPEN COUNTRY DAIRY**

- 9.1 As at the Offer Date, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Talley's or any associate of Talley's and any of the directors or senior managers of Open Country Dairy (or any related company of Open Country Dairy) in connection with, or in anticipation of, or in response to, the Offer.

## **10. FINANCIAL ASSISTANCE**

- 10.1 No financial assistance (directly or indirectly) has been or is to be provided by Open Country Dairy, or any related company of Open Country Dairy, for the purpose of, or in connection with, the Offer.

## **11. INTENTION ABOUT MATERIAL CHANGES TO OPEN COUNTRY DAIRY**

- 11.1 Talley's is not required to make any statement regarding its intentions for Open Country Dairy as the Offer is a full takeover offer with a non-waivable 90% minimum acceptance condition.
- 11.2 If the Offer becomes unconditional, Talley's intends to exercise its rights under Part 7 of the Takeovers Code and compulsorily acquire all outstanding Shares which Talley's does not acquire under the Offer.

## **12. PRE-EMPTION CLAUSES IN OPEN COUNTRY DAIRY'S CONSTITUTION**

- 12.1 There are no restrictions contained in the constitution of Open Country Dairy on the right to transfer Shares which would have the effect of requiring holders of Shares to offer such Shares for purchase to members of Open Country Dairy or another person before transferring the Shares.

## **13. ESCALATION CLAUSES**

- 13.1 There is no agreement or arrangement (whether legally enforceable or not) to the knowledge of Talley's, under which any existing holder of equity securities in Open Country Dairy 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 under which any prior holder of equity securities in Open Country Dairy will or may receive any consideration or other benefit as a consequence of the Offer.

## **14. CLASSES OF FINANCIAL PRODUCTS**

- 14.1 No report is required under rule 22 of the Takeovers Code (which, if the offer is for more than one 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 the different classes of financial products).

**15. CERTIFICATE**

- 15.1 To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying the takeover notice 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 Talley's under the Takeovers Code.



**Andrew Ivan Talley**  
Director and person fulfilling the role of Chief Executive Officer and Chief Financial Officer the purposes of the Offer  
Talley's Group Limited<sup>2</sup>



**Milan Daniel Talley**  
Director  
Talley's Group Limited



**Peter Ivan Talley**  
Director  
Talley's Group Limited

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<sup>2</sup> While Talley's has no Chief Executive Officer or Chief Financial Officer, Andrew Talley, who is a director of Talley's, has fulfilled the role of Chief Executive Officer and Chief Financial Officer for the purposes of the preparation of this Offer Document and, as the most relevant senior executive of Talley's, has taken responsibility for the factual accuracy of this statement.

## GLOSSARY

"**Acceptance Form**" means the enclosed acceptance form relating to the Offer to acquire your Shares which forms part of this Offer Document.

"**Closing Date**" has the meaning given that term in paragraph 1.4 of the Offer Terms and Conditions.

"**Condition Date**" has the meaning given to that term in paragraph 4.7 of the Offer Terms and Conditions.

"**Effective Date**" has the meaning given to that term in paragraph 1.2 of the Offer Terms and Conditions.

"**Encumbrances**" has the meaning given to that term in paragraph 4.9 of the Offer Terms and Conditions.

"**Initial Closing Date**" has the meaning given to that term in paragraph 1.4(a) of the Offer Terms and Conditions.

"**Offer**" means the full takeover offer under the Takeovers Code by Talley's for all of the Shares it does not own, on the terms conditions set out in this Offer Document.

"**Offer Date**" means 5 February 2021, being the date of the Offer.

"**Offer Document**" means this offer document containing the Offer.

"**Open Country Dairy**" means Open Country Dairy Limited (Company Number 1911063).

"**Open Country Dairy Group**" means Open Country Dairy and its subsidiaries.

"**Share**" means a fully paid ordinary share in Open Country Dairy.

"**Takeovers Panel**" means the takeovers panel established under the Takeovers Act 1993.

"**Talley's**" means Talley's Group Limited (Company Number 168346).