NOTICE OF SPECIAL MEETING OF SHAREHOLDERS IN RELATION TO THE ACQUISITION OF THE MAD BUTCHER FRANCHISOR BUSINESS AND PUBLIC OFFER OF SHARES

Your Directors unanimously recommend that you vote in favour of the resolutions to be considered at the meeting

This Notice of Meeting includes important information relating to the proposed acquisition by Veritas of the Mad Butcher franchisor business and a public offer of Shares in Veritas. Please read this Notice of Meeting carefully.

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Important Dates

9 April 2013	Opening date for the Offer
11 April 2013	Notice of Meeting sent to Veritas Shareholders
27 April 2013 – 11.00am	Proxies due for meeting and record date for eligibility to vote at meeting
29 April 2013 – 11.00am	Meeting to be held at: The Northern Club 19 Princes Street Auckland, 1010
30 April 2013	Closing date for the Priority Pool under the Offer
2 May 2013	Closing date for the Offer
8 May 2013	Completion date for Mad Butcher Acquisition Allotment Date

CHAIRMAN'S LETTER

Dear Shareholder

On 20 December 2012, Veritas Investments Limited ("**Veritas**") entered into a sale and purchase agreement to acquire the Mad Butcher franchisor business (the "**Acquisition**") from its current owner, Mad Butcher Holdings Limited ("**MB Vendor**"). Veritas is calling a special meeting of shareholders to consider resolutions to approve the Acquisition and related funding arrangements.

The business proposed to be acquired comprises the Mad Butcher brand, franchise system and franchisor rights in respect of the 36 franchised Mad Butcher stores across New Zealand, which represent New Zealand's largest network of franchised retail butchers. The network of Mad Butcher stores, none of which will form part of the Acquisition, is comprised exclusively of franchised stores which generated over $150 million of revenue in the year to 31 March 2012. Veritas considers that considerable opportunity exists to expand the Mad Butcher's current store footprint.

The Mad Butcher business will be acquired for a purchase price of $40 million from the MB Vendor, a company owned by interests associated with the Mad Butcher CEO, Michael Morton. As part of the Acquisition, the MB Vendor will be paid half of the Acquisition purchase price in cash and the other half in Veritas shares (subject to any adjustment depending on the level of subscriptions received under the Offer, as described on page 20 of the Investment Statement that accompanies this Notice of Meeting).

To fund the cash component of the purchase price (together with related costs), Veritas is seeking to raise at least $22 million, and up to a maximum of $25 million, by way of an offer of Veritas shares to the public ("**Offer**") at an issue price of $1.30 per share. **Veritas shareholders who were on the company's register as at 5.00pm on 22 February 2013, and who are resident in New Zealand, will be able to apply for shares under the Offer through a $3 million priority pool, which will also be open to Mad Butcher franchisees**. Veritas shareholders who are resident in New Zealand can also approach their NZX Firm to request an allocation under the Broker Firm Offer component of the Offer. An investment statement in relation to the Offer is enclosed with this Notice of Meeting.

Shares to be issued to the MB Vendor in part payment of the Acquisition, will be issued at an issue price equal to the $1.30 issue price under the Offer. Following the Acquisition and the Offer, the MB Vendor will be the single largest shareholder in Veritas with approximately 44.46% of the shares on issue (assuming $22 million is raised under the Offer). The Acquisition and the Offer together with related funding arrangements, which are more particularly described as the "Transactions" in the accompanying Explanatory Memorandum, are conditional on the approval of Veritas shareholders, to be sought at the special meeting.

Benefits of the Transactions

The Transactions provide many benefits to shareholders including:

- Exposure to an iconic kiwi brand with strong growth prospects.

- An attractive cornerstone investment for Veritas. Following the Acquisition, Veritas' initial investment strategy will be to focus on growing the Mad Butcher business through both organic and acquisition growth opportunities, as well as pursuing other investment opportunities which meet Veritas' investment criteria.

- A favourable consideration structure with half the Acquisition purchase price payable in cash and the other half in Veritas shares. The MB Vendor has agreed not to dispose or transfer its holding until the announcement of Veritas' financial results for the period ending 30 June 2014 without the prior written consent of a majority of the non-interested Directors, Veritas and NZX.

- A strengthened share register, with the MB Vendor being the single largest shareholder in Veritas following the Transactions, and new retail and institutional investors expected to join the register as part of the Offer. New Zealand resident shareholders who were on Veritas' register as at 5.00pm on 22 February 2013 can apply for shares in a $3 million priority pool under the Offer and New Zealand resident shareholders can also approach their NZX Firm to request an allocation under the Broker Firm Offer component of the Offer.

- Increased scale and liquidity.

Independent report

Enclosed with this Notice of Meeting is an independent adviser's and independent appraisal report from Grant Samuel and Associates Limited. The Grant Samuel Report constitutes an appraisal report for the purposes of the NZSX Listing Rules, and a report from an independent adviser for the purposes of the Takeovers Code.

Shareholder action required

Due to the nature of the Transactions, Veritas shareholder approval is required. A description of the Transactions and the requirement for the resolutions to be considered at the meeting are set out on pages 6 to 14 of the Explanatory Memorandum.

The Directors of Veritas believe that the Transactions will benefit shareholders, and encourage you to read the Notice of Meeting and Explanatory Memorandum, together with the enclosed Investment Statement and the Grant Samuel Report, and to exercise your right to vote.

Shareholders wishing to participate in the Offer should read the enclosed Investment Statement and either complete a priority pool application form in accordance with the instructions set out in the Investment Statement and/or contact their NZX Firm to request an allocation under the Broker Firm Offer component of the Offer.

Directors' recommendation

The Directors consider that the Transactions are in the best interest of Veritas and its shareholders and, therefore, unanimously recommend that shareholders vote in favour of the resolutions outlined in this Notice of Meeting.

Please read the enclosed documentation in its entirety, and consult your broker or professional adviser if you have any queries about the resolutions.

Yours faithfully,

Mark Darrow
Chairman

VERITAS INVESTMENTS LIMITED

NOTICE OF SPECIAL MEETING

Notice is given that a special meeting of Shareholders of Veritas Investments Limited ("**Veritas**") will be held at The Northern Club, 19 Princes Street, Auckland 1010 on Monday 29 April 2013 commencing at 11.00am. The business of the meeting is to consider, and if thought fit to pass, the following resolutions:

Resolution 1

Major Transaction

As a special resolution;

That the Transactions, as defined and described in the Explanatory Memorandum, are approved for the purposes of section 129 of the Companies Act 1993 and NZSX Listing Rule 9.1.1.

Resolution 2

NZSX Listing Rules

As an ordinary resolution;

That the Transactions are approved for the purposes of all applicable provisions of the NZSX Listing Rules, namely:

(a) the issue of a maximum of 15,384,615 Shares to the MB Vendor at an issue price of $1.30 per Share, as described in paragraph 6 of the Explanatory Memorandum, is approved for the purposes of NZSX Listing Rule 7.3.1;

(b) the issue of a maximum of 19,230,769 Shares at an issue price of $1.30 per Share pursuant to the Offer, is approved for the purposes of NZSX Listing Rule 7.3.1;

(c) the issue of a maximum of 6,752,137 Shares to Collins Asset Management at an issue price of $1.30 per Share pursuant to the Firm Commitment described in paragraph 14 of the Explanatory Memorandum and the Sub-Underwriting described in paragraphs 16 to 18 of the Explanatory Memorandum is approved for the purposes of NZSX Listing Rule 7.5;

(d) the issue of 384,615 Shares to Tim Cook at an issue price of $1.30 per Share pursuant to the Firm Commitment described in paragraph 14 of the Explanatory Memorandum is approved for the purposes of NZSX Listing Rule 7.5; and

(e) the Acquisition, the Offer, the Sub-Underwriting, the Facility Agreement and the Vendor Loan are approved for the purposes of NZSX Listing Rule 9.2.1.

Resolution 3

Takeovers Code

As an ordinary resolution;

That the following allotments of ordinary shares by Veritas are approved for the purposes of rule 7(d) of the Takeovers Code:

(a) the allotment of Shares to Collins Asset Management pursuant to the Firm Commitment described in paragraph 13 of the Explanatory Memorandum and the Sub-Underwriting described in paragraphs 16 to 18 of the Explanatory Memorandum;

(b) the allotment of Shares to the MB Vendor described in paragraph 6 of the Explanatory Memorandum; and

(c) the allotment of Shares to Tim Cook, Mark Darrow, and Simon Wallace and Sievwrights Trustee Services (No.4) Limited as trustees of the Wallace Family Trust, pursuant to the Firm Commitments described in paragraph 14 of the Explanatory Memorandum.

Resolution 4

Directors' Remuneration

As an ordinary resolution;

To authorise, for the purposes of NZSX Listing Rule 3.5.1, an increase in the total amount of remuneration payable to Directors by $290,000, from $110,000 in each financial year to $400,000 in each financial year, with effect from the Completion Date.

By order of the Board:

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Mark Darrow
Chairman

A glossary of capitalised terms used in this Notice of Meeting is contained in paragraph 65 of the Explanatory Memorandum.

NOTES

1. A Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder. A proxy need not be a Shareholder. A Shareholder may appoint the Chairman of the meeting, or another person, to act as proxy. A proxy form is enclosed.

2. If a Shareholder who is prohibited from voting in favour of a resolution is appointed as proxy, that person will not be permitted to vote an undirected proxy given in their favour by any other Shareholder in respect of that resolution. **Please note that if you wish to appoint any Director as your proxy, they will be prohibited (in accordance with the NZSX Listing Rules and the Takeovers Code) from voting any discretionary proxies in relation to those resolutions described in paragraph 44 of the Explanatory Memorandum.** Accordingly, in any such case, unless a direction on how to vote is given to the person whom you appoint as your proxy, they will be unable to vote as your proxy.

3. A Shareholder wishing to appoint a proxy should complete the enclosed proxy form. All joint holders must sign the proxy form.

4. A proxy granted by a company must be signed by a person who is acting under the company's express or implied authority.

5. If the proxy is signed under a power of attorney or other authority, that power of attorney or other authority or a certified copy of that power of attorney or other authority (unless previously produced to Veritas) and a completed certificate of non-revocation, must accompany the proxy form.

6. Completed proxy forms must be received by the Registrar, Computershare Investor Services Limited at either Level 2, 159 Hurstmere Road, Takapuna, Auckland or Private Bag 92119, Auckland 1142, or corporateactions@computershare.co.nz or facsimile +64 9 488 8787, by no later than 11.00am on Saturday 27 April 2013 (being 48 hours before the meeting).

7. This notice of meeting has been approved by NZX Limited in accordance with NZSX Listing Rule 6.1.1.

Attendance and Voting Rights

8. Every Shareholder, or that Shareholder's proxy, is entitled to attend the meeting and vote. On a poll, each Shareholder has one vote for each Share (subject to paragraph 9).

9. The Shareholders who are precluded from voting on each resolution are described in paragraph 44 of the Explanatory Memorandum.

10. Voting at the meeting will be conducted by way of a poll.

11. If you are attending the meeting and voting in more than one capacity (eg also as proxy, for one or more other Shareholders) you must fill out separate voting papers in respect of each capacity in which you vote.

12. In order for a special resolution to be passed, it must be approved by 75 percent or more of the votes of Shareholders who are entitled to vote and vote on the resolution, in person or by proxy.

13. In order for an ordinary resolution to be passed, it must be approved by a simple majority of the votes of Shareholders who are entitled to vote and vote on the resolution, in person or by proxy.

Interdependent Resolutions

14. Resolutions 1, 2 and 3 are interdependent. Unless all three of those resolutions are passed by the required majority, all of them will be deemed not to have been passed, in which case Veritas will continue to be a listed shell company and to seek a suitable new investment. There is no certainty regarding if or when an alternative suitable investment will arise. Veritas reserves the right to put any of resolutions 1, 2 or 3 to a second vote if they are not passed by the required majority.

EXPLANATORY MEMORANDUM

INTRODUCTION

1. On 20 December 2012, Veritas Investments Limited entered into a sale and purchase agreement to acquire the Mad Butcher franchisor business from its current owner, the MB Vendor. To part fund the Acquisition, Veritas is offering to the public for subscription at least $22 million of Shares (16,923,077 Shares) and up to a maximum of $25 million of Shares (19,230,769 Shares) at an issue price of $1.30 per Share. The Transactions are conditional on the approval of Veritas Shareholders at the meeting.

2. This Explanatory Memorandum forms part of the Notice of Meeting at which the Transactions will be put to Veritas Shareholders for approval in accordance with the applicable provisions of the Companies Act, NZSX Listing Rules and the Takeovers Code. Accompanying the Notice of Meeting is a copy of the Investment Statement in relation to the Offer and a copy of the Grant Samuel Report. The Explanatory Memorandum, the Investment Statement and the Grant Samuel Report provide Shareholders with information on the Transactions.

3. Capitalised terms used in the Explanatory Memorandum are defined in paragraph 65 of this Explanatory Memorandum.

KEY BENEFITS OF THE TRANSACTIONS

4. The key benefits of the Transactions are:

   (a) **Exposure to an iconic kiwi brand with strong growth prospects**

   The Mad Butcher Business is a highly cash generative business with strong profitability

   - The Mad Butcher Business, as a franchisor of a leading group of branded retail stores, delivers strong and stable earnings from supplier rebates, carcass sales and advertising and management fees from franchisees.
   - The Mad Butcher Business has a low cost model, without day to day exposure to store operating costs or the capital costs to establish and improve stores.
   - As a result, growth in franchisee store numbers provides incremental revenue which largely converts to profitability.
   - Refer to sections 9 and 10 of the Investment Statement for prospective financial information for the Veritas Group following completion of the Offer and the Acquisition and historical financial information for the Mad Butcher Business.

   An attractive forecast net dividend yield

   - The highly cash generative nature of the Mad Butcher Business is expected to allow Veritas to pay attractive dividends, whilst providing for future growth. The dividend in respect of FY2014 is projected to be 7 cents per share, representing an expected net cash dividend yield on the issue price under the Offer of 5.7% (assuming an Offer size of $22 million).

The Mad Butcher Business' franchise system has a strong competitive position

- Mad Butcher stores comprise New Zealand's largest network of franchised retail butchers with 36 established stores employing almost 600 people, which collectively served up to 110,000 customer transactions per week and generated over $150 million of revenue in the year to 31 March 2012.
- The Mad Butcher Business has a strong competitive position:
  - High volumes allow the Mad Butcher Business and Mad Butcher stores to purchase quality meat on favourable supplier terms, thereby offering customers quality meat at affordable prices. This has allowed the Mad Butcher Business to create a profitable niche by positioning the franchised stores between the large supermarket chains and smaller independent butcher shops.
  - The Mad Butcher Business is committed to freshness and quality, with fresh meat delivered daily to stores where it is cut and packed by onsite butchers and staff. All carcass beef and lamb sold in Mad Butcher stores is New Zealand Quality Mark Certified, assuring customers that it has met the highest standards of quality.

The Mad Butcher Business has multiple growth avenues

- Store expansion – Growth in store numbers and store revenue drive revenue for the Mad Butcher Business. Four new stores are intended to be opened by 30 June 2014 and 30 further areas of New Zealand with suitable demographics have been identified. While Veritas does not propose to open stores in all of these areas, this demonstrates the potential for the growth of the business.
- Acquisition opportunities – The acquisition of complementary retail business is possible.
- Product expansion – Opportunities to extend the product range beyond meat and the existing range of convenience grocery products offered.

These growth initiatives increase the Mad Butcher Business' leverage with suppliers, providing for margin and rebate expansion opportunities.

The Mad Butcher Business has an experienced management team

- Michael Morton, the CEO of the Mad Butcher Business for the past twelve years, will join the Board of Veritas following completion of the Acquisition and will continue as CEO of the Mad Butcher Business.

(b) **An attractive cornerstone investment for Veritas**.

Following the Acquisition, Veritas' investment strategy will be to focus on growing the Mad Butcher Business through both organic and acquisition growth opportunities, and, in the medium term, pursuing other investment opportunities which meet Veritas' investment criteria.

(c) **A favourable consideration structure** with half the Acquisition purchase price payable in cash and the other half in Veritas shares.

The MB Vendor has agreed not to dispose or transfer its holding prior to the announcement of Veritas' financial results for the period ending 30 June 2014 without prior written consent of a majority of the non-interested Directors, Veritas and NZX. The MB Vendor has also indicated that it sees itself as a long-term investor in Veritas beyond that date.

(d) **A strengthened share register**, with the MB Vendor the single largest Shareholder in Veritas following the Transactions, and new retail and institutional investors expected to join the register as part of the Offer.

Veritas Shareholders who were on the company's register as at 5.00pm on 22 February 2013, and who are resident in New Zealand, will be able to apply for Shares under the Offer through a $3 million Priority Pool. Participation in the Priority Pool will be limited to those Shareholders and Mad Butcher Franchisees only. Veritas Shareholders who are resident in New Zealand can also approach their NZX Firm to request an allocation under the Broker Firm Offer component of the Offer.

(e) **Increased scale and liquidity**, with Veritas' market capitalisation expected to increase to over $44 million as a result of the Transactions.

Following completion of the Transactions, the MB Vendor and Collins Asset Management will each hold significant shareholdings in Veritas (refer to paragraph 26 below for details). In Veritas' opinion a more liquid market for Shares is likely to develop following completion of the Transactions, but there can be no assurance that an active trading market in the Shares will develop and there could be an illiquid market.

DESCRIPTION OF THE TRANSACTIONS

5. Paragraphs 6 to 25 of this Explanatory Memorandum contain a description of the transactions which are proposed by Veritas. In the Notice of Meeting, the term "**Transactions**" means the transactions described in those paragraphs.

The Acquisition

6. Veritas has entered into the Mad Butcher Purchase Agreement to buy the Mad Butcher Business from its current owner, the MB Vendor, for a purchase price of $40 million. The Acquisition will be undertaken by Mad Butcher Limited, a wholly-owned subsidiary of Veritas incorporated for this purpose. The Acquisition will be paid by:

   (a) $20 million in cash; and

   (b) the issue by Veritas of Shares to the MB Vendor having a value of $20 million, at an issue price of $1.30 per Share.

7. A summary of the key terms of the Mad Butcher Purchase Agreement is set out in Appendix One to this Notice of Meeting.

8. The MB Vendor has agreed that it will not sell any of the Shares issued to it under the Acquisition earlier than the date on which the financial results of Veritas for the period ending 30 June 2014 are announced, save in the limited circumstances described in paragraph 35 of this Explanatory Memorandum.

The Offer

9. Veritas is seeking to raise at least $22 million, and up to a maximum of $25 million by way of an offer of Shares to the public, to fund the part of the Acquisition purchase price to be paid in cash, together with the costs associated with the Acquisition and the Offer.

10. The Offer opened on 9 April 2013 and is subject to Shareholder approval being received at the meeting. The Offer is an offer of at least 16,923,077 Shares, and up to a

maximum of 19,230,769 Shares, at an Offer price of $1.30 per Share. All Shares will be fully paid ordinary shares in Veritas which will rank equally with each other and all existing Shares.

11. The Offer comprises:

(a) The Retail Offer, consisting of:

(i) the Broker Firm Offer, which is available only to New Zealand resident clients of NZX Firms who have received an allocation from that NZX Firm (being, together with the Institutional Offer, 88% of the maximum number of Shares available under the Offer); and

(ii) the Priority Pool, which is available to Eligible Shareholders and Mad Butcher Franchisees, of $3 million of Shares (being 12% of the maximum number of Shares available under the Offer).

(b) The Institutional Offer, which consists of an invitation to bid for Shares made to selected Institutional Investors in New Zealand (being, together with the Broker Firm Offer, 88% of the maximum number of Shares available under the Offer).

12. The allocation of Shares between the Broker Firm Offer and the Institutional Offer (and, if the Priority Pool is not fully subscribed, between the Broker Firm Offer and the Priority Pool) will be determined by Veritas and the Lead Manager, subject to $3 million of Shares which have been reserved for the Priority Pool. There is no public pool under the Offer. The terms of the Offer are described further in the Investment Statement, a copy of which accompanies this Notice of Meeting.

13. The minimum amount that, in the opinion of the Directors, must be raised under the Offer in order to provide the funding required in respect of the cash component of the Acquisition purchase price and the costs of the Acquisition and the Offer is $12.7 million, in respect of which firm commitments have been obtained ($10.4 million) and sub-underwriting arrangements apply ($2.3 million) (as described in paragraphs 14 to 18 below). If this minimum amount is not received by Veritas under the Offer then the Offer will not proceed. If the Offer does not proceed, Veritas may explore alternative sources of funding for the Acquisition (subject to obtaining any necessary Shareholder approvals).

14. The following persons have undertaken to take up Shares in the Offer for the following amounts (the "**Firm Commitments**"):

Person	Amount	Shares
Collins Asset Management, which currently holds 16.93% of the Shares in Veritas.	$7.5 million	5,769,231
Ambrosia Trustees Limited as trustee of the Ambrosia Trust.	$2 million	1,538,462
Tim Cook, who is a Director.	$500,000	384,615
RMI Holdings, a company owned and controlled by interests associated with Philip Newland, who is a Director.	$200,000	153,846
Mark Darrow, who is a Director.	$100,000	76,923
Simon Wallace and Sievwrights Trustee Services (No.4) Limited as trustees of the Wallace Family Trust. Simon Wallace is a former Director.	$100,000	76,923

The terms of the Firm Commitments are recorded in equity commitment agreements entered into between Veritas and each of the abovementioned persons, details of which are set out in Appendix One to this Notice of Meeting.

15. Veritas has entered into an underwriting agreement with Craigs Investment Partners in respect of $12.7 million of Shares (9,769,231 Shares) in the Offer, but the actual amount underwritten by Craigs Investment Partners has been reduced to nil by the Firm Commitments and the sub-underwriting arrangements described below.

16. Craigs Investment Partners and Veritas have entered into sub-underwriting agreements with Collins Asset Management and RMI Holdings for $2.5 million (1,923,077 Shares) and $2 million (1,538,462 Shares) respectively. The Firm Commitments together with the Sub-Underwriting mean that Craigs Investment Partners will not be required to subscribe for any Shares in the Offer. Should any Sub-Underwriter or any party to an equity commitment agreement default in their obligations, Craigs Investment Partners will also not be required to subscribe for any Shares in the Offer (regardless of the aggregate amount of subscriptions received).

17. The Firm Commitments also reduce the maximum amount that the Sub-Underwriters can be called upon under their Sub-underwriting commitments to subscribe for in the Offer to in aggregate $2.3 million of Shares. If $2.3 million or more of subscriptions are received under the Offer in addition to the $10.4 million of Firm Commitments, the Sub-Underwriters will not be required to subscribe for any Shares in the Offer beyond their Firm Commitments (even if any other party to an equity commitment agreement defaults in their obligations). If less than $2.3 million of subscriptions are received under the Offer in addition to the $10.4 million of Firm Commitments, the Sub-Underwriters must subscribe for the shortfall in proportion to their respective Sub-Underwriting commitments.

18. Craigs Investment Partners will be paid an underwriting fee of $95,250 by Veritas (in consideration for arranging the Firm Commitments and sub-underwriting arrangements), and Collins Asset Management and RMI Holdings will each be paid a sub-underwriting fee by Veritas of $100,000 and $80,000 respectively. Further details of the underwriting and sub-underwriting arrangements are set out in Appendix One to this Notice of Meeting.

19. A prospectus in respect of the Offer dated 28 March 2013 has been registered with the Registrar of Financial Service Providers and can be viewed at the Companies Office website www.business.govt.nz/companies and may be inspected free of charge during normal business hours at the registered office of Veritas at Level 3, 4 Viaduct Harbour Avenue, Auckland 1141.

20. Allotment of Shares under the Offer will occur simultaneously with completion of the Acquisition and the allotment of Shares to the MB Vendor thereunder, which is anticipated to occur on 8 May 2013 (the “**Allotment Date**”).

Facility Agreement with ANZ

21. Veritas has entered into a facility agreement with ANZ, pursuant to which ANZ has agreed to make available to the Veritas Group:

    (a) conditional on Shareholder approval of resolutions 1, 2 and 3 being received at the meeting, a $10 million term loan facility (which may only be applied towards the purchase price for the Acquisition as well as Acquisition and Offer costs);

    (b) conditional on Shareholder approval of resolutions 1, 2 and 3 being received at the meeting, a $1 million flexible credit facility (for general corporate and working capital purposes); and

(c) a $250,000 flexible credit facility (for general corporate and working capital purposes).

The $250,000 flexible credit facility has been entered into to provide Veritas with interim funding pending completion of the Acquisition and the Offer. On the Completion Date, the $250,000 flexible credit facility will terminate and be replaced with the $1 million flexible credit facility. If at least $22.7 million of Shares are allotted under the Offer (being an amount equal to the cash portion of the Acquisition purchase price and the forecast costs of the Acquisition and the Offer), Veritas does not intend to draw down on the term loan facility. Further details of the Facility Agreement are set out in Appendix One to this Notice of Meeting. The term of the Term Loan Facility is 3 years. Veritas may elect for the interest rate to be floating or fixed. The fixed rate for the Term Loan Facility is the average New Zealand Dollar Bank Bill Bid Rate on the Reuters screen 'BKBM" for an equivalent period on the first day of the funding period plus 1.85%. Each of Veritas and Mad Butcher Limited (Veritas's wholly owned subsidiary) have granted ANZ security over that entity's all present and after acquired property and have provided cross guarantees in respect of the other entity's obligations to ANZ.

Vendor Loan

22. Veritas and the MB Vendor have agreed that the MB Vendor will hold less than 50% of the aggregate Shares on issue following the Offer and the Acquisition. If the Offer is undersubscribed such that the number of Shares to be allotted under the Offer will otherwise be insufficient to ensure that the MB Vendor receives less than 50% of the Shares on issue after the allotment of Shares to it under the Acquisition, the Share and cash split of the Acquisition purchase price will be adjusted and the MB Vendor will receive fewer Shares and more cash.

23. To the extent that the proceeds of the Offer (less Offer and Acquisition costs) and the Term Loan Facility are insufficient to cover the cash component of the purchase price, any shortfall will be satisfied by way of a vendor loan from the MB Vendor to Veritas ("**Vendor Loan**"). The terms of any Vendor Loan will be substantially similar to the Term Loan Facility, except that the interest rate will be the aggregate of the interest rate payable under the Term Loan Facility and 2% per annum. Any Vendor Loan will be for a term of one year and will be secured by second ranking security interests over all the present and after acquired property of Veritas and Mad Butcher Limited. There is no maximum amount which Veritas is able to draw down on a Vendor Loan.

24. If subscriptions under the Offer equalled the minimum amount for the Offer to proceed ($12.7 million), the Share and cash split of the Acquisition purchase price would be adjusted and the purchase price satisfied by the issue of 12,061,395 Shares (being 49.99% of Shares on issue post Offer and Acquisition) and the payment of $24,320,186.50. This amount, together with forecast costs of the Acquisition and Offer of $2.7 million, would be satisfied by way of the proceeds of the Offer ($12.7 million), the Term Loan Facility ($10 million) and a Vendor Loan of $4,320,186.50.

25. Given 16,923077 Shares ($22 million) have been allocated as Firm Allocations as at the date of this Notice of Meeting, Veritas expects that the proceeds of the Offer (less Offer and Acquisition costs) and the Term Loan Facility will be sufficient to cover the cash component of the Acquisition purchase price without the requirement for a Vendor Loan.

Post-Transactions shareholding structure

26. Depending on the outcome of the Offer, the shareholding structure of Veritas immediately following the Acquisition and the Offer may be as follows:

Name	Current percentage shareholding	Post Acquisition and Offer		
		Offer raises $12.7 million[1]	Offer raises $22 million[2]	Offer raises $25 million[3]
MB Vendor	-	49.99%	44.46%	41.68%
Collins Asset Management	16.93%	29.60%	17.80%	16.68%
Tim Cook	3.07%	1.89%	1.32%	1.23%
Mark Darrow	4.99%	0.79%	0.55%	0.52%
Wallace Family Trust	15.23%[4]	1.77%	1.23%	1.15%
Ambrosia Trust	-	6.38%	4.45%	4.17%
RMI Holdings	-	3.90%	0.44%	0.42%
Other	59.78%	5.68%	29.75%	34.14%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

REQUIREMENT FOR RESOLUTIONS

Major Transaction – Resolution 1

27. Section 129 of the Companies Act provides that a company must not, without the approval of a special resolution of shareholders, enter into any “major transaction”. A “major transaction” includes a transaction whereby a company acquires assets the value of which is more than half the value of the company’s assets before the acquisition. Resolution 1 is a special resolution to approve the Transactions for the purposes of section 129.

28. NZSX Listing Rule 9.1.1 provides that an issuer must not enter into a transaction to acquire assets which would change the essential nature of the business of the issuer or in respect of which the gross value is in excess of 50% of the market capitalisation of the issuer without the approval of a special resolution of Shareholders where section 129 of the Companies Act applies. The Acquisition will change the essential nature of the business of Veritas, and the gross value of the Acquisition is in excess of 50% of the market capitalisation of Veritas. The Acquisition accordingly requires Shareholder approval under NZSX Listing Rule 9.1.1.

29. **Minority Buy-out Rights**

If resolution 1 is passed, a Shareholder who cast all of the votes attached to Shares registered in that Shareholder’s name (and having the same beneficial owner) against resolution 1 is entitled to require Veritas to purchase those Shares in accordance with

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1 Under this scenario, Collins Asset Management subscribes for $7.5m of Shares under its Firm Commitment and is required to subscribe for a further $1.28m of Shares under its Sub-Underwriting, the Ambrosia Trust and Tim Cook subscribe for $2.0m and $0.5m of Shares respectively, RMI Holdings subscribes for $0.2m of Shares under its Firm Commitment and is required to subscribe for a further $1.02m of Shares under its Sub-Underwriting, and Mark Darrow and the Wallace Family Trust subscribe for $0.1m of Shares each.

In order that the MB Vendor holds less than 50% of the Shares following the Transactions, under this scenario the Acquisition purchase price will be satisfied by the issue of $15,679,813.50 of Shares (12,061,395 Shares) to the MB Vendor and the payment of $24,320,186.50 in cash. The cash component will be funded from the proceeds of the Offer, the Term Loan Facility and a vendor loan from the MB Vendor (as described further in Appendix One to this Notice of Meeting).

2 Under this scenario, subscriptions are received in respect of $22m of Shares under the Offer, including the Firm Commitments. Accordingly, Collins Asset Management, the Ambrosia Trust, Tim Cook, RMI Holdings, Mark Darrow and the Wallace Family Trust subscribe for $7.5m, $2.0m, $0.5m, $0.2m, $0.1m and $0.1m of Shares respectively and other subscriptions are received for $11.6m of Shares.

3 Under this scenario, subscriptions are received in respect of $25m of Shares under the Offer, including the Firm Commitments. Accordingly, Collins Asset Management, the Ambrosia Trust, Tim Cook, RMI Holdings, Mark Darrow and the Wallace Family Trust subscribe for $7.5m, $2.0m, $0.5m, $0.2m, $0.1m and $0.1m of Shares respectively and other subscriptions are received for $14.6m of Shares.

4 The current registered holders of this existing shareholding are Simon Wallace and John Neville Simpson (jointly) on behalf of the Wallace Family Trust.

section 111 of the Companies Act. For further information refer to Appendix Two to this Notice of Meeting.

NZSX Listing Rules – Resolution 2

30. Resolution 2 provides that the Transactions are approved for the purposes of all applicable provisions of the NZSX Listing Rules. Aspects of the Transactions which require approval under various NZSX Listing Rules are as follows:

(a) The issue of Shares to the MB Vendor under the Acquisition requires approval under NZSX Listing Rule 7.3.1, which provides that Veritas may not issue new equity securities without Shareholder approval, or in certain other circumstances which do not apply in the present case.

(b) The issue of Shares pursuant to the Offer requires approval under NZSX Listing Rule 7.3.1, which provides that Veritas may not issue new equity securities without Shareholder approval, or in certain other circumstances which do not apply in the present case.

(c) NZSX Listing Rule 7.5 provides that no issue of Shares may be made by Veritas without Shareholder approval if there is a significant likelihood that the issue will result in any person or group of Associated Persons materially increasing their ability to exercise or direct the exercise of effective control of Veritas, and that person or group of Associated Persons is entitled before the issue to exercise or direct the exercise of not less than 1% of the total votes attaching to Shares of Veritas. Transactions which may require approval under NZSX Listing Rule 7.5 are:

(i) the issue of Shares to Collins Asset Management under the Offer, pursuant to the Firm Commitment described in paragraph 14, and the Sub-Underwriting; and

(ii) the issue of Shares to Tim Cook under the Offer, pursuant to the Firm Commitment described in paragraph 14 (having regard to the fact that Tim Cook and Collins Asset Management are Associated Persons).

(d) NZSX Listing Rule 9.2.1 prohibits Veritas from entering into a Material Transaction if a Related Party (each as defined in the NZSX Listing Rules) is a party to the Material Transaction or a related series of transactions of which the Material Transaction forms part, unless that Material Transaction is approved by an ordinary resolution. The Offer, the Sub-Underwriting, the Facility Agreement and (if required) the Vendor Loan are a related series of transactions for the purposes of NZSX Listing Rule 9.2.1 because the proceeds of the Offer, the Sub-Underwriting, the Facility Agreement and (if required) the Vendor Loan will be used to fund the Acquisition. The following parties to the Transactions are Related Parties of Veritas:

(i) Collins Asset Management, because it holds 16.93% of the Shares in Veritas;

(ii) the Wallace Family Trust, because it holds 15.23% of the Shares in Veritas;

(iii) Tim Cook and Mark Darrow, because they are Directors; and

(iv) RMI Holdings, because it is owned and controlled by interests associated with Philip Newland, who is a Director.

The following Material Transactions to which those Related Parties are party require approval under NZSX Listing Rule 9.2.1:

(A) the Offer, under which Collins Asset Management, Tim Cook, Mark Darrow, the Wallace Family Trust and RMI Holdings will participate pursuant to the Firm Commitments described in paragraph 14, because the Offer involves the issue by Veritas of Shares having a market value in excess of 10% of Veritas' market capitalisation; and

(B) the Sub-Underwriting by Collins Asset Management and RMI Holdings described in paragraphs 14 to 18, because the Sub-Underwriting fees exceed 1% of Veritas' market capitalisation.

The Acquisition, the Facility Agreement and the Vendor Loan also require approval under Listing Rule 9.2.1 because they are part of a "related series of transactions" with the Offer and the Sub-Underwriting.

Takeovers Code – Resolution 3

31. Resolution 3 proposes that the allotments by Veritas of Shares listed in that resolution ("**Allotments**") to the persons listed in that resolution ("**Allottees**") be approved for the purposes of rule 7(d) of the Takeovers Code.

32. The issue prices for the Shares to be allotted, and the dates on which the issue prices are payable, are as follows:

(a) the issue to Collins Asset Management pursuant to the Firm Commitment described in paragraph 14, and the Sub-Underwriting described in paragraphs 16 to 18 - $1.30 per Share payable on the Allotment Date;

(b) the issue to the MB Vendor in consideration of the Acquisition - $1.30 per Share payable on the Allotment Date; and

(c) the issue to Tim Cook, Mark Darrow, and the Wallace Family Trust pursuant to the Firm Commitments described in paragraph 14 - $1.30 per Share payable on the Allotment Date.

33. The reason for the Allotments in paragraphs 32(a) and (c) is to provide Veritas with sufficient funds to complete the Acquisition, irrespective of the level of other subscriptions received under the Offer. The reason for the Allotment in paragraph 32(b) is to part pay the Acquisition purchase price.

34. The Allotments, if approved by Shareholders, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.

35. The MB Vendor has agreed with Veritas that, for the period from the Allotment Date until the date of the announcement of Veritas' financial results for the period ending 30 June 2014, it will not:

(a) dispose of, or agree to dispose of; or

(b) do or omit to do anything which would have the effect of transferring effective ownership or control of,

any of the Shares that will be issued to the MB Vendor under the Acquisition, other than (i) with the prior written consent of a majority of the non-interested Directors (as that term is defined in the Companies Act), Veritas and NZX, or (ii) to a related party which would be similarly bound, or (iii) in connection with a takeover offer under the Takeovers Code for Shares.

36. Other than the agreement described in paragraph 35 above, each Allottee has advised that there is no agreement or arrangement that has been, or is to be, entered into between the Allottee and any other person relating to the allotment, holding or control of the Shares to be allotted, or to the exercise of voting rights in Veritas.

37. The Directors unanimously recommend approval of the Allotments. Their reasons are as follows:

(a) the Acquisition will provide Veritas with assets and a business to operate, to the benefit of Veritas and its Shareholders;

(b) the Offer and the issue of Shares to the MB Vendor are an integral part of the Acquisition; and

(c) the Grant Samuel Report concludes that, in Grant Samuel's opinion:

(i) the terms and conditions of the Allotments are fair to the Shareholders not associated with Collins Asset Management, the MB Vendor, Tim Cook, Mark Darrow or the Wallace Family Trust; and

(ii) the Acquisition is in the interests of Veritas.

38. Rule 16 of the Takeovers Code requires certain information to be contained in, or accompany, this Notice of Meeting. In particular, rule 16(b) requires the number, and certain percentages, of Shares being allotted under the Allotments, and the resulting holdings and percentages, to be disclosed in this Notice of Meeting. It is not possible to disclose such information for the Allotments, as that information will depend on the level of subscriptions under the Offer. Accordingly, Veritas has sought, and obtained, from the Takeovers Panel, the Takeovers Code (Veritas Investments Limited) Exemption Notice 2013 ("**Exemption Notice**") pursuant to which Veritas is exempted from rule 16(b) in respect of this Notice of Meeting and the Allottees are exempted from rule 7(d) of the Takeovers Code to the extent that that rule requires compliance with rule 16(b) of the Takeovers Code. The disclosures made in this Notice of Meeting have been modified in reliance on the exemptions set out in the Exemption Notice. The Exemption Notice is conditional on Veritas disclosing certain information in this Notice of Meeting. That information, to the extent not otherwise specified in this Explanatory Memorandum, is set out in Appendix Three to this Notice of Meeting.

Directors Remuneration – Resolution 4

39. Under NZSX Listing Rule 3.5.1, the remuneration of Directors may not be increased without the approval of a resolution of Shareholders.

40. Before the Transactions were in contemplation, there were three Directors, being Mark Darrow, Simon Wallace, and Tim Cook. In anticipation of the Transactions being completed, Philip Newland and Stefan Preston have been appointed as Directors, and Simon Wallace has resigned as a Director. Following completion of the Transactions, the Directors will appoint Michael Morton and Shane McKillen to the Board. After the Transactions, the responsibility of the Board will be much increased, and will include management and governance of the Mad Butcher Business to be acquired.

41. For these reasons, the Board proposes to increase the total sum available for payment of Directors' remuneration to a maximum of $400,000 per annum, to take effect from the Completion Date. This represents an increase of $290,000 from the amount currently authorised by Shareholders, and includes a pool of $100,000 per annum to provide for

flexibility for additional remuneration to be awarded to Directors who assume additional responsibilities or undertake material one-off project work, in each case in connection with future investment opportunities for Veritas beyond the scope of typical Board work. Any awards from this pool will be made by the Board on the recommendation of the Remuneration and Nomination Committee. Unused portions of the pool in any year will not be carried forward to future years.

42. If this resolution is passed, it is proposed that the Chairman's remuneration will increase to $70,000 per annum and non-executive Directors to $40,000 per annum with effect from the Completion Date. It is also intended that Board committee chairs will receive $10,000 per annum for each committee. The remaining $40,000 under the $400,000 cap is to provide the Board with a small amount of headroom to increase the aggregate fees payable to Directors for their services as Directors, without having to seek further authorisation from Shareholders.

Independent Report

43. The Grant Samuel Report is enclosed with this Notice of Meeting. The Grant Samuel Report constitutes an appraisal report for the purposes of the NZSX Listing Rules, and a report from an independent adviser for the purposes of the Takeovers Code. Shareholders are urged to read the Grant Samuel Report in full.

Shareholders precluded from voting

44. The table below sets out the position as to Shareholders who are precluded from voting on each resolution.

Resolution	Shareholders precluded from voting
Resolution 1 *Major Transaction*	None. All Shareholders may vote.
Resolution 2 *NZSX Listing Rules*	Collins Asset Management, Ambrosia Trustees Limited, RMI Holdings, Tim Cook, Mark Darrow, Simon Wallace and Sievwrights Trustee Services (No.4) Limited, the MB Vendor, each Director and any Associated Persons of the aforementioned persons.
Resolution 3 *Takeovers Code*	Collins Asset Management, the MB Vendor, Tim Cook, Mark Darrow, Simon Wallace and Sievwrights Trustee Services (No.4) Limited and their associates (as defined in the Takeovers Code).
Resolution 4 *Director's Remuneration*	Each Director and their Associated Persons.

Takeovers Code (Veritas Investments Limited) Exemption Notice 2013

45. As noted at paragraph 38 above, Veritas has sought, and obtained, exemptions from rules 7(d) and 16(b) of the Takeovers Code as those rules cannot be complied with in respect of the Allotments.

46. Veritas also applied for, and the Takeovers Panel has approved, the granting of an exemption to the Trustees from rule 6(1) of the Takeovers Code in respect of any increase in their holding of voting securities in Veritas that results from a transfer of Shares from WHL to the Trustees on or before 31 October 2015.

47. The MB Vendor is a wholly-owned subsidiary of WHL, which is itself wholly-owned by the Trustees. The exemption from rule 6(1) of the Takeovers Code was sought at the request of the Trustees to permit the liquidation of both the MB Vendor and WHL following the expiry of the warranty claims period under the Mad Butcher Purchase Agreement and the satisfaction of any outstanding warranty claims thereunder.

48. Any transfer of Shares from the MB Vendor to WHL on the liquidation of the MB Vendor will be able to take place in reliance on the exemption from rule 6(1) for transfers within wholly-owned groups set out in clause 25 of the Takeovers Code (Class Exemptions) Notice (No 2) 2001. However that class exemption for transfers within wholly-owned groups will not apply to the transfer of Shares from WHL to the Trustees, because the Trustees comprise a person and a body corporate, as opposed to only a body corporate. The exemption from rule 6(1) granted in the Exemption Notice will enable the transfer of Shares from WHL to the Trustees on the liquidation of WHL, provided the transfer takes place on or before 31 October 2015.

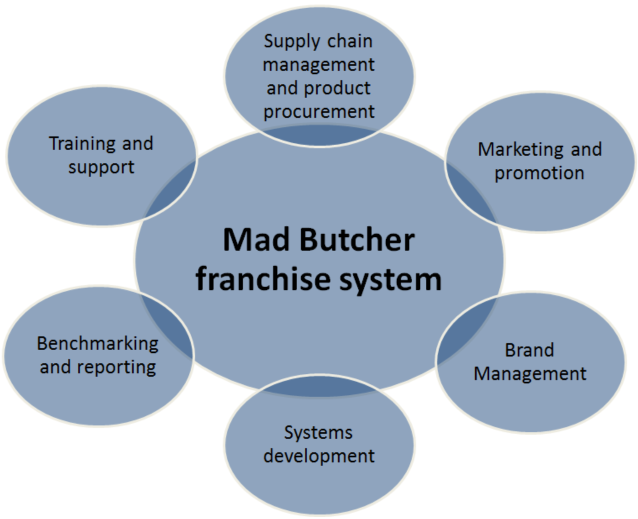
MAD BUTCHER BUSINESS DESCRIPTION

The Mad Butcher Business

49. The Mad Butcher Business comprises the Mad Butcher brand, franchise system and franchisor rights in respect of the 36 franchised Mad Butcher stores across New Zealand. The Mad Butcher stores comprise New Zealand's largest network of franchised retailer butchers with 36 established stores employing almost 600 people, which collectively served up to 110,000 customer transactions per week and generated over $150 million of revenue in the year to 31 March 2012.

The Mad Butcher franchise system

50. The Mad Butcher Business provides the following services to Mad Butcher Franchisees as part of the Mad Butcher franchise system:



(a) ***Supply chain management and product procurement***

Franchisees are restricted from purchasing product outside a list of more than 30 suppliers that is compiled and approved by the Mad Butcher Business. At an operational level this measure controls produce quality, standardises the product range and ensures the Mad Butcher Business can maximise the effectiveness of its centralised marketing campaigns. Although standardisation of product range is important across stores, occasionally some franchisees will introduce non-standard products in response to localised demand, with the approval of the Mad Butcher Business.

(b) ***Marketing and promotion***

Marketing strategy and all nationwide promotional campaigns are developed and implemented by the Mad Butcher Business on behalf of the franchisees.

(c) ***Brand management***

The Mad Butcher Business monitors adherence to Mad Butcher brand guidelines, trading hours, operational and food safety policies. For example, signage must be correctly displayed and promotional activity aligned to the nationwide calendar as designated by the Mad Butcher Business.

(d) ***Training and support***

New franchisees receive management and operations training, operations manuals, design assistance with store fit-out and commercial advice on the structuring of lease arrangements. Once part of the franchise system, franchisees also receive continued support from the Mad Butcher Business.

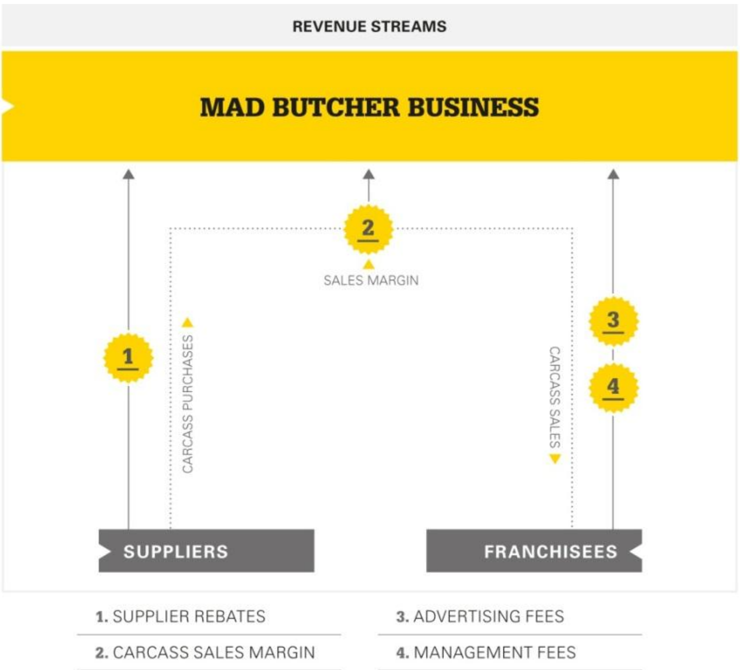
(e) ***Benchmarking and reporting***

Through weekly and monthly reporting, the Mad Butcher Business monitors and benchmarks individual store operational and financial performance and competitor activity and pricing.

(f) ***Systems development***

Operational best practice is developed and provided to franchisees (e.g. staffing, food handling and store layout).

The Mad Butcher Business revenue streams



51. The Mad Butcher Business generates revenue through the following channels:

① ***Supplier rebates***: pre-negotiated rebates received from approved third party suppliers on products purchased by Mad Butcher stores.

② ***Carcass sales margin***: margin on beef and lamb carcasses which are purchased by the Mad Butcher Business from suppliers and on-sold to Mad Butcher stores.

③ ***Advertising fees***: franchisee contributions for marketing, branding and promotional campaigns, though these are largely spent on such campaigns.

④ ***Management fees***: franchise and management fees payable by each franchised store for use of the Mad Butcher intellectual property and systems.

Supplier rebates and carcass sales margin comprise the Mad Butcher Business' largest revenue streams. Supplier rebates are remitted directly by the supplier (rather than by the franchisee) to the Mad Butcher Business, and franchisees are direct debited by the Mad Butcher Business for carcass sales within seven days of delivery.

Mad Butcher franchised stores

52. There are currently 36 franchised Mad Butcher stores across New Zealand, 34 of which are owned and operated by local franchisees and two of which are owned and operated by subsidiaries of the MB Vendor. None of these stores form part of the business and assets being acquired by Veritas under the Acquisition. The current footprint is a function of the Mad Butcher's heritage, with nearly half of all franchised stores located in Auckland. In recent years the franchise network has commenced expansion throughout New Zealand.

Mad Butcher products

53. The product portfolio of Mad Butcher stores comprises beef, lamb, chicken, pork and small goods products.

54. Mad Butcher stores utilise traditional butcher methods, with their in-store butchers cutting whole carcasses on site. The supply of whole beef, lamb and pork carcasses and whole chickens is negotiated by the Mad Butcher Business with processors, who in turn deliver carcasses and whole chickens directly to each franchised store. This approach is considered a strategic advantage over other retail channels (including some supermarkets) that acquire pre-packaged product from their suppliers.

55. In addition to their own meat and chicken cuts, Mad Butcher stores also stock well known and trusted New Zealand brands including Tegel, Brink's and Hellers.

56. In recent years, a small range of grocery products have been added to Mad Butcher stores. These include household staples such as milk and bread as well as complementary products such as toppings and marinades.

Growth opportunities for the Mad Butcher Business

Store Expansion

57. A key factor driving growth in earnings for the Mad Butcher Business is the opening of new franchised stores. New stores deliver immediate revenue to the Mad Butcher Business through management and advertising fees paid by the new franchisees and supplier rebates and carcass sales margin generated on product sales to those new stores. New stores typically also require low capital contribution from, and only limited changes in operating costs for, the Mad Butcher Business.

58. The main metropolitan centres (Auckland, Wellington and Christchurch) currently account for 69% of stores, providing considerable opportunity to expand further into other regions, where the Mad Butcher is currently underrepresented.

59. Mad Butcher stores are most successful when located within suburbs/towns with a strong contingent of middle income families, and with a total catchment in excess of 15,000 people. Four new stores are targeted to open by 30 June 2014, with the first one of those, New Plymouth, currently scheduled to be open in July 2013. In addition, the Mad Butcher Business' management team has identified a further 30 potential areas of New Zealand with suitable demographics which are not currently covered by an existing Mad Butcher store.

60. In order to establish a new Mad Butcher franchised store, a suitable franchisee is identified and a store site located. The Mad Butcher Business has strict policies for selecting each new franchisee, who will typically be a trained butcher with local knowledge of the area to be serviced by the new store. The new franchisee is responsible for entering into a lease in respect of the new store on terms approved by the Mad Butcher Business. The Mad Butcher Business provides the new franchisee with commercial advice on the structuring of lease arrangements, design assistance with the new store fit-out, as well as ongoing management and operations training.

61. To assist with the development of future store franchisees, the Mad Butcher Business has established an internal cadetship programme. The Mad Butcher internal cadetship programme provides training to potential new franchisees to allow them to cultivate and develop their butcher, product management, people and financial management skills, while working as an employee in an existing Mad Butcher store. Once a potential franchisee has reached a desired level of proficiency and training, he or she will be invited to establish a new store franchise.

62. In some cases, a new franchisee may be the operator of an existing independent butcher store. Provided the operator and their store have the attributes to make a successful franchised store (namely a proficient and resourceful butcher with good management and people skills, a suitable population base and a well-located store site), it is possible with the Mad Butcher's brand recognition and purchasing power to turn an existing independent butcher shop into a strong performing franchised store relatively quickly.

Acquisition Opportunities

63. While there are relatively few retail chain butchers, Veritas considers that the Mad Butcher Business' position as New Zealand's largest network of franchised retail butchers puts it in a strong position to pursue acquisition opportunities involving competitor chains should they arise. Any acquisition opportunity would be evaluated on the basis of the additional coverage offered by its store footprint and its ability to grow revenue through the adoption of the Mad Butcher's franchise system and the introduction of the Mad Butcher's product lines.

Product Expansion

64. Veritas believes that opportunities exist to further extend the product range beyond meat and poultry within Mad Butcher stores. Several stores currently offer a limited range of convenience grocery products such as milk, bread, toppings and marinades. An expanded product range has the ability to attract new customers to Mad Butcher stores driving sales of both meat and poultry as well as new product lines.

GLOSSARY

65. The following terms have the following meanings where used in this Notice of Meeting unless the context otherwise requires:

“**Acquisition**” means the acquisition by Veritas of the Mad Butcher Business.

“**Allotment Date**” means 8 May 2013, unless varied by Veritas.

“**Allottee**” means the MB Vendor, Collins Asset Management, Tim Cook, Mark Darrow and Simon Wallace and Sievwrights Trustee Services (No.4) Limited as trustees of the Wallace Family Trust.

“**Allotment**” means each allotment of Shares by Veritas described in resolution 3.

“**Ambrosia Trust**” means Ambrosia Trustees Limited as trustee of the Ambrosia Trust.

“**ANZ**” means ANZ Banking Group (New Zealand) Limited.

“**associate**” has the meaning in the Takeovers Code.

“**Associated Person**” has the meaning in the NZSX Listing Rules.

“**Broker Firm Offer**” means the offer of Shares under the Investment Statement to New Zealand resident retail clients of NZX Firms who have received an allocation from their NZX Firm, on the terms set out in the Investment Statement.

“**Collins Asset Management**” means Collins Asset Management Limited.

“**Completion Date**” means the date of completion of the Acquisition, being the same date as the Allotment Date.

“**Craigs Investment Partners**” means Craigs Investment Partners Limited.

“**Companies Act**” means the Companies Act 1993.

“**Directors**” means the directors of Veritas.

“**Eligible Shareholder**” means a New Zealand resident holder of Shares at 5.00pm on 22 February 2013.

“**Exemption Notice**” means the Takeovers Code (Veritas Investments Limited) Exemption Notice 2013.

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of this Notice of Meeting.

“**Facility Agreement**” means the facility agreement entered into between Veritas, Mad Butcher Limited and ANZ dated 18 March 2013.

“**Firm Allocations**” means Shares reserved for subscription by Institutional Investors, NZX Firms, the parties to the equity commitment agreements and other participants in the bookbuild conducted prior to the date of the Investment Statement as determined by Veritas and Craigs Investment Partners.

“**Firm Commitments**” means the undertakings to take up Shares in the Offer described in paragraph 14 of the Explanatory Memorandum.

“**Grant Samuel Report**” means the independent adviser’s and independent appraisal report prepared by Grant Samuel & Associates Limited described in paragraph 43 of the Explanatory Memorandum.

“**Institutional Investor**” means an investor in New Zealand to whom offers or invitations in respect of securities can be made without the need for a registered prospectus under the Securities Act 1978.

“**Institutional Offer**” means the invitation to Institutional Investors under the Investment Statement.

“**Investment Statement**” means the investment statement in relation to the Offer, a copy of which accompanies this Notice of Meeting.

“**Mad Butcher Business**” means the Mad Butcher franchisor business and assets, which includes the Mad Butcher brand, franchise system and franchisor rights in respect of the Mad Butcher stores. The Mad Butcher stores themselves are not part of the Mad Butcher Business. After completion of the Acquisition, the Mad Butcher Business refers to Mad Butcher Limited, the wholly-owned subsidiary of Veritas which will acquire the Mad Butcher franchisor business on behalf of the Veritas Group.

“**Mad Butcher Franchisee**” means a person who is party (as franchisee) to a franchise agreement in respect of a Mad Butcher store with the MB Vendor as at the date of the Investment Statement.

“**Mad Butcher Purchase Agreement**” means the sale and purchase agreement relating to the Acquisition between (among others) Veritas and the MB Vendor dated 20 December 2012.

“**MB Vendor**” means Mad Butcher Holdings Limited.

“**Notice of Meeting**” means this notice of special meeting, including the Explanatory Memorandum.

“**NZSX Listing Rules**” means the listing rules of the NZSX market.

“**NZX Firm**” means any entity designated as a NZX Firm under the NZX Participant Rules.

“**Offer**” means the issue of Shares described in paragraphs 9 to 20 of the Explanatory Memorandum.

18“**Priority Pool**” means the offer of $3 million of Shares under the Investment Statement to Eligible Shareholders and Mad Butcher Franchisees, on the terms set out in the Investment Statement.

“**Related Party**” has the meaning in the NZSX Listing Rules.

“**Retail Offer**” means the Broker Firm Offer and the Priority Pool.

“**RMI Holdings**” means RMI Holdings Limited, a company owned and controlled by interests associated with Philip Newland, a Director.

“**Shareholder**” means a shareholder of Veritas.

“**Shares**” means ordinary shares in Veritas.

“**Sub-Underwriters**” means Collins Asset Management and RMI Holdings.

“**Sub-Underwriting**” means the sub-underwriting described in paragraphs 16 to 18 of the Explanatory Memorandum.

“**Takeovers Code**” means the Takeovers Code Approval Order 2000 (SR 2000/210) as amended from time to time.

“**Term Loan Facility**” means the $10 million term loan facility provided by ANZ to Veritas under the Facility Agreement.

“**Transactions**” has the meaning in paragraph 5 of the Explanatory Memorandum.

“**Trustees**” Michael Morton and WBM Trustee Limited in their capacity as trustees of the Michael Morton No. 2 Family Trust (together with such other person(s) who are appointed as trustee(s) of that trust).

“**Vendor Loan**” means a loan provided by the MB Vendor to Veritas on completion of the Acquisition if the proceeds of the Offer (less Offer and Acquisition costs) and the Term Loan Facility are insufficient to cover the cash component of the purchase price, as described in paragraphs 22 to 25 of the Explanatory Memorandum.

“**Veritas**” means Veritas Investments Limited.

“**Veritas Group**” means Veritas and its subsidiaries (as at the date of this Notice of Meeting, Mad Butcher Limited).

“**Wallace Family Trust**” means Simon Wallace and Sievwrights Trustee Services (No.4) Limited as trustees of the Wallace Family Trust.

“**WHL**” means Wilmat Holdings Limited.

Appendix One

Additional information on the Transactions

Summary of the Mad Butcher Purchase Agreement

The Mad Butcher Purchase Agreement sets out the terms and conditions on which Veritas will acquire the Mad Butcher Business including the key terms summarised below:

- *Purchase price.* The $40 million purchase price will be satisfied by $20 million in cash and $20 million by way of the issue to the MB Vendor of 15,384,615 Shares at an issue price of $1.30 per Share.

  Veritas and the MB Vendor have agreed that the MB Vendor will hold less than 50% of the aggregate Shares on issue following the Offer and the Acquisition. If the Offer is undersubscribed such that the number of Shares to be allotted under the Offer will otherwise be insufficient to ensure that the MB Vendor receives less than 50% of the Shares on issue after the allotment of Shares to it under the Acquisition, the Share and cash split will be adjusted and the MB Vendor will receive fewer Shares and more cash.

  To the extent that the proceeds of the Offer (less Offer and Acquisition costs) and the Term Loan Facility are insufficient to cover the cash component of the purchase price, any shortfall will be satisfied by way of a Vendor Loan from the MB Vendor to Veritas. The terms of any Vendor Loan will be substantially similar to the Term Loan Facility, except that the interest rate will be the aggregate of the interest rate payable under the Term Loan Facility and 2% per annum. The term of the Vendor Loan will be one year and the security for the Vendor Loan will be second ranking behind ANZ. Given 16,923077 Shares ($22 million) have been allocated as Firm Allocations as at the date of this Notice of Meeting, Veritas expects that the proceeds of the Offer (less Offer and Acquisition costs) and the Term Loan Facility will be sufficient to cover the cash component of the Acquisition purchase price without any requirement for a Vendor Loan.

- *Conditions*. Completion of the Mad Butcher Purchase Agreement is conditional upon:

  - Shareholders approving the resolutions at the meeting; and

  - there being no material adverse change arising in relation to the MB Vendor or Veritas since 20 December 2012.

- *Completion.* Completion of the Acquisition will occur simultaneously with allotment of the Shares under the Offer.

- *Board appointments.* On completion of the Acquisition, the Directors will appoint Michael Morton and Shane McKillen to the Board of Veritas. Each of these persons will retire and be eligible for election to the Board by ordinary resolution of Shareholders at Veritas' next annual meeting, and thereafter normal rotation in accordance with the constitution of Veritas and the NZSX Listing Rules. Further details of Mr Morton and Mr McKillen are set out in Section 7.1 *"The Board"* of the Investment Statement.

- *Restraint of trade.* Michael Morton and the MB Vendor have agreed not to be interested in or otherwise engaged in any other retail butcher business in New Zealand for five years following completion of the Acquisition.

- *Share transfer restrictions.* For the period from the date of completion of the Acquisition until the date of the announcement to NZX of Veritas' financial results for the period ending 30 June 2014, the MB Vendor will not:
  - dispose of, or agree to dispose of; or
  - do or omit to do anything which would have the effect of transferring effective ownership or control of,

  any of the Shares it will be issued under the Acquisition, other than (i) with the prior written consent of a majority of the non-interested Directors (as the term interested is defined in the Companies Act), Veritas and NZX or (ii) to a related party which would be similarly bound, or (iii) in connection with a takeover offer under the Takeovers Code for Shares.

- *Guarantee of vendor obligations.* Michael Morton and the Trustees have guaranteed the performance of the MB Vendor's obligations under the Mad Butcher Purchase Agreement, up to a maximum aggregate liability of $5 million.

- *Warranties, undertakings and indemnities.* The Mad Butcher Purchase Agreement includes a series of negotiated warranties, undertakings and indemnities that in general terms are common in transactions of this nature.

Details of the Equity Commitment Agreements

Veritas has entered into equity commitment agreements in respect of the Firm Commitments with each of the persons set out in paragraph 14 of the Explanatory Memorandum (each a "**Subscriber**"). Under these agreements each Subscriber has agreed to subscribe for such number of Shares under the Offer as equates to that Subscriber's Firm Commitment, subject to the following conditions:

- the satisfaction or waiver of all of the conditions under the Mad Butcher Purchase Agreement;
- Shareholders approving the resolutions at the meeting; and
- there being no material adverse change arising in relation to the MB Vendor or Veritas since 20 December 2012.

Under the equity commitment agreements each Subscriber will subscribe for Shares on the same terms as set out in the Investment Statement, including at the Offer Price. Veritas has agreed to give certain warranties to each Subscriber usual in a transaction of this nature.

The equity commitment agreements contain typical termination rights which can be exercised by the Subscribers. Each Subscriber can also terminate its equity commitment agreement if the Mad Butcher Purchase Agreement is terminated.

Details of the Underwriting Agreement

Under the underwriting agreement which Veritas has entered into with Craigs Investment Partners pursuant to which Craigs Investment Partners has agreed, subject to certain terms and conditions, to underwrite the first $12.7 million of the Offer. Under the terms of the underwriting agreement, Craigs Investment Partners cannot be required to subscribe for any Shares in the

Offer (regardless of the amount of subscriptions received) as its underwriting obligation under that agreement has been fully reduced by Veritas' entry into the equity commitment and sub-underwriting agreements described in this Appendix One.

Veritas has agreed to give certain warranties and undertakings to Craigs Investment Partners, usual in a transaction of this nature. Craigs Investment Partners will be paid an underwriting fee of $95,250 by Veritas under the underwriting agreement (in consideration for arranging the equity commitment and sub-underwriting arrangements described in this Appendix One).

Craigs Investment Partners may terminate the underwriting agreement in certain circumstances, including where, prior to 9am on the day prior to the Allotment Date:

- a material adverse event takes place in relation to the Offer, the prospectus in respect of the Offer, the Veritas Group or the Mad Butcher Business;
- the conditions under the Mad Butcher Purchase Agreement are not satisfied, which in the reasonable opinion of Craigs Investment Partners constitutes a material adverse event in relation to the Offer, the Veritas Group or the Mad Butcher Business;
- there is a general moratorium on commercial banking activities in New Zealand, Australia, United Kingdom or the United States (for so long as the moratorium is subsisting);
- there is a change in the New Zealand or international financial, economic or political conditions, which in the reasonable opinion of Craigs Investment Partners constitutes a material adverse event in relation to the Offer, the Veritas Group or the Mad Butcher Business;
- there is a decline in the NZX 50 index equivalent to 10% or more for a period of 3 business days; or
- an insolvency event occurs in relation to Veritas or the MB Vendor.

Details of the Sub-Underwriting Agreement with Collins Asset Management

Veritas has entered into a sub-underwriting agreement with Collins Asset Management and Craigs Investment Partners, under which Collins Asset Management has agreed to sub-underwrite up to $2.5 million of Craigs Investment Partners' underwriting commitment for a sub-underwriting fee of $100,000. The sub-underwriting fee will be payable by Veritas. The equity commitment agreements described in this Appendix One have reduced the maximum amount that Collins Asset Management can be called upon under the sub-underwriting agreement to subscribe for in the Offer to $1.3 million.

Collins Asset Management has agreed to give certain warranties and undertakings to Craigs Investment Partners and Veritas, usual in a transaction of this nature. The obligations of Collins Asset Management under the sub-underwriting agreement will cease if Craigs Investment Partners terminates the underwriting agreement with Veritas in accordance with its terms.

Details of the Sub-Underwriting Agreement with RMI Holdings

Veritas has entered into a sub-underwriting agreement with RMI Holdings and Craigs Investment Partners, under which RMI Holdings has agreed to sub-underwrite up to $2 million of Craigs Investment Partners' underwriting commitment for a sub-underwriting fee of $80,000. The sub-underwriting fee will be payable by Veritas. The equity commitment agreements described in this Appendix One have reduced the maximum amount that RMI Holdings Limited can be called upon under the sub-underwriting agreement to subscribe for in the Offer to $1 million.

RMI Holdings has agreed to give certain warranties and undertakings to Craigs Investment Partners and Veritas, usual in a transaction of this nature. The obligations of RMI Holdings under the sub-underwriting agreement will cease if Craigs Investment Partners terminates the underwriting agreement with Veritas in accordance with its terms.

Details of the Facility Agreement with ANZ

Veritas has entered into a Facility Agreement with ANZ and Veritas' wholly-owned subsidiary, Mad Butcher Limited, under which ANZ has agreed to make available the following facilities to the Veritas Group:

(a) conditional on Shareholder approval of resolutions 1, 2 and 3 being received at the meeting, a term loan facility not exceeding $10 million;

(b) conditional on Shareholder approval of resolutions 1, 2 and 3 being received at the meeting, a flexible credit facility not exceeding $1 million; and

(c) a flexible credit facility not exceeding $250,000.

The $10 million term loan facility may be drawn down to apply towards the purchase price of the Mad Butcher Business as well as Acquisition and Offer costs, and the flexible credit facilities may be used for general corporate and working capital purposes of the Veritas Group. Subject to the satisfaction or waiver of certain conditions, the $250,000 flexible credit facility may be drawn down at any time, while the other facilities will be available for drawing on the Completion Date, at which time the $250,000 facility will terminate and be replaced with the $1 million facility.

Under the Facility Agreement, Veritas and Mad Butcher Limited have agreed to enter into a cross guarantee and indemnity in favour of ANZ, and general security agreements in respect of all their present and future acquired assets.

The Facility Agreement and the provision of the facilities are subject to terms and conditions usual in a transaction of this nature.

Appendix Two

Minority Buy-out rights

1. Section 110 of the Companies Act may confer minority buy-out rights on Shareholders who vote against the special resolution in resolution 1, if resolution 1 is passed.

2. For a Shareholder to exercise those minority buy-out rights, the Shareholder must call all the votes attached to Shares registered in the Shareholder's name and having the same beneficial owner against resolution 1. If resolution 1 is nevertheless passed, to exercise minority buy-out rights such a Shareholder must, within 10 working days of the passing of resolution 1, give written notice to Veritas that the Shareholder requires Veritas to purchase the Shareholder's Shares.

3. Within 20 working days of receipt of the notice the Board of Veritas must:

   (a) agree to purchase the Shares; or

   (b) arrange for some other person to agree to purchase the Shares; or

   (c) apply to the court for an order exempting Veritas from the obligation to purchase the Shares on the grounds that the purchase would be disproportionately damaging to Veritas or that Veritas cannot reasonably be required to finance the purchase or it would not be just and equitable to require Veritas to purchase the Shares. A court may also exempt Veritas from the obligation to purchase the Shares or may suspend that obligation if the Board has resolved that the purchase by Veritas of the relevant Shares would result in it failing to satisfy the solvency test and Veritas has, having made reasonable efforts to do so, been unable to arrange for the Shares to be purchased by any other person. If it exempted Veritas from the obligation to purchase the Shares, the Court may make an order setting aside resolution 1 or directing Veritas to take or refrain from taking any action specified in the order, requiring Veritas to pay compensation to the Shareholders affected or putting Veritas into liquidation; or

   (d) arrange for resolution 1 to be rescinded by special resolution of Shareholders, or decide in the appropriate manner not to take the action concerned, as the case may be.

4. Written notice of the Board's decision must be given to the relevant Shareholder(s).

5. Where the Board agrees to the purchase of the Shares by Veritas, it must give notice to the relevant Shareholder(s), within 5 working days after the notice described in the preceding paragraph, setting out the price the Board offers to pay for those Shares. That price must be a fair and reasonable price as at the close of business on the day before resolution 1 was passed, calculated using a default methodology designed to achieve a pro rata portion of the fair and reasonable value of all Shares in Veritas adjusted to exclude any fluctuation in the value of all Shares that occurred and that was due to, or in expectation of, the Transactions. The Board may use a different methodology to calculate the fair and reasonable price if using the default methodology would be clearly unfair to the Shareholder or Veritas (and in that case the Board must also state in the notice why calculating the price under the default methodology would be clearly unfair).

6. A Shareholder may object to the price offered by the Board by giving written notice to Veritas no later than 10 working days after the date the Board gave notice of the price offered by the Board. If, within that 10 working day period, no objection to the price offered by the Board has been received by Veritas, it must purchase the Shares at the nominated price. If within that 10 working days an objection to the price has been received by Veritas, the fair and reasonable price must be submitted to arbitration.

Veritas must, within 5 working days of receiving the objection, pay on a provisional basis the price nominated by the Board. The arbitration is to be conducted in accordance with the Arbitration Act 1996. If the price determined by the arbitrator:

(a) exceeds the provisional price paid by Veritas, then the arbitrator must order Veritas to pay the balance owing to the Shareholder;

(b) is less than the provisional price paid by Veritas, then the arbitrator must order the Shareholder to pay the excess to Veritas.

7. The arbitrator must award interest on any balance payable or excess to be repaid except in exceptional circumstances. If a balance is owing to the Shareholders the arbitrator may award, in addition to or instead of interest, damages for loss attributable to the shortfall in the initial payment.

8. If the Board arranges for some other person to agree to purchase the Shares, the provisions set out in the preceding paragraphs will (with all appropriate modifications) apply to the purchase of Shares by such person and, in addition, Veritas must indemnify the Shareholder in respect of any losses suffered by the Shareholder by reason of the failure by the person to purchase the Shares at the price nominated or fixed by arbitration, as the case may be.

Appendix Three

Information required by the Takeovers Code (Veritas Investments Limited) Exemption Notice 2013

Set out on page 29 is a table designed to illustrate for the benefit of Shareholders the maximum percentage holding of Shares that may be held by each Allottee following the issue of Shares under the Acquisition and the Offer (including the Sub-Underwriting) (the "**specified transactions**"). The table sets out the following information:

(a) the current number of Shares held and percentage shareholding of each Allottee as at the date of this Notice of Meeting *(columns 1 and 2 of the table)*;
(b) the maximum number of Shares that could be allotted to each Allottee under the specified transactions (the "**approved maximum number**") *(column 3 of the table)*;
(c) the approved maximum number expressed as a percentage of all voting securities on issue after the allotment under the specified transactions *(column 4 of the table)*;
(d) the maximum percentage of all Shares on issue that each Allottee could hold or control on completion of the specified transactions *(column 5 of the table)*; and

(e) the maximum percentage of all Shares on issue that each Allottee and its associates could hold or control in aggregate on completion of the specified transactions *(column 6 of the table)*.

The table has been prepared on the basis of the following assumptions:

i. that the number of voting securities of Veritas is 2,292,165, being the number of voting securities on issue on 28 March 2013 (the "**calculation date**"):
ii. that there is no change in the total number of voting securities of Veritas on issue between the calculation date and the date of the last allotment under the specified transactions:
iii. that, in relation to the information in columns 3, 4, and 5 of the table, the Allottee is allotted the approved maximum number under the specified transactions, as follows:
   A. in the case of the Offer, the only allotments are the Firm Commitments and no other allotments are made;
   B. in the case of the Sub-Underwriting, Collins Asset Management and RMI Holdings are allotted the maximum number of Shares that they could be allotted under the Sub-Underwriting if the only allotments under the Offer are the Firm Commitments;
   C. in the case of the allotment of Shares to the MB Vendor in consideration for the Acquisition, the MB Vendor is allotted the maximum number of Shares that it could be allotted if the only allotments under the Offer and Sub-Underwriting arrangements are as described in sub-paragraphs (A) and (B) above;
iv. that, in relation to the information in column 6 of the table, the Allottee and each of the Allottee's associates are allotted the maximum number of voting securities under the specified transactions in the manner described in paragraph (iii)(A) to (C) (which must be read as if the references to the Allottee were references to the Allottee together with all the Allottee's associates) above.

Name	Existing shareholding		Shareholding post Acquisition and Offer (including the Sub-Underwriting)			
	(1) Current shareholding	(2) Current percentage shareholding	(3) Maximum number of Shares that could be issued under the Acquisition and Offer (including the Sub-Underwriting)	(4) The maximum percentage of the total number of Shares on issue after the allotment that the Shares that could be issued represents	(5) The maximum percentage shareholding following allotment pursuant to the Acquisition and Offer (including the Sub-Underwriting)	(6) The maximum percentage shareholding following allotment pursuant to the Acquisition and Offer (including the Sub-Underwriting) (and including associates)
MB Vendor	-	-	12,061,395	49.99%	49.99%	49.99%
Collins Asset Management	387,953	16.93%	6,752,137	27.99%	29.60%	34.05%
Cook	70,466	3.07%	384,615	1.59%	1.89%	34.05%
Darrow	114,605	4.99%	76,923	0.32%	0.79%	34.05%
Wallace Family Trust	349,200	15.23%	76,923	0.32%	1.77%	34.05%
Other	1,369,941	59.77%	2,478,632	11.35%	15.95%	n/a
Total	**2,292,165**	**100.00%**	**21,830,625**	**91.56%**	**100.00%**	**n/a**