



Scott Technology Ltd Scheme Booklet

30 October 2015

PART TWO

Offer by JBS Australia Pty Ltd

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Scott Technology Rights Offer

(Only shareholders who are residents in NZ or Australia are eligible to participate in the Rights Offer)

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Subscription Agreement

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OFFER BY

JBS Australia Pty Ltd (JBS)

to purchase all of the shares in

**Scott Technology Limited (Scott Technology)
(other than the shares of shareholders who accept Scott Technology's
contemporaneous Rights Offer)**

at \$1.39 per share

made pursuant to a Scheme of Arrangement

To accept this Offer see page 3

IMPORTANT

IF YOU ARE IN DOUBT AS TO ANY ASPECT OF THIS OFFER, YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISOR.

IF YOU HAVE SOLD ALL YOUR SHARES IN SCOTT TECHNOLOGY LIMITED TO WHICH THIS OFFER APPLIES, YOU SHOULD IMMEDIATELY HAND THIS OFFER DOCUMENT AND THE ACCOMPANYING ACCEPTANCE FORM TO THE PURCHASER, OR THE AGENT (EG THE BROKER) THROUGH WHOM THE SALE WAS MADE, TO BE PASSED TO THE PURCHASER.

AN INDEPENDENT ADVISER'S REPORT ON THE MERITS OF THIS OFFER ACCOMPANIES THIS OFFER AND SHOULD BE READ IN CONJUNCTION WITH THIS OFFER.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

INTRODUCTION

This Offer by JBS to purchase your shares in Scott Technology is one of three parts of the Scheme of Arrangement described in the accompanying Notice of Special Meeting of Shareholders.

The other two parts as described in the Notice of Special Meeting are:

- a Rights Offer to subscribe for new shares in Scott Technology; and
- the issue by Scott Technology of Placement Shares and (if required) Top Up Shares to JBS.

As stated in the explanatory memorandum contained in the Notice of Special Meeting, you cannot accept both this Offer and the Rights Offer.

If you wish to accept this Offer then you need to complete and forward to Link Market Services Limited **both** the Acceptance Form enclosed with this Offer document **and**, if you wish to vote in favour of the Scheme of Arrangement, the Proxy / Voting Form enclosed with the Notice of Special Meeting.

If you do not wish to accept this Offer you should still complete and forward to Link Market Services Limited, the Proxy / Voting Form enclosed with the Notice of Special Meeting, and if you wish to accept the Rights Offer to acquire new shares in Scott Technology, then you should complete and forward the Entitlement and Acceptance Form enclosed with the Rights Offer document.

SUMMARY OF OFFER

Offer Consideration	\$1.39 for each Share in Scott Technology.
Opening Date	28 October 2015
Closing Date	24 November 2015
Rights Offer	<p>If you accept the Rights Offer you may not accept this Offer.</p> <p>If Scott Technology receives from any shareholder an Acceptance Form under this Offer and an Entitlement and Acceptance Form under the Rights Offer (in each case on or before the relevant Closing Date), only the Entitlement and Acceptance Form under the Rights Offer will be valid irrespective of which acceptance form was received first.</p>
Settlement Date	If you accept this Offer payment for your shares will be made on the Implementation Date under the Scheme of Arrangement being a day that is 5 Business Days after the date on which the High Court makes an order that the Scheme of Arrangement is binding or such other date as the High Court may set.
Offer Terms	The detailed terms of the Offer are set out on pages 5 to 15 of this Offer document.
Conditions	This Offer is subject to conditions detailed in clauses 3 and 4 of the

	<p>Terms and Conditions, including:</p> <ul style="list-style-type: none"> • the shareholders of Scott Technology voting in favour of the Scheme of Arrangement of which this Offer forms part; • JBS receiving consent under the Overseas Investment Act 2005 in relation to the Scheme of Arrangement; • the High Court approving the Scheme of Arrangement and making orders to implement the Scheme of Arrangement; and • the satisfaction of any additional conditions set by the High Court under section 237 of the Companies Act 1993 which are required by the High Court to be satisfied prior to the Implementation Date.
Brokerage	You will not pay brokerage if you accept this Offer.

Detailed terms of the Offer are set out on the following pages of this document. You should read these carefully.

HOW TO ACCEPT THIS OFFER

To accept the Offer, you should complete the Acceptance Form enclosed with this document, in accordance with the instructions set out on the Acceptance Form, as soon as possible. Then return the Acceptance Form by one of the following methods to Link Market Services Limited:

Email: applications@linkmarketservices.co.nz
(please use "JBS Offer" as the subject of the email)

Facsimile: +64 9 375 5990

Mail: PO Box 91976
Auckland 1142
New Zealand

Deliver Level 7, Zurich House
21 Queen Street
Auckland 1010

A reply paid envelope is enclosed.

You may accept the offer in respect of all or any of your shares. If you have sold all or some of your shares, please refer to the instructions on pages 29 and 30 of this document.

Acceptances must be received by 5pm on 24 November 2015.

IMPORTANT

- **ACCEPTANCES MUST BE RECEIVED BY 5 P.M. ON 24 November 2015.**
- **IF YOU HAVE LOST YOUR PERSONALISED ACCEPTANCE FORM, OR IF YOU HAVE ANY OTHER QUESTIONS ON HOW TO ACCEPT THIS OFFER, PLEASE CONTACT LINK MARKET SERVICES LIMITED ON +64 9 375 5998, OR enquiries@linkmarketservices.com.**

**TERMS AND CONDITIONS OF OFFER
BY JBS AUSTRALIA PTY LTD TO PURCHASE ALL
OF THE SHARES IN SCOTT TECHNOLOGY LIMITED
(other than the shares of shareholders who accept Scott Technology's
contemporaneous Rights Offer)**

Dear Shareholder,

JBS Australia Pty Ltd (**JBS**) hereby offers to acquire, on the terms and conditions set out in this document (the **Offer**), all of the issued fully paid ordinary shares in Scott Technology Limited (**Scott Technology**) other than the ordinary shares of those shareholders who accept the Rights Offer. The shares in Scott Technology are referred to in this Offer as the **Shares** and each of them is referred to as a **Share** and the holder of Shares is referred to as a **Shareholder**.

This Offer is made subject to the following terms and conditions.

1 Consideration

- 1.1 The consideration offered for each Share is NZ\$1.39 cash.
- 1.2 The consideration for the Offer will be paid to Shareholders who accept the Offer (**Acceptors**) and will be sent to such Acceptors on the Implementation Date (defined in clause 10) as provided in clause 6.

2 How to Accept this Offer

If you wish to accept this Offer, you only need to:

- 2.1 Complete the enclosed Acceptance Form in accordance with the instructions set out in the Acceptance Form; and
- 2.2 Return the completed Acceptance Form in the enclosed reply paid envelope **AS SOON AS POSSIBLE**, but in any event so as to be received by Link Market Services Limited not later than 5 pm on 24 November 2015, or such later closing date(s) as JBS may decide as provided in paragraph 3.6(b) below (**Closing Date**). Acceptances posted (and bearing a postage stamp) before 5 p.m. on the Closing Date, but received after that date, may be accepted by JBS.
- 2.3 If the reply paid envelope has been mislaid, please return your Acceptance Form by one of the following methods to Link Market Services Limited:

Email: applications@linkmarketservices.co.nz
(please use "JBS Offer" as the subject of the email)

Facsimile: +64 9 375 5990

Mail: PO Box 91976
Auckland 1142
New Zealand

Deliver Level 7, Zurich House

21 Queen Street
Auckland 1010

- 2.4 You may accept this Offer in respect of all or any Shares you hold in Scott Technology, whether you have acquired them before or after the date of this Offer, upon production of satisfactory evidence of your entitlement to those Shares.
- 2.5 Without limiting paragraph 2.7 or 8.2, the number of Shares that may be disposed of by an Acceptor under this Offer will be determined by reference to the number of Shares held by the Acceptor at the Closing Date, as recorded in the securities register of Scott Technology. This applies notwithstanding the number of Shares set out in the Acceptance Form.
- 2.6 JBS may, in its discretion, treat any Acceptance Form as valid notwithstanding that it does not comply with this clause 2, and may, in its discretion, rectify any errors in, or omissions from, any Form, including inserting or completing details of the Shares held by the Acceptor and filling in any blanks. JBS will determine, in its sole discretion, all questions relating to documents, including the validity, eligibility, time of receipt and effectiveness of an acceptance of the Offer. The determination of JBS will be final and binding on all parties.
- 2.7 Subject to paragraph 2.8, acceptance of this Offer by each Acceptor constitutes a contract between that Acceptor and JBS on the terms and subject to the conditions of this Offer. Acceptances of the Offer are irrevocable and you may not withdraw your acceptance during or after the time the Offer is open for acceptance, whether or not there has been any permissible variation of the Offer as provided below.
- 2.8 If Scott Technology receives from any Acceptor an Acceptance Form and an Entitlement and Acceptance Form under the Rights Offer (in each case on or before the relevant Closing Date), only the Entitlement and Acceptance Form under the Rights Offer will be valid irrespective of whether the Acceptance Form or the Entitlement and Acceptance Form under the Rights Offer was received first.

If you need assistance with respect to completing your Acceptance Form please contact Link Market Services Limited on:
Telephone: +64 9 375 5998,
Mail: PO Box 91976, Auckland 1142, or
Email: enquiries@linkmarketservices.com

3 Terms and Conditions of Offer

- 3.1 This Offer, and any contract arising from it, is conditional upon the following:
- (a) the required majorities of shareholders of Scott Technology voting in favour of the resolution to approve the Scheme of Arrangement at the special meeting of shareholders to be held on 26 November 2015; and

- (b) JBS receiving consent under the Overseas Investment Act 2005 in relation to the Scheme of Arrangement; and
 - (c) the High Court approving the Scheme of Arrangement and making orders to implement the Scheme of Arrangement; and
 - (d) the satisfaction of any additional conditions set by the High Court under section 237 of the Companies Act 1993 which are required by the High Court to be satisfied prior to the Implementation Date.
- 3.2 The conditions set out in paragraph 3.1 are conditions subsequent, and acceptance of the Offer by each Shareholder shall constitute a contract between that Shareholder and JBS subject to those conditions. The Offer will only proceed if the conditions in paragraph 3.1 are satisfied.
- 3.3 If this Offer does not become unconditional, the Offer will lapse, Acceptance Forms received by Link Market Services Limited will be destroyed and every party will be released from their obligations under this Offer (and the Acceptance Form) and the contract arising from acceptance of it.
- 3.4 The latest date on which this Offer can become unconditional is 30 April 2016 (**End Date**). This date will not be extended. If the Offer does not become unconditional by then, the Offer will lapse and the Scheme of Arrangement will not proceed.
- 3.5 The Shares and all other securities of the nature referred to in paragraph 8 "Change of Circumstances" (if applicable) are to be acquired free from all liens, charges, mortgages, encumbrances and other interests and claims of any kind whatsoever, but together with all rights, benefits and entitlements attaching to them at the date of this Offer or which arise subsequently, including the right to all dividends and other distributions.
- 3.6 JBS may, at any time, vary this Offer to do any of the following things:
- (a) to increase the purchase price; and
 - (b) to extend the Offer Period and the Closing Date to 31 March 2016.
- 3.7 If the Offer is varied so as to increase the purchase price those Shareholders that have already accepted the Offer will receive the increased purchase price for their Shares.
- 3.8 In addition to the right of variation under paragraph 3.6:
- (a) Scott Technology and JBS reserve the right to amend this Agreement at any time and from time to time provided that any such amendment must be contained in a written document which is filed with the High Court and, if made following the Special Meeting of Shareholders to consider the Scheme of Arrangement, approved by the High Court and communicated to shareholders in the manner required by the High Court (if so required).
 - (b) Any amendment to the Scheme of Arrangement proposed by the Company and JBS at any time prior to or at the Special Meeting, with
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or without any other prior notice or communication, which is accepted by the Shareholders voting at the Special Meeting, will become part of the Scheme of Arrangement for all purposes.

3.9 If, as a result of acceptances under the Offer and the issue of new Shares pursuant to the Subscription Agreement, JBS acquires 90% or more of the Shares (inclusive of the new Shares issued pursuant to the Subscription Agreement and the Rights Offer) JBS will have the right and may have the obligation to compulsorily purchase the outstanding Shares at the purchase price under the Offer (including the Shares held on trust under the Scott Technology Employee Share Purchase Scheme) as provided in clause 7 below.

3.10 By accepting this Offer, each Acceptor represents and warrants to JBS that:

- (a) it is the sole legal and beneficial owner of the Shares in respect of which it has accepted this Offer, or is the legal owner and has the necessary power, capacity and authority to accept this Offer in respect of such Shares;
- (b) it has full power, capacity and authority to sell and transfer all such Shares; and
- (c) legal and beneficial title to all such Shares will pass to JBS in accordance with paragraph 3.5.

3.11 Each Acceptor:

- (a) will not, and will not attempt to, sell, transfer or dispose of (or agree to do any of those things), any or all of the Shares in respect of which the Acceptor has accepted this Offer (other than the acceptance of the Offer itself); and
- (b) is deemed to have irrevocably authorised JBS to instruct Scott Technology and its share registrar to refuse, until the Scheme of Arrangement is implemented or lapses, to register any transfer of any or all Shares in respect of which the Acceptor has accepted this Offer, except for the transfers in accordance with this Offer; and
- (c) will pay to JBS on demand, any cost or expense incurred, or loss or damage suffered, by JBS in connection with, or as a result of, that Acceptor's failure to comply with paragraph 3.11(a).

4 Further Conditions

4.1 This Offer and any contract arising from acceptance of it is also subject to the conditions that during the period from the date on which the Scheme of Arrangement was announced until the last date by which the Offer can become unconditional (or the date on which the Offer becomes unconditional, if earlier):

- (a) the Subscription Agreement is not terminated;

- (b) no dividends, bonuses or other payments or distributions of any nature (including without limitation, any share buybacks) have been or will be declared, paid or made upon or in respect of any of the Shares;
- (c) no further Financial Products of any description (including options, rights or interests in any Financial Products (issued or to be issued)) of Scott Technology or any of its subsidiaries (the **Group**) have been or will be issued or agreed to be issued or made the subject or any option or right to subscribe (whether by way of bonus issue or otherwise) and there have been no, and will be no, alteration of rights, privileges and restrictions attaching to the Shares (or other Financial Products) of any member of the Group otherwise than under the Scheme of Arrangement contemplated by this Offer, the Rights Offer and the Subscription Agreement;
- (d) no Share or any other Financial Product of Scott Technology has been or will be subdivided, consolidated or acquired by Scott Technology;
- (e) no Shares or any other Financial Product of Scott Technology or any Financial Products of any of its subsidiaries have been or will be made the subject of any option, or right, whether for transfer or subscription for the issue of Financial Products in Scott Technology or that subsidiary;
- (f) no alteration to the constitution of any member of the Group has been or will be made other than amendments of a formal or technical (but not substantive) nature;
- (g) the business of each member of the Group is carried on in the ordinary and normal course, including without limitation:
 - (i) none of the assets of the Group (taken separately or together) being disposed of, or made the subject to any option or contract to sell, for an amount in excess of \$250,000 except in the ordinary course of business or with the approval, or conditional on the approval, of the Shareholders;
 - (ii) no member of the Group (separately or together) entering into or contracting to enter into, or completing any acquisition of any investment, company or asset, or undertaking any capital expenditure or divestment for an amount in excess of \$500,000 (in aggregate) that, as at the date on which the Scheme of Arrangement was announced, had not been approved by the board of directors of Scott Technology or committed to by the relevant member of the Group or approved by, or conditional on the approval of, the Shareholders, otherwise than in the ordinary course of business;
 - (iii) no resolution being passed for any merger, amalgamation, share buyback or scheme of arrangement including any member of the Group, and no member being involved in any

proposal relating to any merger, amalgamation, share buyback or scheme of arrangement (or announcing any intention to do so), other than the Scheme of Arrangement contemplated by this Offer, the Rights Offer and the Subscription Agreement;

- (iv) no unusual or abnormal payments, commitments or liabilities (including contingent liabilities) which are material or could be material to the Group, taken as a whole, are made or incurred (or agreed to be made or incurred) by any of those entities and no member of the Group makes any unusual payment of income tax;
- (v) no member of the Group varies or waives any material rights or powers under any material contract to which it is a party;
- (vi) no changes to the composition or functions of the board of directors of any member of the Group;
- (vii) no member of the Group disposes of, purchases, transfer, leases, charges, mortgages, grants a lien or other encumbrance over, grants an option or legal or equitable interest in respect of, or otherwise deals with a legal or equitable interest in a material asset, business, operation, property or subsidiary (or agrees to or reaches an understanding, including agreeing to materially vary any agreement, do any of these things or makes an announcement in respect of any of them) that is material to the Group taken as a whole, other than in the ordinary course of business or with the approval, or conditional upon the approval, of the Shareholders; and
- (viii) no onerous, long term or material contracts, commitments, agreements or arrangements that are material to the Group taken as a whole (either individually or in aggregate), or major transactions (as defined in section 129 of the Companies Act 1993), are entered into, terminated or materially varied, by any member of the Group (or an agreement or understanding to these purposes is reached), except with the approval of, or conditional upon the approval of, the Shareholders;
- (h) no liquidator, receiver, manager, receiver and manager, statutory manager or similar officer being appointed in relation to any member of the Group or is appointed in relation to any of their respective assets (or any part thereof) and no proceedings or steps (including the calling of a meeting to consider the passing of a resolution to appoint a liquidator) for the liquidation or administration of any member of the Group being commenced;
- (i) no action, claim, litigation or other form of proceedings that are or could be material to the Group (taken as a whole) are notified or commenced against, or by, any member of the Group;
- (j) no change to the remuneration or to any terms of employment or engagement of any director, officer, employee, contractor or consultant of any member of the Group is made other than in

accordance with established policies or in the ordinary course of business and consistent with past practices, and there is no agreement to make any of those changes;

- (k) no changes are made to the senior management team or their respective arrangements with the Group, except with the prior approval of the majority of Scott Technology's board;
- (l) the NZX 50 Index (Gross) not having closed below 5,000 for a period of three consecutive NZX trading days or more since the date on which the Scheme of Arrangement was announced;
- (m) there not having occurred any events, conditions or circumstances of the nature referred to above which in aggregate with other events mean that the overall impact of such aggregated events taken as a whole is material to the Group;
- (n) there not having occurred any event materially adverse to the business, financial or trading position, assets or liabilities, profitability or prospects of the Group, taken as a whole, including any material deterioration in the debt situation or financial forecast of any member of the Group;
- (o) the board of any member of the Group not having approved any of the above;
- (p) no person exercising any rights under any provision or agreement or other instrument to which any member of the Group is a party, or by or to which any member of the Group or any of their assets is bound or subject, which results to an extent which is material in the context of the Group taken as a whole, in:
 - (i) any moneys borrowed by any member of the Group becoming payable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument; or
 - (ii) any such agreement or other such instrument being terminated or modified.

4.2 The conditions in paragraph 4.1 above are for the benefit of JBS and may be waived in whole or in part by JBS at its absolute discretion. Any waiver or consent given by JBS in respect of any matter or thing shall apply only in accordance with its terms and shall not constitute a consent or waiver in respect of any similar matter or thing.

4.3 JBS cannot 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 Scott Technology's activities in the ordinary course of its business during the period that begins with the announcement of the Scheme of

Arrangement (being 20 August 2015) and ends on the date on which this Offer becomes unconditional.

- 4.4 All of the conditions set out above are conditions subsequent, and acceptance of this Offer by an Acceptor shall constitute a contract by that Acceptor with JBS subject to those conditions.

5 Notices

- 5.1 Notice to Scott Technology and NZX Limited:

- (a) declaring this Offer unconditional; or
- (b) advising that this Offer is withdrawn or has lapsed in accordance with its terms,

in each case, will be deemed to be notice to all offerees, and will be sent immediately when the relevant event occurs.

- 5.2 It is acknowledged that Scott Technology will announce when this Offer becomes unconditional pursuant to its continuous disclosure obligations under the NZX Main Board Listing Rules.

- 5.3 Notice of any variation of the Offer will be sent immediately to each offeree, Scott Technology, the Panel and NZX Limited.

6 Method of Settlement

- 6.1 JBS will not acknowledge receipt of your acceptance of this Offer.

- 6.2 If:

- (a) this Offer is declared unconditional; and
- (b) the Acceptance Form is in order and includes all the necessary information,

then a cheque for the amount to which you will be entitled under this Offer will be posted or if elected by you on your Acceptance Form, the amount will be paid by electronic transfer to the bank account in New Zealand set out or nominated on that Form, on the date specified in paragraph 1.2.

- 6.3 JBS' obligations under this paragraph will be subject to registration of the transfer of the Shares to JBS. Scott Technology will register the transfer of Shares represented by the Acceptance Forms on the date specified in paragraph 1.2.

- 6.4 JBS' obligations under this paragraph and/or paragraph 7 may be performed in whole or in part by any associated entity of JBS, nominated by JBS, and any right available to JBS under this Offer may be exercised in whole or in part by any such associated entity, provided that JBS will remain liable for the due and proper performance of all provisions of this Offer to be performed by JBS.

7 Compulsory Acquisition

- 7.1 If, as a result of acceptances under the Offer and the issue of new Shares pursuant to the Subscription Agreement, JBS acquires 90% or more of the Shares inclusive of the new Shares issued pursuant to the Subscription Agreement and the Rights Offer, JBS will have the right and may have the obligation to compulsorily purchase the outstanding Shares at the purchase price payable under the Offer including the Shares held on trust under the Scott Technology Employee Share Purchase Scheme as though Rule 3(4) and part 7 of the Takeovers Code Approval Order 2000 were set out in full in this clause, subject to the following:
- (a) JBS is the dominant owner of Scott Technology, a code company, and will be deemed to have become the dominant owner by reason of acceptances of the Offer on the Implementation Date;
 - (b) Rules 56 to 58 (inclusive) of the Takeovers Code will not apply and the consideration payable in respect of the outstanding securities will be the same as the consideration payable under this Offer;
 - (c) references to a 21 day period and a 7 day period, will be, respectively references to 15 Business Days and 5 Business Days; and
 - (d) the acquisition notice referred to in Rules 54 and 55 will be sent by JBS on the Implementation Date.

8 Change of Circumstances

- 8.1 If, on or after the date of this Offer Scott Technology declares or pays a dividend or makes any other distribution, unless paragraph 4.1(b) is waived by JBS, Acceptors of this Offer will be bound to pay to JBS an amount equivalent to such dividend or the value of such other distribution or, at the option of JBS, the cash consideration which would otherwise have been paid to such Acceptors shall be reduced by an amount equivalent to such dividend or the value of such other distribution.
- 8.2 If, on or after the date of this Offer, Scott Technology authorises, declares or makes any issue of Financial Products or grants any other rights or interests in its Financial Products to its Shareholders by way of capitalisation of any part of its profits or reserves, unless paragraph 4.1(c) is waived by JBS, Acceptors of this Offer will be bound to transfer such shares or debentures or convertible notes or other rights and interests to JBS, without any additional consideration.
- 8.3 If all or any of the Shares of Scott Technology are consolidated, subdivided or acquired by Scott Technology on or after the date of this Offer then this Offer will be interpreted to take into account such consolidation, subdivision or acquisition and will be deemed to be for the Financial Products resulting from such consolidation, subdivision or acquisition and the consideration per Share provided for under paragraph 1.1 will be increased or reduced, as the case may require, in proportion to such consolidation, subdivision or acquisition, and Acceptors will be bound to

transfer such consolidated, subdivided or acquired shares to JBS on the basis of the consideration so increased or reduced.

- 8.4 If Scott Technology makes any issue of shares to any person on or after the date of this Offer other than by way of capitalisation of any part of its profits or its reserves, then this Offer will be deemed to extend to and include such shares and the consideration payable for them will be as provided in paragraph 1.1 above.

9 Further Information

- 9.1 Further information relating to JBS is set out in Schedule 1 and forms part of this Offer.
- 9.2 Further information relating to Scott Technology is set out in Schedule 2, and forms part of this Offer.

10 Interpretation

In this document:

10.1 Unless the context otherwise requires:

- (a) **Closing Date** means the date so determined under paragraphs 2.2 or 3.6(b);
- (b) **End Date** means 30 April 2016;
- (c) **Financial Product** has the same meaning given to it in section 7 of the Financial Markets Conduct Act 2013;
- (d) **Implementation Date** means the date which is 5 Business Days after the High Court has approved the Scheme of Arrangement and made orders to implement the Scheme of Arrangement provided that if the High Court determines a different date upon which the Scheme of Arrangement is to be implemented then the date so determined by the High Court will be the Implementation Date;
- (e) **Offer Period** means the period from 28 October 2015 to the Closing Date;
- (f) **Rights Issue Shares** means the new Shares issued or to be issued under the Rights Offer;
- (g) **Rights Offer** means the pro rata 1 for 8 non-renounceable rights offer of new Shares under the Scheme of Arrangement;
- (h) **Subscription Agreement** means the agreement entered into between JBS and Scott Technology on 20 October 2015;
- (i) **Unconditional Date** means the date upon which this Offer becomes unconditional;

- (j) **Business Day** means a day that is not a Saturday, Sunday or public holiday in:
- (i) Auckland and Dunedin New Zealand;
 - (ii) Brisbane, Australia; and
 - (iii) Greeley, Colorado USA.
- 10.2 The provisions set out in the Acceptance Form are also part of the terms of this Offer;
- 10.3 Headings are for convenience only and do not affect the interpretation of this document or any Acceptance Form;
- 10.4 The singular includes the plural and vice versa; and
- 10.5 References to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it.
- 10.6 All sums of money referred to in this Offer are in New Zealand currency;
- 10.7 Any reference to time in this Offer is to New Zealand time; and
- 10.8 This Offer and any contract arising from it shall be governed by and construed in accordance with the laws of New Zealand, and the parties to any such contract submit to the non-exclusive jurisdiction of the Courts of New Zealand.

This Offer is dated 20 October 2015



For and on behalf of
JBS Australia Pty Ltd

SCHEDULE 1

1 Date

The Offer is dated 20 October 2015

2 Offeror and its Directors

JBS Australia Pty Ltd
1 Lock Way, Riverview, Queensland 4303, Australia

Directors

Hugh Brent Eastwood, John Kenneth Berry, Michael Joseph Doyle, Anthony Joseph Pratt, Samuel Charles McConnell, Edison Alvares and James Dominic Cleary.

3 Ownership of Shares of Scott Technology

3.1 The table below sets out the number, designation and percentage of equity securities of any class of the Company held or controlled by:

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

to the knowledge of JBS after making enquiries, as of the date of printing this document.

Except as set out in the below table and paragraph 3 of Schedule 2 none of the persons in paragraph 3.1(a) to (d) hold or control any equity securities of Scott Technology.

Name	Description	Type of Equity Securities	Number of shares held or controlled	Percentage of shares
JBS	Shares held by the Offeror as the Offeror	Ordinary Shares	Nil	0%
Oakwood Securities Limited	Shares held by substantial product holder	Ordinary Shares	5,379,000	11.83%
Russell John Field & Anthony James Palmer (JI Urquhart Family A/C)	Shares held by substantial product holder	Ordinary Shares	3,399,739	7.48%
Fisher Funds Management Limited	Shares held by substantial product holder	Ordinary Shares	3,671,073	8.07%

Notes:

1) The details shown above have been obtained from publicly available sources and information provided by Scott Technology.

2) The information in the table above is based on information known at the time of printing.

4 Trading in Shares of Scott Technology

No shares of Scott Technology have been acquired or disposed of by any of the persons described in subparagraphs (a) to (d) of paragraph 3 of this Schedule to the knowledge of JBS during the 6 month period before the date of this Offer except as set out paragraph 4 of Schedule 2.

5 No Agreements to Accept Offer

No persons have agreed conditionally or unconditionally to accept the Offer.

6 Arrangements to Pay Consideration

JBS confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer.

7 Arrangements Between JBS and Scott Technology

7.1 On 1 June 2015, Scott Technology and JBS USA LLC, entered into a letter (**Letter**). The material terms of the Letter are as follows:

- (a) the parties agreed to explore whether to proceed with a scheme of arrangement under the Companies Act 1993 for the purpose of JBS USA LLC (or a subsidiary) investing in Scott Technology;
- (b) the Letter set out the proposed non-binding structure of the proposed scheme which is reflected in the Scheme of Arrangement of which this document forms part;

- (c) Scott Technology agreed that until 8 September 2015 it will deal exclusively with JBS USA LLC in respect of any transaction of a similar nature to the Scheme of Arrangement, not to solicit any such transaction from third parties and discontinue any discussions with any third parties in respect of such transactions; and
- (d) the Letter provided that the terms of the proposed scheme will be subject to:
 - (i) JBS USA LLC conducting and being satisfied with a due diligence on Scott Technology;
 - (ii) all necessary regulatory approvals being obtained; and
 - (iii) customary conditions and other conditions which may be required as a result of due diligence.

7.2 Except as set out in paragraph 7.1, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between JBS or any of its associates and Scott Technology or any related company of Scott Technology, in connection with, in anticipation of, or in response to, the Offer.

8 No Arrangements Between JBS, and Directors and Officers of Scott Technology

No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between JBS or any associates of JBS, and any of the directors or senior officers of Scott Technology or of any related company of Scott Technology (including any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to, the Offer.

9 No Financial Assistance

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

10 Likelihood of Changes in Scott Technology

10.1 If the Offer is successful, JBS will seek appropriate board representation on the Scott Technology board. JBS will participate in decisions relating to Scott Technology and its strategy with a view to improving operations and profitability in Scott Technology as soon as possible.

10.2 The changes likely to be made by JBS in respect of the business activities of Scott Technology and its subsidiaries will involve:

- (a) JBS expects to be able to introduce Scott Technology and its products to other businesses in the wider JBS group of companies; and
- (b) JBS intends to provide Scott Technology with additional capital which will allow Scott Technology to reduce debt and which will support additional growth.

- 10.3 As at the date of the Offer, JBS has no intentions about material changes to the business activities, material assets or capital structure of Scott Technology.
- 10.4 The statements made under this paragraph 10 are consistent with the information that has been given by JBS to any regulatory body (in New Zealand or in an overseas jurisdiction) in relation to the Scheme of Arrangement.

11 No Pre-emption Clauses in Scott Technology's Constitution

There is no restriction on the right to transfer Shares contained in the constitution of Scott Technology as of the date of this Offer, which has the effect of requiring the holders of the Shares to offer the Shares for purchase to members of Scott Technology or to any other person before transferring the Shares.

12 No Escalation Clause

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

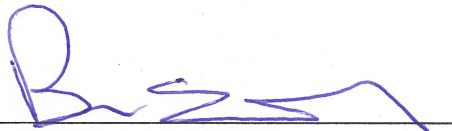
13 Independent Adviser's Report in relation to multiple interest classes

More than one interest class exists for the purposes of approving the Scheme of Arrangement. Therefore, the independent adviser will report on the merits of the Scheme of Arrangement for each interest class of shareholders. An explanation of how the interest classes have been determined is included in the Notice of Special Meeting which this document accompanies.

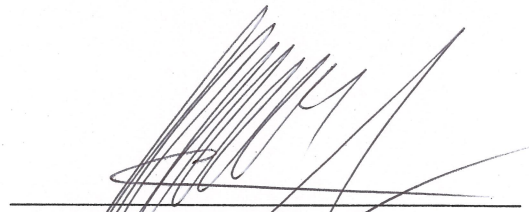
14 Certificate

To the best of our knowledge and belief, after making proper inquiry, the information contained in or accompanying this Offer is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise.

Signed by the persons named below.



Chief Executive Officer



Chief Financial Officer



Director



Director

SCHEDULE 2

SCOTT TECHNOLOGY STATEMENT

1. DATE OF STATEMENT

This Schedule 2 is dated 20 October 2015.

2. DIRECTORS OF SCOTT TECHNOLOGY

2.1 The names of the Directors of Scott Technology are as follows:

- (a) Graham William Batts;
- (b) Christopher Charles Hopkins;
- (c) Stuart James McLauchlan;
- (d) Christopher John Staynes; and
- (e) Mark Brendon Waller.

3. OWNERSHIP OF SCOTT TECHNOLOGY SHARES

3.1 The number and the percentage of Shares held or controlled by each Director or Senior Officer of Scott Technology, or their associates, is set out in the following table:

Director, Senior Officer or associate/possible associate	Description	Number of Shares held or controlled by Director, Senior Officer or associate/possible associate	Designation of Shares	Percentage of total number of Shares
Stuart James McLauchlan , Independent Director (Chairman)	Sole director of Rosebery Holdings Limited which is the registered holder of the shares.	333,419	Ordinary	0.73%
Mark Brendon Waller , Director	Joint holder (M & A Waller) and beneficial owner.	80,500	Ordinary	0.18%
Graham William Batts , Director	Joint holder (GW & PJ Batts & RN Macassey (family trust)) and beneficial owner.	276,657	Ordinary	0.61%
Christopher John Staynes , Director	Joint holder (CJ & CA Staynes Family Trust) and beneficial owner.	203,000	Ordinary	0.45%
Christopher Charles Hopkins , Managing Director & CEO	Registered Holder.	95,117	Ordinary	0.21%
Christopher Charles Hopkins , Managing Director & CEO	Director and shareholder of Our Planit Limited, the registered holder.	18,449	Ordinary	0.04%
Christopher Charles Hopkins , Managing Director & CEO	Shares held by Denise Fae Hopkins (wife).	34,410	Ordinary	0.08%
Gregory William Chiles , CFO	Registered holder	13,880	Ordinary	0.03%
Gregory William Chiles , CFO	Shares held by Matthew William Chiles (son).	3,663	Ordinary	0.01%
Gregory William Chiles , CFO	Parents' family trust	65,210	Ordinary	0.14%

3.2 In addition to the equity securities disclosed in the above table:

- (a) Stuart James McLauchlan and Christopher Charles Hopkins hold 22,222 Shares as trustees for the Scott Technology Employee Share Purchase Scheme; and
- (b) each of the directors (excluding Christopher Charles Hopkins) jointly control the exercise of voting rights attached to the 1,292,602 Shares held by AL Escrow 2014 Limited. These Shares are held on escrow as part of the Robotworx Business acquisition announced to the market on 14 May 2014.

3.3 Except as set out in paragraphs 3.1 and 3.2 of this Schedule 2, no Director or Senior Officer of Scott Technology, or their associates, holds or controls any Shares.

3.4 The number and the percentage of Shares held or controlled by the persons known by Scott Technology to hold or control 5% or more of the Shares is set out in the following table:

Holder or controller of 5% or more of the Shares	Description	Number of Shares held or controlled	Designation of Shares	Percentage of total number of Shares
Oakwood Securities Limited	Shares held by substantial product holder	5,379,000	Ordinary Shares	11.83%
Russell John Field & Anthony James Palmer (JI Urquhart Family A/C)	Shares held by substantial product holder	3,399,739	Ordinary Shares	7.48%
Fisher Funds Management Limited	Shares held by substantial product holder	3,671,073	Ordinary Shares	8.07%

3.5 Except as set out in paragraph 3.4 of this Schedule 2, no other person is known by Scott Technology to hold or control 5% or more of the Shares.

3.6 The number of Shares that have been issued to Directors or Senior Officers of Scott Technology, or their associates, in the two year period ending on the date of this Schedule 2 is set out in the following table:

Director, Senior Officer or associate	Date of issue of Shares	Number of Shares issued
Stuart James McLauchlan , Independent Director (Chairman)	3 December 2013 (DRP)	10,613
	6 May 2014 (DRP)	4,963
	9 December 2014 (DRP)	10,965
	26 May 2015 (DRP)	5,792
Mark Brendon Waller , Director	3 December 2013 (DRP)	2,733
	6 May 2014 (DRP)	1,281
	9 December 2014 (DRP)	2,834
	26 May 2015 (DRP)	1,501
Graham William Batts , Director	n/a	n/a
Christopher John Staynes , Director	n/a	n/a
Christopher Charles Hopkins , Managing Director & CEO – directly	3 December 2013 (DRP)	3,028
	6 May 2014 (DRP)	1,416
	9 December 2014 (DRP)	3,128
	26 May 2015 (DRP)	1,652
Christopher Charles Hopkins , Managing Director & CEO – Our Planit Limited	3 December 2013 (DRP)	587
	6 May 2014 (DRP)	275
	9 December 2014 (DRP)	607
	26 May 2015 (DRP)	320
Christopher Charles Hopkins ,	3 December 2013 (DRP)	1,095

Managing Director & CEO – Denise Fae Hopkins	6 May 2014 (DRP)	512
	9 December 2014 (DRP)	1,132
	26 May 2015 (DRP)	598
Gregory William Chiles, CFO – directly	3 December 2013 (DRP)	442
	6 May 2014 (DRP)	207
	9 December 2014 (DRP)	457
	26 May 2015 (DRP)	241
Gregory William Chiles, CFO – Matthew William Chiles (son)	3 December 2013 (DRP)	117
	6 May 2014 (DRP)	55
	9 December 2014 (DRP)	120
	26 May 2015 (DRP)	64
Gregory William Chiles, CFO – parents' family trust	3 December 2013 (DRP)	1,327
	6 May 2014 (DRP)	971
	9 December 2014 (DRP)	2,145
	26 May 2015 (DRP)	1,133

3.7 The prices at which the above shares were respectively issued are:

- (a) 3 December 2013: \$1.980
- (b) 6 May 2014: \$1.461
- (c) 9 December 2014: \$1.478
- (d) 26 May 2015: \$1.316

3.8 Except as set out in paragraph 3.6 of this Schedule 2, no Director or Senior Officer of Scott Technology, or their associates, has, in the two year period ending on the date of this Schedule 2:

- (a) been issued with any Shares; or
- (b) obtained a beneficial interest in any Shares under any Scott Technology employee share scheme or other remuneration arrangement.

4. TRADING IN SCOTT TECHNOLOGY SHARES

4.1 No Director or Senior Officer of Scott Technology, or any of their associates, has during the six month period before 20 October 2015 (being the latest practicable date before the date of this Schedule 2) acquired or disposed of Shares other than as disclosed in paragraph 3.6 above.

4.2 The following persons known by Scott Technology to hold or control 5% or more of the Shares have during the six month period before 20 October 2015 (being the latest practicable date before the date of this Schedule 2) acquired or disposed of Shares in Scott Technology:

Holder or controller of 5% or more of the Shares	Description	Date of transaction	Number of ordinary shares acquired or (disposed of)	Price per share
Russell John Field & Anthony James Palmer (JI Urquhart Family A/C)	Disposal of shares on market transaction	8 May – 14 May 2015	(65,000)	Unknown
Fisher Funds Management Limited	Acquisition of shares under Dividend Reinvestment Plan	26 May 2015	68,439	\$1.316

5. ACCEPTANCE OF OFFER

- 5.1 The Directors and Senior Officers of Scott Technology, and their associates, who hold or control Shares and who have accepted, or intend to accept, the Offer and the number of Shares in respect of which the person has accepted, or intends to accept, the Offer are set out in the following table:

Director, Senior Officer or associate	Number of Shares in respect of which the Offer has been accepted or is intended to be accepted
Stuart James McLauchlan, Independent Director (Chairman)	None
Mark Brendon Waller, Director	None
Graham William Batts, Director	None
Christopher John Staynes, Director	None
Christopher Charles Hopkins, Managing Director & CEO	None
Gregory William Chiles, CFO	None

6. OWNERSHIP OF EQUITY SECURITIES OF JBS

- 6.1 Scott Technology or its associates do not hold or control any class of equity security of JBS.
- 6.2 No Director or Senior Officer of Scott Technology, or any of their associates, holds or controls any class of equity security of JBS.

7. TRADING IN EQUITY SECURITIES OF JBS

- 7.1 Neither Scott Technology nor its associates have acquired or disposed of any class of equity security of JBS during the six month period before 20 October 2015 (being the latest practicable date before the date of this Schedule 2).
- 7.2 No Director or Senior Officer of Scott Technology, or any of their associates, has acquired or disposed of any class of equity security of JBS during the six month period before 20 October 2015 (being the latest practicable date before the date of this Schedule 2).

8. ARRANGEMENTS BETWEEN JBS OR ITS ASSOCIATES AND SCOTT TECHNOLOGY

- 8.1 On 1 June 2015, Scott Technology and JBS USA LLC, entered into a letter (**Letter**). The material terms of the Letter are as follows:
- (a) the parties agreed to explore whether to proceed with a scheme of arrangement under the Companies Act 1993 for the purpose of JBS USA LLC (or a subsidiary) investing in Scott Technology;
 - (b) the Letter set out the proposed non-binding structure of the proposed Scheme which is reflected in the Scheme of Arrangement of which this document forms part;
 - (c) Scott Technology agreed that until 8 September 2015 it will deal exclusively with JBS USA LLC in respect of any transaction of a similar nature to the Scheme of Arrangement, not to solicit any such transaction from third parties and discontinue any discussions with any third parties in respect of such transactions; and
 - (d) the Letter provided that the terms of the proposed scheme will be subject to:

- (i) JBS USA LLC conducting and being satisfied with a due diligence on Scott Technology;
- (ii) all necessary regulatory approvals being obtained; and
- (iii) customary conditions and other conditions which may be required as a result of due diligence.

8.2 As at the date of this Schedule 2, except as set out in paragraph 8.1, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between JBS or any of its associates and Scott Technology or any related company of Scott Technology, in connection with, in anticipation of, or in response to, the Offer.

9. **RELATIONSHIP BETWEEN JBS, AND DIRECTORS AND SENIOR OFFICERS OF SCOTT TECHNOLOGY**

Arrangements

9.1 There are no agreements or arrangements (whether legally enforceable or not) that have been made, or are proposed to be made, between JBS, or its associates, and any of the Directors or Senior Officers of Scott Technology or of any related company of Scott Technology (including in respect of any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office), in connection with, in anticipation of, or in response to, the Offer.

Relationship with JBS

9.2 No Director or Senior Officer of Scott Technology is also a Director or Senior Officer of JBS, or any related company of JBS.

10. **NO AGREEMENT BETWEEN SCOTT TECHNOLOGY, AND DIRECTORS AND OFFICERS OF SCOTT TECHNOLOGY**

10.1 No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made between Scott Technology, or any related company of Scott Technology, and any of the Directors or Senior Officers of Scott Technology, or their associates, or its related companies, under which a payment or other benefit may be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office in connection with, in anticipation of, or in response to, the Offer.

11. **INTERESTS OF DIRECTORS AND OFFICERS OF SCOTT TECHNOLOGY IN CONTRACTS OF JBS (OR A RELATED COMPANY OF JBS)**

11.1 No Director or Senior Officer of Scott Technology, or their associates, has an interest in any contract to which JBS, or any related company of JBS, is a party.

12. **INTERESTS OF SCOTT TECHNOLOGY SUBSTANTIAL PRODUCT HOLDERS IN MATERIAL CONTRACTS OF JBS (OR A RELATED COMPANY OF JBS)**

12.1 No persons, who, to the knowledge of the Directors or the Senior Officers of Scott Technology, hold or control 5% or more of Scott Technology's Shares, have an interest in any material contract to which JBS, or any related company of JBS, is a party.

13. **ADDITIONAL INFORMATION**

- 13.1 In the opinion of the Directors of Scott Technology, there is no additional information, within the knowledge of the Directors of Scott Technology, which is required to ensure that information in this document is correct or not misleading.

14. **RECOMMENDATION**

Unanimous recommendation

- 14.1 The Directors of Scott Technology unanimously recommend that Scott Technology shareholders who have previously been looking to sell all or part of their Scott Technology Shares but have been reluctant to do so due to the illiquid market for Scott Technology Shares **accept the Offer** for that number of their Scott Technology Shares. Prior to making your decision the Directors encourage you to consider their recommendations with respect to the Scheme as a whole in paragraphs 38 to 40 of the Explanatory Memorandum accompanying the Notice of Special Meeting dated 30 October 2015.

- 14.2 The reasons for this recommendation are as follows:

- (a) the price offered by JBS is above the valuation range determined by the Independent Adviser. The Directors believe that the Scott Technology has developed and will continue to develop intellectual property which may create future value that is not fully incorporated into the Independent Adviser's valuation range. If the Scheme is approved, the Directors suggest that shareholders need to be mindful of Scott Technology's intellectual property and its possible value when considering their personal decision in relation to their shareholding in Scott Technology (for example, in deciding whether to sell to JBS, hold or to invest more by taking up the Rights Offer); and
- (b) Shareholders are being offered an opportunity to sell their Shares and exit their investment in full if they desire in an otherwise illiquid market.

15. **ACTIONS BY SCOTT TECHNOLOGY**

No material arrangements

- 15.1 Except for the arrangements summarised or referred to in paragraph 8, there are no material agreements or arrangements (whether legally enforceable or not) of Scott Technology or its related companies, entered into as a consequence of, in response to, or in connection with, the Offer.

No material negotiations

- 15.2 Except for the issue of the Placement Shares, Rights Issue Shares and the Top Up Shares pursuant to the Scheme of Arrangement, there are no negotiations underway to which Scott Technology is party, as a consequence of or, in response to, or in connection with, the Offer that relate to, or could result in:

- (a) an extraordinary transaction (such as a merger, amalgamation, or reorganisation) involving Scott Technology or any of its related companies; or
- (b) the acquisition or disposition of material assets by Scott Technology or any of its related companies; or
- (c) an acquisition of equity securities by, or of, Scott Technology or any related company of Scott Technology; or

- (d) a material change in equity securities on issue, or policy related to distributions, of Scott Technology.

16. SCOTT TECHNOLOGY SHARES

16.1 There are currently 45,473,890 Shares on issue. These are fully paid. Scott Technology Shareholders have in respect of each Scott Technology Share, subject to Scott Technology's constitution:

- (a) the right to an equal share in dividends authorised by the Scott Technology Board;
- (b) the right to an equal share in the distribution of surplus assets of Scott Technology; and
- (c) the right to cast one vote on a show of hands or the right to cast one vote on a poll (for each Share held) on any resolution, including a resolution to:
 - (i) appoint or remove a Director or the auditor;
 - (ii) alter Scott Technology's constitution;
 - (iii) approve a major transaction by Scott Technology;
 - (iv) approve an amalgamation involving Scott Technology (other than an amalgamation of a wholly owned subsidiary); and
 - (v) put Scott Technology into liquidation.

17. FINANCIAL INFORMATION

2015 Annual Report

17.1 Every person to whom the Offer is made is entitled to obtain from Scott Technology a copy of Scott Technology's most recent audited annual report (being the report for the 12 month period ended 31 August 2015) at the website (scott.co.nz) or by making a written request to Scott Technology at:

Scott Technology Limited
630 Kaikorai Valley Road
Dunedin 9011
New Zealand

Website: scott.co.nz

Changes in the financial position, trading position or prospects of Scott Technology since the 2015 Annual Report

- 17.2 There have been no material changes in the financial or trading position or prospects of Scott Technology since the annual report for the year ended 31 August 2015 was prepared.
- 17.3 Other than as set out in this Schedule 2 and the Independent Adviser's Report, there is no other information about the assets, liabilities, profitability and financial affairs of Scott Technology that could reasonably be expected to be material to the making of a decision by Shareholders to accept or reject the Offer.

18. INDEPENDENT ADVICE ON MERITS OF THE OFFER

18.1 Northington Partners Limited, as Independent Adviser, has prepared a report on the merits of the Offer (**Independent Adviser's Report**). A full copy of the Independent Adviser's Report is **enclosed** with this Offer.

19. ASSET VALUATION

19.1 No information provided in this Schedule 2 refers to a valuation of any asset of Scott Technology.

20. PROSPECTIVE FINANCIAL INFORMATION

20.1 This Schedule 2 does not contain any prospective financial information in relation to Scott Technology.

21. MARKET PRICES OF QUOTED EQUITY SECURITIES UNDER OFFER

21.1 The Shares are quoted on the main board equity security market operated by NZX Limited (**Main Board**).

21.2 The closing price on the Main Board on 20 October 2015 (being the latest practicable day the Main Board was open before this document was sent to Shareholders) was \$1.55.

21.3 The closing price on the Main Board on 19 August 2015 (being the day before the Scheme of Arrangement was announced on the Main Board) was \$1.33.

21.4 The highest and lowest closing market prices on the Main Board during the 6 months before the Scheme of Arrangement was announced on the Main Board was as follows:

(a) the highest closing price, being the closing price on the 20th day of July 2015 was \$1.50;

(b) the lowest closing price, being the closing price on the 25th day of June 2015 was \$1.26.

21.5 Other than the dividend paid on 26 May 2015 (being 2.5 cents per share), no issue of equity securities or any changes in the equity securities on issue nor any distributions, have affected the market prices referred to in this clause.

21.6 In the opinion of the Directors of Scott Technology, there is no other information, within the knowledge of those Directors, about the market price of Shares that would reasonably be expected to have been material to the making of a decision by the Shareholders to accept or reject the Offer.

22. OTHER INFORMATION

22.1 In the opinion of the Directors of Scott Technology, there is no other information, within the knowledge of those Directors that would reasonably be expected to have been material to the making of a decision by the Shareholders to accept or reject the Offer.

Reliance on information

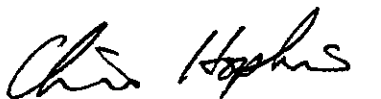
22.2 In preparing this Schedule 2, Scott Technology has relied on the completeness and accuracy of information provided to it by or on behalf of various persons.

23. APPROVAL OF SCOTT TECHNOLOGY STATEMENT

23.1 The information in this Schedule 2 has been unanimously approved by the Scott Technology Board.

24. CERTIFICATE

24.1 To the best of our knowledge and belief, after making proper enquiry, the information contained in or this Schedule 2, Scott Technology's annual report referred to in paragraph 17.1, the Independent Adviser's Report and otherwise accompanying this document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise.



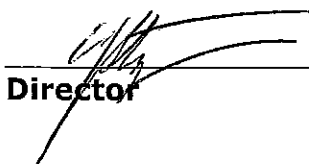
Chief Executive Officer



Chief Financial Officer



Director



Director

PLEASE NOTE***IF YOU CHOOSE TO ACCEPT THE RIGHTS OFFER***

If you have chosen to accept the Rights Offer you cannot accept this Offer in respect of some or all of your Shares.

If Scott Technology receives from you an Acceptance Form and an Entitlement and Acceptance Form under the Rights Offer (in each case on or before the relevant Closing Date), only the Entitlement and Acceptance Form under the Rights Offer will be valid irrespective of whether the Acceptance Form or the Entitlement and Acceptance Form under the Rights Offer was received first.

IF YOU HAVE SOLD ALL YOUR SCOTT TECHNOLOGY LIMITED SHARES

Please send this Offer and all enclosures (including the Acceptance Form) immediately to the new Scott Technology Limited shareholder or the broker through whom you made the sale requesting that they be forwarded to the new Scott Technology Limited shareholder.

IF YOU HAVE SOLD SOME OF YOUR SCOTT TECHNOLOGY LIMITED SHARES

Please alter the total holding on the Acceptance Form to the number of Shares which you have retained and forward the amended Acceptance Form by one of the following methods to Link Market Services Limited:

Email: applications@linkmarketservices.co.nz
(please use "JBS Offer" as the subject of the email)

Facsimile: +64 9 375 5990

Mail: PO Box 91976
Auckland 1142
New Zealand

Deliver Level 7, Zurich House
21 Queen Street
Auckland 1010

Upon receipt of the amended Acceptance Form, JBS will recalculate the amount of cash comprising your consideration to reflect the number of Shares sold by you.

Please also request the broker through whom you made the sale to advise the purchaser or purchasers of your Shares of this Offer and that copies of it are available from the above address, and advise Link Market Services Limited of the number of Shares sold and the broker concerned (if any).

***IF YOU WANT TO ACCEPT THE OFFER FOR ONLY PART OF YOUR SHARES
IN SCOTT TECHNOLOGY LIMITED***

Please alter the total holding on the Acceptance Form to the number of Shares which you wish to sell and forward the amended Acceptance Form by one of the following methods to Link Market Services Limited:

Email: applications@linkmarketservices.co.nz
(please use "JBS Offer" as the subject of the email)

Facsimile: +64 9 375 5990

Mail: PO Box 91976
Auckland 1142
New Zealand

Deliver Level 7, Zurich House
21 Queen Street
Auckland 1010



RIGHTS OFFER DOCUMENT

**1 FOR 8 NON-RENOUNCEABLE RIGHTS OFFER OF NEW ORDINARY SHARES IN SCOTT
TECHNOLOGY LIMITED**

30 October 2015

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INTRODUCTION

This Rights Offer to subscribe for new shares in Scott Technology is one of three parts of the Scheme of Arrangement described in the accompanying Notice of Special Meeting of Shareholders.

Persons outside New Zealand or Australia (or acting for the account or benefit of such persons) including any persons in the United States of America are not eligible to participate in this Rights Offer.

The other two parts as described in the Notice of Special Meeting are:

- an Offer by JBS to purchase your shares in Scott Technology; and
- the issue by Scott Technology of Placement Shares and (if required) Top Up Shares to JBS.

As stated in the explanatory memorandum contained in the Notice of Special Meeting, you cannot accept both this Rights Offer and the JBS Offer.

If you wish to accept this Rights Offer then you need to complete and forward, to Link Market Services Limited **both** the Entitlement and Acceptance Form enclosed with this Rights Offer Document **and**, if you wish to vote in favour of the Scheme of Arrangement, the Proxy / Voting Form enclosed with the Notice of Special Meeting.

If you do not wish to accept this Rights Offer you should still complete and forward, to Link Market Services Limited, the Proxy / Voting Form enclosed with the Notice of Special Meeting, and if you wish to accept the Offer by JBS to purchase some or all of your shares in Scott Technology, then you should complete and forward the Acceptance Form enclosed with the JBS Offer Document.

This Rights Offer Document is an important document. It contains Scott Technology Limited's offer to raise new capital up to a maximum of approximately \$7.9 million through a pro-rata 1 for 8 non-renounceable rights offer of new ordinary shares as part of the Scheme of Arrangement. The Rights Offer detailed in this Offer Document will give all Eligible Shareholders the right to acquire 1 new share for every 8 existing shares they hold on the Rights Offer Record Date (5pm, 28 October 2015), at a price of \$1.39 per share.

General Information

This Offer Document has been prepared by Scott Technology Limited (“**Scott Technology**”) in connection with a pro rata 1 for 8 non-renounceable rights offer of new ordinary shares (“**Rights Issue Shares**”) (the “**Rights Offer**”) as part of the Scheme of Arrangement.

The Rights Offer is made to Eligible Shareholders under the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand).

This Rights Offer Document is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (New Zealand) and does not contain all of the information that an investor would find in a product disclosure statement or which may be required in order to make an informed investment decision or about the Rights Offer or Scott Technology.

Additional Information Available

Scott Technology is subject to continuous disclosure obligations under the Listing Rules. Market releases by Scott Technology including its most recent financial statements, are available at www.nzx.com under stock code SCT. Further information about Scott Technology can be found on its website (<http://scott.co.nz/>) and on the public register of the Companies Office (www.business.govt.nz/companies).

Offering Restrictions

The Rights Offer is open only to Shareholders of Scott Technology as at the Rights Offer Record Date who are resident in New Zealand or Australia and other Shareholders that Scott Technology is satisfied can participate in the Rights Offer in compliance with all applicable laws (“**Eligible Shareholders**”).

By applying for Rights Issue Shares under the Rights Offer you will be deemed to represent that you are a resident of New Zealand or Australia and you are not acting for the account or benefit of any other person. None of Scott Technology nor any of its directors, officers, employees, consultants, agents or advisers accepts any liability or responsibility to determine

whether a person is able to participate in the Rights Offer.

If Scott Technology receives from any Shareholder an acceptance form under the JBS Offer and an Entitlement and Acceptance Form under the Rights Offer (in each case on or before the relevant Closing Date), only the Entitlement and Acceptance Form under the Rights Offer will be valid irrespective of which acceptance form was received first.

No action has been taken to permit a public offering of the Rights Issue Shares in any jurisdiction outside New Zealand or Australia. The distribution of this document in a jurisdiction outside New Zealand or Australia may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restrictions.

No person may subscribe for, purchase, offer, sell, distribute or deliver Rights Issue Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the Rights Issue Shares, in any jurisdiction other than in compliance with all applicable laws and regulations.

No Guarantee

No guarantee is provided by any person in relation to the Rights Issue Shares offered pursuant to the Rights Offer. No warranty is provided with regard to the future performance of Scott Technology or any return on any investments made pursuant to this Offer Document.

Dividend Policy

The Directors’ intentions and expectations as to Scott Technology’s future dividend policy are that dividends may be paid out of profits and/or surplus cash as funds permit. Scott Technology does not guarantee any specific level of dividend or that a dividend will be paid.

The ability of Scott Technology to pay dividends will depend upon a number of factors including economic conditions in New Zealand and elsewhere, the

operational and financial performance of Scott Technology, prevailing government policies and the levels of interest rates or currency markets. Scott Technology can give no promise or guarantee as to the level of any future dividend (or other distribution, if any) payable on its shares or as to the level of imputation credits, if any, attached to any dividends. There are no fixed dates on which dividends (if any) are payable.

Scott Technology has historically paid two dividends per year; an interim in April / May and a final in December. Over the past 17 years the dividend payment ratio has averaged approximately 70% of post tax earnings. In 2014 the interim was 2.5 cents per share and the final 5.5 cents per share. The Rights Issue Shares allotted from this Rights Offer will participate alongside existing Shares for any dividends declared by Scott Technology subsequent to their allotment. Further information about Scott Technology's dividend payments and dividend reinvestment plan is available on Scott Technology's website: <http://scott.co.nz/investor-relations/dividends>

Decision to Participate in the Rights Offer

The information in this Rights Offer Document does not constitute a recommendation to acquire Rights Issue

Shares. It also does not amount to financial product advice. This Rights Offer Document has been prepared without taking into account the particular needs or circumstances of any Shareholder or investor, including their investment objectives, financial and/or tax position.

Privacy

Any personal information provided by Eligible Shareholders on the Entitlement and Acceptance Form will be held by Scott Technology and/or the Registrar at the addresses set out in the Directory. This information will be used for the purposes of administering your investment in Scott Technology. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993 (New Zealand), you have the right to access and correct any personal information held about you.

Enquiries

Enquiries about the Rights Offer can be directed to an NZX Primary Market Participant, an Authorised Financial Adviser ("AFA"), or your solicitor, accountant or other professional adviser. If you have any questions about the number of Rights Issue Shares to which you are entitled, or how to complete the Entitlement and Acceptance Form, please contact the Registrar.

KEY INFORMATION ABOUT THE OFFER

Issuer	Scott Technology Limited
The Rights Offer	A pro-rata non-renounceable rights issue of 1 Rights Issue Share for every 8 Existing Shares held on the Rights Offer Record Date to Eligible Shareholders.
Rights Offer Record Date	28 October 2015
Issue price	\$1.39 per share
Rights Offer Size	Up to a maximum of 5,684,236 shares.
Rights Issue Shares	The Rights Issue Shares are ordinary shares in Scott Technology issued or to be issued under the Rights Offer of the same class as, and ranking equally in all respects with, Scott Technology's Existing Shares on the Rights Offer

	Record Date. The Rights Issue Shares will be quoted on the NZX Main Board immediately following allotment.
Eligible Shareholder	Shareholders with registered addresses in New Zealand or Australia as at the Rights Offer Record Date and other Shareholders that Scott Technology is satisfied can participate in the Rights Offer in compliance with all applicable laws.
Rights	The non-renounceable right to subscribe for Rights Issue Shares at the Issue Price under the Rights Offer. Each Right entitles Eligible Shareholders to subscribe for 1 Rights Issue Share for every 8 Existing Shares held on the Rights Offer Record Date (5:00pm, 28 October 2015).
Acceptance of Rights	<p>Eligible Shareholders will be issued their Rights at no charge. You must pay the Issue Price for each Rights Issue Share subscribed for on delivery of your Entitlement and Acceptance Form to the Share Registrar. Your Entitlement to Rights is set out in the enclosed Letter of Entitlement and Acceptance. Fractional entitlements are rounded down to the nearest whole number.</p> <p>You are not required to subscribe for all of the Rights Issue Shares to which you are entitled under the Rights Offer. You may subscribe for a proportion of such Rights Issue Shares, or not take any action (in which case your Rights will lapse at (5:00pm on the Closing Date). Acceptances of the Rights Offer are irrevocable and you may not withdraw your acceptance during or after the time the Rights Offer is open for acceptance, whether or not there has been any permissible variation of the Rights Offer.</p> <p>If the Registrar receives from any Eligible Shareholder an acceptance form under the JBS Offer and an Entitlement and Acceptance Form under the Rights Offer (in each case on or before the relevant Closing Date), only the Entitlement and Acceptance Form under the Rights Offer will be valid irrespective of which acceptance form was received first.</p> <p>See “Actions to be taken by Eligible Shareholders” later in this Offer Document.</p>
No Oversubscription Facility	There is no oversubscription facility under the Rights Offer.
Scheme of Arrangement	The Rights Offer is one part of the Scheme of Arrangement which also includes the JBS Offer for all the Existing Shares (except the Shares of Shareholders who accept the Rights Offer) and the Placement to JBS. The Rights Offer will only proceed if the conditions to the Scheme of Arrangement are satisfied.
Key conditions of Scheme of Arrangement	<p>The key conditions to the Scheme of Arrangement becoming binding are that:</p> <ul style="list-style-type: none"> • Shareholder’s approve the Scheme of Arrangement at the special meeting by the requisite majority (see below under “<i>Voting Thresholds for the Scheme of Arrangement</i>”); • JBS receiving consent under the Overseas Investment Act 2005 in relation to the Scheme of Arrangement; • the High Court approves the Scheme of Arrangement and orders the implementation of the Scheme of Arrangement; • there not having occurred prior to the final approval of the Scheme of Arrangement by the High Court, any event materially adverse to the business, financial or trading position, assets or liabilities, profitability or

	<p>prospects of the Scott Group, taken as a whole, including any material deterioration in the debt situation of financial forecast of any member of the Scott Group; and</p> <ul style="list-style-type: none"> • the Subscription Agreement not being terminated. The Subscription Agreement can be terminated: <ul style="list-style-type: none"> ○ by agreement of JBS and Scott Technology; ○ by JBS in the case of breach of warranty by Scott Technology; and ○ by JBS if any director of the Scott Technology withdraws or adversely revises their recommendation that Shareholders vote in favour of the Scheme of Arrangement or makes a public statement containing negative or unsupportive remarks regarding the Scheme of Arrangement.
End date	30 April 2016
Voting Thresholds for the Scheme of Arrangement	<p>The voting thresholds under the Companies Act 1993 for approval of the Scheme of Arrangement are:</p> <ul style="list-style-type: none"> • 75% or more of the votes entitled to be cast, and cast, on the resolution by the Shareholders in each interest class; and • a simple majority of all votes entitled to vote on the resolution. <p>These thresholds are in accordance with the Companies Act 1993 and cannot be amended.</p>
Shares currently on issue	Scott Technology (as at the date of this Offer Document) has 45,473,890 shares quoted on the NZX Main Board.
Placement to JBS	<p>The Placement to JBS consists of:</p> <ul style="list-style-type: none"> • the issue of 10,000,000 Shares to JBS at an issue price of \$1.39 per share (Placement Shares); and • the issue of such number of additional Shares at the issue price of \$1.39 per Share as required for JBS to hold 50.1% of all the Shares in Scott Technology (if it would not already do so after the transfer of Shares under the JBS Offer, the issue of the Placement Shares and the Rights Issue Shares).
JBS Offer	The JBS Offer is an offer for all the Existing Shares in Scott Technology (except the Shares of Shareholders who accept the Rights Offer), at a purchase price of \$1.39 per Share in accordance with and subject to the terms and conditions contained in the JBS Offer Document.
Maximum number of Rights Issue Shares being offered	5,684,236 Shares.

Important Dates

Initial orders granted by the High Court	14 October 2015
Rights Offer Record Date	28 October 2015
Rights Offer opens	28 October 2015
Expected date of despatch of Offer Document and Letter of Entitlement and Acceptance	30 October 2015
Rights Offer closes	24 November 2015
JBS Offer closes (unless extended)	24 November 2015
Special Meeting of Shareholders	26 November 2015
Receipt of final Court orders making the Scheme of Arrangement binding – indicative	17 December 2015
Shareholder statements despatched to successful applicants – indicative	24 December 2015
Rights Issue Shares allotted and quoted – indicative	24 December 2015
End Date	30 April 2016

As noted above, some dates are indicative only. Shareholders who wish to accept the Rights are encouraged to submit their acceptance as early as possible.

Terms of the Rights Offer

1. The Rights Offer

The Rights Offer is an offer of Rights Issue Shares in Scott Technology to Eligible Shareholders under a pro-rata non-renounceable rights issue. Under the Rights Offer, Eligible Shareholders are entitled to subscribe for 1 Rights Issue Share for every 8 Existing Shares held on the Rights Offer Record Date. Any fractional Entitlements will be rounded down to the nearest Rights Issue Share.

The Rights Issue Shares are of the same class as, and rank equally with, Scott Technology's existing shares which are quoted on the NZX Main Board. It is a term of the Rights Offer that Scott Technology will take any necessary steps to ensure that the Rights Issue Shares are, immediately after the issue, quoted.

The maximum number of Rights Issue Shares being offered under the Rights Offer is 5,684,236.

2. Conditions

The allotment of Rights Issue Shares is subject to, and conditional upon the conditions set out in clauses 3 and 4 of the JBS Offer Document being satisfied or, if applicable, waived on or before the End Date, even if there are no JBS Offer Accepted Shares (JBS Offer Accepted Shares has the same meaning as in the Notice of Special Meeting). If a condition of the JBS Offer Document is waived, it will be waived in respect of this Rights Offer Document and the Subscription Agreement.

The Condition is a condition subsequent, and acceptance of the Rights Offer by a Shareholder shall constitute a contract between that Shareholder and Scott Technology subject to the Condition. The allotment of Rights Issue Shares will only proceed if the Condition is satisfied and, if not, the contract will be terminated.

3. Issue Price

The Issue Price is \$1.39 per Rights Issue Share. The Issue Price must be paid in full on delivery of a completed Entitlement and Acceptance Form to the Registrar in accordance with the instructions set out in the Entitlement and Acceptance Form. Scott Technology may (in its discretion) accept late acceptances and Acceptance Monies, on or before the Unconditional Date but has no obligation to do so. Scott Technology may accept or reject (at its discretion) any Entitlement and Acceptance Form which it considers is not completed correctly, and may correct any errors or omissions on any Entitlement and Acceptance Form.

Acceptance of the Rights Offer by a Shareholder constitutes a contract between that Shareholder and Scott Technology on the terms and subject to the conditions of this Rights Offer Document. Acceptances of the Rights Offer are irrevocable and you may not withdraw your acceptance during or after the time the Rights Offer is open for acceptance, whether or not there has been any permissible variation of the Rights Offer.

If Scott Technology receives from any Shareholder an acceptance form under the JBS Offer and an Entitlement and Acceptance Form under the Rights Offer (in each case on or before the relevant Closing Date), only the Entitlement and Acceptance Form under the Rights Offer will be valid irrespective of which acceptance form was received first.

If an Eligible Shareholder fails to accept the Rights Offer and pay the associated Acceptance Monies by the Closing Date (5:00pm, 24 November 2015), their Rights will lapse, subject to the right of Scott Technology to accept late acceptances.

Acceptance Monies received will be held in a trust account with the Registrar until the corresponding Rights Issue Shares are allotted or the Acceptance Monies are refunded. Interest earned on the Acceptance Monies will be for the benefit,

and remain the property, of Scott Technology and will be retained by Scott Technology whether or not the issue and allotment of Rights Issue Shares takes place. Any refunds of Acceptance Monies will be made within 5 Business Days of allotment, or, if a decision is made not to proceed with the Rights Offer, within 5 Business Days of the date of that decision.

4. **Eligibility**

The Rights Offer is only open to Eligible Shareholders, being those persons with registered addresses in New Zealand or Australia, who are registered as Shareholders at the Rights Offer Record Date and persons that Scott Technology is satisfied can participate in the Rights Offer in compliance with all applicable laws.

5. **Opening and Closing Dates**

The Rights Offer will open for receipt of acceptances on 28 October 2015 (the “**Opening Date**”). The last day for receipt of the completed Acceptance and Entitlement Form with payment is 5:00pm, 24 November 2015 (the “**Closing Date**”), subject to Scott Technology varying those dates in accordance with the Listing Rules.

6. **No Oversubscription Facility**

There is no oversubscription facility under the Rights Offer.

7. **Allotment and Issue of Rights Issue Shares**

Rights Issue Shares will be allotted and issued 5 Business Days after final orders are received from the High Court in respect of the Scheme of Arrangement unless the High Court determines otherwise (the “**Issue Date**”). The Issue Date will be confirmed by announcement to the market via NZX. Transaction Statements confirming the allotment of your Rights Issue Shares will be issued sent in accordance with the Listing Rules.

8. **Terms and Ranking of Rights Issue Shares**

Rights Issue Shares allotted and issued on the exercise of the Rights Offer will be fully paid and will be the same class as, and rank equally in all respects with, other Shares on issue that are quoted on the NZX Main Board on the Issue Date. They will give the holder the right to one vote on a resolution at a meeting of shareholders (subject to any restrictions in Scott Technology's constitution or the Listing Rules), the right to dividends authorised by the Board and the right to a proportionate share in any distribution of surplus assets of Scott Technology on any liquidation.

9. **Rights**

If you are an Eligible Shareholder, you are not required to subscribe for all of the Rights Issue Shares to which you would be entitled under the Rights Offer. You may subscribe for a proportion of your Rights Issue Shares, or allow your Entitlement to lapse. You have no right to sell your entitlement. See further details in the section “**Actions to be taken by Eligible Shareholders**”.

10. **Stamping Fee**

No stamping fee will be payable in respect of acceptances under the Rights Offer.

11. **NZX Main Board Quotation**

The Rights Issue Shares have been accepted for quotation by NZX and will be quoted upon completion of allotment procedures. The NZX Main Board is operated by NZX and is a licensed market under the Financial Markets Conduct Act 2013.

12. **Amendment**

Scott Technology and JBS reserve the right to amend this Rights Offer Document at any time and from time to time provided that any such amendment must be contained in a written document which is filed with the High Court and, if made following the Special Meeting of Shareholders to consider the Scheme of Arrangement, approved by the High Court and communicated to shareholders in the manner required by the High Court (if so required). Any amendment to the Scheme of Arrangement proposed by

Scott Technology and JBS at any time prior to or at the Special Meeting, with or without any other prior notice or communication, which is accepted by the Shareholders

voting at the Special Meeting, will become part of the Scheme of Arrangement for all purposes.

Actions to be Taken by Eligible Shareholders

Available Actions

If you are an Eligible Shareholder, accompanying this document is an Entitlement and Acceptance Form showing the number of Rights you have to subscribe for Rights Issue Shares under the Rights Offer. You may take one of the following actions in respect of your Rights:

- **accept all** or **part of** your Rights; or
- **do nothing** with **all** or **part** of your Rights.

Important:

- If you do nothing with your Rights before the Closing Date, they will lapse and you will not be able to subscribe for any Rights Issue Shares under the Rights Offer or realise any other value for your Rights.
- You will receive nothing for your unexercised Rights.

Accepting Your Entitlement

Eligible Shareholders who wish to accept all or part of their Rights should return their completed Entitlement and Acceptance Form and deliver it to the Registrar, along with payment of the Issue Price in full by no later than the Closing Date in accordance with the instructions set out in the Entitlement and Acceptance Form.

There is no minimum number of Rights Issue Shares which you must subscribe for under the Rights Offer. If you do not specify the number of Rights Issue Shares for which you wish to apply you will be deemed to have accepted your full entitlement. However, applicants will not be treated as having offered to purchase a greater number of Rights Issue Shares other than the number for which payment is made.

No right to sell Your Entitlement

The Rights are non-renounceable and you have no right to sell them.

Payment instructions

Payment instructions are provided in the Instructions on the Entitlement and Acceptance Form. Payment can only be made by Direct Debit, Cheque or Bank Draft. Please choose only one payment option.

Option 1:

If you choose the direct debit option you must tick the box authorising the Registrar to direct debit the bank account nominated on the Entitlement and Acceptance Form, on the day the Entitlement and Acceptance Form is received by the Registrar, for the amount applied for on the Entitlement and Acceptance Form. The bank account must be with a New Zealand registered bank. You cannot specify a direct debit date and you must ensure that:

- the bank account details supplied are correct;
- the acceptance funds in the bank account for direct debit are available on the day the Registrar receives the Entitlement and Acceptance Form;
- the person(s) giving the direct debit instruction has/have the authority to operate the account solely/jointly; and
- the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

You must sign the Entitlement and Acceptance Form as this is required as authorisation by the banks for the Registrar to process the direct debit. Should your direct debit fail, your Acceptance will be rejected. If requested, a direct debit authority form will be provided to you by the Registrar. Refer to the contact details on the Entitlement and Acceptance Form.

Option 2:

By bank draft in New Zealand dollars or a cheque drawn from a New Zealand registered bank and made out in New Zealand dollars. Cheques must be made payable to "Scott Technology Rights Issue"

crossed "Not Transferable" and must not be post-dated as cheques will be banked on day of receipt. If your cheque is dishonoured Scott Technology will cancel your allotment of Shares and pursue any other remedies available to it at law.

Enquiries

If you have any queries about the number of Rights shown on the Entitlement and Acceptance Form which accompanies this Document, or how to complete the

Entitlement and Acceptance Form, please contact the Registrar at:
Link Market Services Limited
Level 7, Zurich House
21 Queen Street
Auckland 1010
PO Box 91976
Auckland 1142
Telephone: +64 9 375 5998
Fax +64 9 375 5990
Email:
applications@linkmarketservices.co.nz

Glossary

“**Acceptance Monies**” means money received by Scott Technology from Eligible Shareholders who have accepted the Rights Offer in respect of some or all of their Rights.

“**Board**” means the board of directors of Scott Technology.

“**Business Day**” has the meaning given to that term in the Notice of Special Meeting which accompanies this Rights Offer Document.

“**Closing Date**” means 5:00pm, 24 November 2015.

“**Condition**” means the condition set out in clause 2 of the Terms of the Rights Offer.

“**Eligible Shareholders**” means Shareholders of Scott Technology with registered addresses in New Zealand or Australia as at the Rights Offer Record Date and other Shareholders that Scott Technology is satisfied can participate in the Rights Offer in compliance with all applicable laws.

“**End Date**” means 30 April 2016.

“**Entitlement and Acceptance Form**” means the personalised entitlement and acceptance form enclosed with this document for Eligible Shareholders.

“**Entitlement**” means the number of Rights to subscribe for one Rights Issue Share to which Eligible Shareholders are entitled.

“**Existing Shares**” means a fully paid ordinary share in Scott Technology on issue on the Rights Offer Record Date.

“**Issue Price**” means \$1.39 per Rights Issue Share.

“**JBS**” means JBS Australia Pty Ltd or, if nominated by JBS Australia Pty Ltd, one of its associated entities.

“**JBS Offer**” means the offer to purchase Shares made by JBS in the JBS Offer Document.

“**JBS Offer Document**” means the document containing the terms and conditions of the JBS Offer, accompanying this Rights Offer Document.

“**Listing Rules**” means the listing rules of the NZX Main Board, as amended from time to time and for so long as Scott Technology is listed by NZX.

“**NZX**” means the NZX Limited.

“**NZX Main Board**” means the main board equity security market operated by NZX.

“**NZX Primary Market Participant**” means any company, firm, organisation, or corporation designated or approved by as a Primary Market Participant from time to time by NZX.

“**Opening Date**” means 28 October 2015.

“**Placement**” means the issue of Shares to JBS under the Subscription Agreement.

“**Placement Shares**” means the Shares to be issued to JBS under the Subscription Agreement.

“**Registrar**” means Link Market Services Limited.

“Right” means the non-renounceable right of each Eligible Shareholder to subscribe for one Rights Issue Share for every eight Shares held on the Rights Offer Record Date, as described in this Rights Offer Document.

“Rights Issue Share” means an ordinary share in Scott Technology issued or to be issued under the Rights Offer of the same class as, and ranking equally in all respects with, Scott Technology’s quoted Existing Shares at the time of allotment of the Rights Issue Shares.

“Rights Offer” means the offer to subscribe for Rights Issue Shares to Eligible Shareholders as at the Rights Offer Record Date.

“Rights Offer Document” means this document dated 28 October 2015.

“Rights Offer Record Date” means 5:00pm, 28 October 2015.

“Scheme of Arrangement” means the scheme described in the Notice of Special Meeting accompanying this Rights Offer Document comprising the transactions provided for in the JBS Offer Document, the Subscription Agreement and this Rights Offer Document.

“Scott Technology” means Scott Technology Limited (New Zealand Business Number: 9429040320830).

“Scott Group” means Scott Technology and its subsidiaries.

“Share” means one ordinary fully paid share in Scott Technology.

“Shareholder” means a registered holder of Shares.

“Subscription Agreement” means the document containing the terms and conditions of JBS’ subscription for Shares, accompanying this Rights Offer Document.

“Unconditional Date” means the date on which the Conditions are satisfied or, if applicable, waived.

NOTE:

- All references to time are to New Zealand time.
- All references to currency are to New Zealand dollars.
- All references to legislation are references to New Zealand legislation unless stated or defined otherwise.

Directory

Enquiries	Enquiries about this Rights Offer should be directed to an NZX Firm or your financial or legal adviser.
Registered Office	630 Kaikorai Valley Road, Dunedin 9011, New Zealand
Directors	Graham William BATTS Christopher Charles HOPKINS Stuart James MCLAUHLAN Christopher John STAYNES Mark Brendon WALLER
The Share Register	Link Market Services Limited Level 7, Zurich House 21 Queen Street Auckland 1010 New Zealand PO Box 91976 Auckland 1142 New Zealand Telephone: +64 9 375 5998 Fax: +64 9 375 5990 Email: applications@linkmarketservices.co.nz
Solicitors	Galloway Cook Allan Telephone: +64 3 477 7312 Fax: +64 3 477 5564 Email: lawyers@gallowaycookallan.co.nz

Subscription Agreement

Scott Technology Limited (the **Company**)

JBS Australia Pty Ltd (the **Subscriber**)

Subscription Agreement

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Details

Date 20 October 2015

Parties

Name **Scott Technology Limited**
 Short name the **Company**
 Notice Details c/o- Rosie Clark, Gallaway Cook Allan
 Fax 03 477 5564
 Email rosie.clark@gallawaycookallan.co.nz
 Attention Rosie Clark

Name **JBS Australia Pty Ltd**
 Short name the **Subscriber**
 Notice Details c/o- Silvana Schenone, Minter Ellison Rudd Watts
 Fax 64 9 353 9701
 Email silvana.schenone@minterellison.co.nz
 Attention Silvana Schenone

Background

- A The Company and the Subscriber propose to implement a Scheme of Arrangement.
- B The Scheme of Arrangement contemplates that:
- (i) the Subscriber will subscribe for new ordinary shares to be issued by the Company (**Subscription Component**);
 - (ii) the Subscriber will offer to purchase existing shares from the Company's shareholders; and
 - (iii) the Company will undertake the Rights Offer.
- C This Agreement sets out the terms and conditions of the Subscription Component.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

In this Agreement, unless the context otherwise requires:

Acceptance Monies means money received by Scott Technology from Shareholders who have accepted the Rights Offer.

Accepted Shares means, subject to clause 2.1(g), the Ordinary Shares of each of those Shareholders who have accepted the JBS Offer and whose acceptance form under the JBS Offer is received by the Share Registrar on or before the JBS Offer Closing Date together with such Ordinary Shares that are represented by JBS Offer Late Acceptances which the Subscriber elects to accept.

Accepting Shareholders means those Shareholders that accept the JBS Offer by returning their acceptance form under the JBS Offer to the Share Registrar on or before the JBS Offer Closing Date together with those Shareholders who give a JBS Offer Late Acceptance which is accepted by the Subscriber.

Agreement means this agreement including its Schedules.

Business Day means a day that is not a Saturday, Sunday or public holiday in:

- (a) Auckland and Dunedin New Zealand;
- (b) Brisbane, Australia; and
- (c) Greeley, Colorado USA.

Claim means any claim, notice, demand, action, proceeding, litigation, investigation, judgment or award, whether based in contract, tort, statute or otherwise.

Company means Scott Technology Limited.

Company Warranties means the representations and warranties given by the Company to the Subscriber in clause 6 and Schedule 1.

Conditions means the conditions set out in clause 3.1.

End Date means 30 April 2016.

Group means the Company and its Subsidiaries.

Immediately Available Funds means real-time electronic direct bank transfer of cleared and immediately available funds in New Zealand dollars, unless another manner of payment is agreed in writing for the relevant payment or payments by the Company and the Subscriber.

Implementation Date means the date that is 5 Business Days after the Unconditional Date or such other date as the High Court may set.

Initial Court Orders means the orders made by the High Court under section 236(2) of the Companies Act 1993 directing, amongst other things, the Company to convene a Special Meeting of Shareholders to consider the Scheme of Arrangement.

Insolvency Event means:

- (a) an order being made, or a party's shareholders passing a resolution or any steps being taken to pass such a resolution, for a party's liquidation or for a party to be placed under official management or otherwise wound up or dissolved;
- (b) an application being made to a court for an order for a party's liquidation or for a party to be placed under official management or otherwise wound up, liquidated or dissolved (other than any such application which is frivolous or vexatious), or any steps being taken to seek such an order;
- (c) an administrator or statutory manager or similar official being appointed to a party or a material part of its assets;
- (d) either:
 - (i) a party resolving to appoint, or taking steps to appoint, a receiver or analogous person to that party or to any material part of that party's property;
 - (ii) an application being made to a court for an order to appoint a receiver, provisional liquidator, trustee for creditors or analogous person to a party or any material part of a party's property (other than any such application which is frivolous or vexatious); or
 - (iii) an appointment of the kind referred to in sub-paragraph (ii) of this definition being made (whether or not following an application);
- (e) the holder of a security interest taking possession of any material part of a party's property;
- (f) a party suspending payment of its debts (that are not the subject of a bona fide dispute) or becoming unable to pay its debts when they are due; or
- (g) a party taking any step to enable it to enter into a court-sanctioned compromise or arrangement with, or assignment for the benefit of, any of its creditors, unless such event takes place as part of a solvent reconstruction, amalgamation, merger or consolidation, or if it would not have a material adverse effect on the value of a party's equity securities or the ability or capacity of a party to perform this Agreement in accordance with its terms.

JBS Offer means the offer to purchase Ordinary Shares made by the Subscriber to the Shareholders (except those Shareholders that have accepted the Rights Offer) under the Scheme of Arrangement.

JBS Offer Closing Date means the date and time by which the Share Registrar must receive acceptance forms under the JBS Offer from Shareholders, being 24 November 2015 (subject to extension under the JBS Offer Document).

JBS Offer Document means the document containing the terms and conditions of the JBS Offer.

JBS Offer Late Acceptances means any acceptance forms under the JBS Offer received by the Company or the Share Registrar after the JBS Offer Closing Date.

Ordinary Shares means a fully paid ordinary share in the capital of the Company.

Placement Shares means the 10,000,000 new Ordinary Shares to be issued by the Company and subscribed for by the Subscriber.

Rights Issue Shares means the new Ordinary Shares issued or to be issued under the Rights Offer.

Rights Offer means a pro rata 1 for 8 non-renounceable rights offer of new Ordinary Shares under the Scheme of Arrangement.

Rights Offer Closing Date means the date and time by which the Share Registrar must receive acceptance forms under the Rights Offer from eligible Shareholders.

Rights Offer Document means the document containing the terms and conditions of the Rights Offer.

Rights Offer Late Acceptances means any acceptance forms under the Rights Offer together with the full Acceptance Monies payable under that acceptance form received by the Share Registrar after the Rights Offer Closing Date (including where only the Acceptance Monies are received in full after the Rights Offer Closing Date).

Second Court Date means the date on which final orders are made by the High Court making the Scheme of Arrangement binding.

Scheme of Arrangement means the scheme proposed by the Company and JBS incorporating the terms and conditions of this Agreement, the Rights Offer Document and the JBS Offer Document as submitted to the High Court.

Share Registrar means Link Market Services Limited.

Shareholder means those persons entered in the Company's share register as holding Ordinary Shares.

Subscriber means JBS Australia Pty Ltd.

Subscriber Warranty means the representations and warranties given by the Subscriber to the Company in clause 6.

Subscription Price means \$1.39 per Ordinary Share multiplied by the aggregate of the Placement Shares and, if any, the Top Up Shares.

Subscription Shares means the Placement Shares and, if any, the Top Up Shares.

Subsidiary has the meaning given to it in the Companies Act 1993.

Top Up Shares: where the Placement Shares and the Accepted Shares (if any) do not represent at least 50.1% of the total number of Ordinary Shares (calculated as if the Placement Shares and the Rights Issue Shares (if any) were issued), the Top Up Shares will be such number of Ordinary Shares which when taken together with the Placement Shares and Accepted Shares (if any) represent 50.1% of the total number of Ordinary Shares (calculated as if the Placement Shares, the Rights Issue Shares (if any) and Top Up Shares were issued).

Unconditional Date means the date on which the Conditions are satisfied or, if applicable, waived.

1.2 Interpretation

In this Agreement, unless the context otherwise requires, references to:

- (a) one gender includes the other;
- (b) the singular includes the plural and vice versa;
- (c) another grammatical form of a defined word or expression has a corresponding meaning;
- (d) a month or a year are references to a calendar month or calendar year (as the case may be);
- (e) any enactment includes statutes or statutory provisions or orders or regulations made thereunder, and includes:

- (i) that statute, provision, order or regulation as amended, modified re enacted or replaced from time to time (whether before or after the date of this Agreement); and
- (ii) any previous statute, statutory provision, order or regulation amended, modified, re enacted or replaced by that statute, provision, order or regulation;
- (f) a party to this Agreement includes, so far as is consistent with the provisions of this Agreement, that party's executors, administrators, successors and permitted assigns and substitutes;
- (g) unless otherwise defined in this Agreement, a word or expression defined in the Companies Act has the meaning given to it in the Companies Act;
- (h) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time (unless otherwise indicated);
- (i) writing includes a facsimile transmission, an email communication and any means of reproducing words in a tangible and permanently visible form;
- (j) a reference to NZ\$, dollar or \$ are references to New Zealand currency;
- (k) a reference to time is to New Zealand time;
- (l) a clause, paragraph, schedule or annexure is a reference to a clause, paragraph, schedule, or annexure in this Agreement (unless otherwise indicated);
- (m) an agreement includes a contract, deed, licence, undertaking and other document or legally enforceable arrangement (in each case, whether or not in writing, present and future) and includes that document as amended, assigned, novated or substituted from time to time;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this Agreement or any part of it;
- (p) headings are for ease of reference only and shall not affect the interpretation of this Agreement;
- (q) a person includes an individual, body corporate, an association of persons (whether corporate or not), a trust, a partnership, a state, an agency of a state and any other entity (in each case, whether or not having separate legal personality); and
- (r) the meaning of general words is not limited by specific examples introduced by "including", "for example" or similar.

1.3 Next day

If an act under this Agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day.

1.4 Next Business Day

If an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

2. Subscription

2.1 Calculation of Top Up Shares

The procedure for calculating the number of Ordinary Shares that the Top Up Shares represent is as follows:

- (a) The Company will procure that the Share Registrar will calculate the number of new Ordinary Shares that the Top Up Shares represent within 2 Business Days after the JBS Offer Closing Date.
- (b) In completing its calculation the Share Registrar will disregard:
 - (i) any acceptance forms received under the JBS Offer from Accepting Shareholders who have also submitted an acceptance form under the Rights Offer, irrespective of which form was received first; and
 - (ii) any acceptance forms under the Rights Offer in respect of which Acceptance Monies have not been received in full on or before the Rights Offer Closing Date.
- (c) Once calculated the Company will procure the Share Registrar to promptly notify the Subscriber of the number of new Ordinary Shares that the Top Up Shares represent.
- (d) On the Unconditional Date the Company will procure the Share Registrar to advise the Subscriber:
 - (i) if there are any JBS Offer Late Acceptances, excluding any such acceptance forms received from Shareholders who have also submitted an acceptance form under the Rights Offer, irrespective of which form was received first; and
 - (ii) if the Company has elected to accept any Rights Offer Late Acceptances.
- (e) The Subscriber may, by the close of the Business Day following the Unconditional Date and at its sole discretion, elect to accept any or all of the JBS Offer Late Acceptances notified to it by the Share Registrar.
- (f) If the Subscriber and/or the Company respectively elect to accept any or all of the JBS Offer Late Acceptances and Rights Offer Late Acceptances, the Company will procure that within 1 Business Day of the Subscriber's election, the Share Registrar will recalculate the number of new Ordinary Shares that the Top Up Shares represent. The Company will promptly notify the Subscriber of that number.
- (g) If it transpires that on or before the Implementation Date any Accepting Shareholder acted in breach of clause 3.11(a) of the JBS Offer Document (sale, transfer or disposal of Accepted Shares otherwise than through the JBS Offer), then the Accepted Shares in respect of which there has been a breach will be deemed not to have been Accepted Shares for the purposes of calculating the number of Top Up Shares, thereby increasing the number of Top Up Shares as required.

2.2 Subscription

Subject to satisfaction or waiver (as applicable) of the Conditions on or before the End Date, the Subscriber agrees to:

- (a) subscribe for the Subscription Shares; and
- (b) pay to the Company the Subscription Price on the Implementation Date further to clause 4 below.

2.3 Issue of Subscription Shares

On the Implementation Date, but subject to receipt by the Company of the payment by the Subscriber of the Subscription Price under clause 2.2(b), the Company must:

- (a) issue the Subscription Shares to the Subscriber free of all encumbrances or other adverse interests and on the same terms as all other existing Ordinary Shares;
- (b) procure that the name of the Subscriber is entered in the Company's register of Shareholders as the holder of the Subscription Shares;
- (c) notify the New Zealand Companies Office electronically of the issue of the Subscription Shares;
- (d) make an announcement to NZX in relation to the issue of the Subscription Shares in compliance with its obligations under the NZX Listing Rules; and
- (e) deliver to the Subscriber statements from the Share Registrar recording the Subscriber as the registered holder of the Subscription Shares.

2.4 Nominee

The Subscriber may nominate any entity over which it has control (within the meaning of clause 48 of Schedule 1 of the Financial Markets Conduct Act 2013) or which is a wholesale investor (as defined in clause 3(2) of Schedule 1 to the Financial Markets Conduct Act 2013) to be the subscriber of the Subscription Shares pursuant to this Agreement provided that such nomination shall not relieve the Subscriber from its obligations under this Agreement and the wider Scheme of Arrangement (with the intent that the Subscriber shall be fully liable for the due and punctual performance of any nominee).

2.5 Consent as a shareholder

The Subscriber consents for all purposes (including for the purposes of section 50 of the Companies Act 1993) to being a shareholder of the Company and its name being entered in the share register of the Company.

3. Conditions

3.1 Conditions

The obligations of the parties under clause 2 are subject to, and conditional upon, the conditions set out in clauses 3 and 4 of the JBS Offer Document being satisfied or, if applicable, waived on or before the End Date, even if there are no Accepted Shares. If a condition of the JBS Offer Document is waived, it will be waived in respect of this Agreement and the Rights Offer Document.

3.2 Failure to satisfy conditions

If this Agreement is not declared unconditional it will be terminated. For the avoidance of doubt, the Scheme of Arrangement will not become binding if this Agreement is terminated.

On termination of this Agreement under this clause:

- (i) clauses 1, 6 and 9 to 12 continue to apply;
- (ii) accrued rights and remedies of a party are not affected; and
- (iii) subject to (i) and (ii) above, the parties are released from further performing their obligations under this Agreement.

4. Payments

4.1 Payments in Immediately Available Funds

All payments under this Agreement must be made in Immediately Available Funds before 3.00pm New Zealand time on the Implementation Date, unless this Agreement expressly provides otherwise. Payment will be made and will be deemed to have been made only when the recipient has received confirmation from the recipient's bank of the relevant payment to its nominated bank account (which will be a bank account in New Zealand, unless otherwise agreed in writing by the parties).

4.2 Bank account

The recipient of any payment under this Agreement must notify the payer of the bank account into which the payment is to be made not later than two Business Days (or such other period as the parties may agree in writing) prior to the date that payment is to be received.

5. Securities laws acknowledgement

5.1 Acknowledgement

The Subscriber acknowledges that by entering into this Agreement and agreeing to subscribe for the Subscription Shares:

- (a) it is a 'wholesale investor' as that term is defined in clause 3(2) of Schedule 1 to the Financial Markets Conduct Act 2013; and
- (b) it will not subsequently make any Claim or otherwise allege that the offer of the Subscription Shares by the Company to the Subscriber is an offer to which Part 3 of the Financial Markets Conduct Act 2013 applies.

6. Representations and warranties

6.1 Capacity and powers

Each party represents and warrants to the other party that each of the following statements is true and accurate as at the date of this Agreement and again on the Implementation Date:

- (a) if it is a body corporate, it is validly existing under the laws of its place of incorporation or registration;
- (b) it has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
- (c) it has taken all necessary action to authorise its entry into and performance of this Agreement and to carry out the transactions contemplated by this Agreement;
- (d) its obligations under this Agreement are valid, binding and enforceable against it in accordance with their terms; and
- (e) it has entered into this Agreement on the basis of its own independent investigation and assessment and after making its own enquiries in relation to the financial, legal and tax effect of entering into and complying with the terms of this Agreement.

6.2 Company Warranties

The Company represents and warrants to the Subscriber that each of the statements in Schedule 1 is true and accurate as at the date of this Agreement and again on the Implementation Date.

7. Notification

The Company undertakes to notify the Subscriber forthwith on becoming aware of the happening of any event that constitutes or is likely to constitute a breach of any Company Warranty or failure of a Condition.

The Subscriber undertakes to notify, and procure that its associates notify, the Company forthwith on becoming aware of the happening of any event that constitutes or is likely to constitute a breach of any Subscriber Warranty or failure of a Condition.

8. Termination

8.1 Termination rights

This Agreement (other than clauses 1, 6 and 9 to 12, which will survive any termination) may be terminated at any time before the Second Court Date:

- (a) by agreement in writing executed by the parties; or
- (b) by the Subscriber if any director of the Company withdraws or adversely revises their recommendation that Shareholders vote in favour of the Scheme of Arrangement or makes a public statement containing negative or unsupportive remarks regarding the Scheme of Arrangement; or
- (c) by the Subscriber for breach of Company Warranty if:
 - (i) the Subscriber gives the Company notice explaining the Company Warranty it considers has been breached and stating that the Subscriber intends to terminate the Agreement;
 - (ii) the breach of Company Warranty continues to exist for 5 Business Days after the date on which the notice in clause 8.1(c)(i) is given;
 - (iii) in respect of a breach of Company Warranty 2(a) the breach can reasonably be expected to diminish the value of the Group's net assets by at least \$250,000 and with respect to a breach of Company Warranty 2(b) a commitment or agreement that can reasonably be expected to be worth at least \$500,000; and
 - (iv) in respect of a breach of Company Warranties 3 to 8 (inclusive) the breach causes a loss that can reasonably be expected to diminish the value of the Group's net assets by at least \$2,000,000 or the value of its consolidated profit before interest and tax by \$500,000.

8.2 No prejudice to other right of action or remedy

The exercise of any rights under this clause 8 will not prejudice any other right of action or remedy which has accrued or may accrue, including in relation to any breach of this Agreement occurring prior to termination. However, in all other respects, parties are released from further performing their obligations under this Agreement.

8.3 No other right to cancel

Neither party may cancel, terminate or rescind this Agreement (including on the grounds of any breach of any Warranty or misrepresentation which occurs or becomes apparent) except under clauses 3.2 and 8. Sections 7(1) to 7(4) of the Contractual Remedies Act 1979 (NZ) will not apply to this Agreement.

9. Notices

9.1 Service of notices

A notice, demand, consent, approval or communication under this Agreement (**Notice**) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) hand delivered or sent by prepaid post, facsimile or email to the recipient's address for Notices specified in the Parties section of this Agreement, as varied by any Notice given by the recipient to the sender.

9.2 Effective on receipt

A Notice given in accordance with clause 9.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting to an address within the country in which the notice was sent (or on the seventh Business Day after the date of posting if posted to or from a place outside the country from which the notice was sent);
- (c) if sent by facsimile, on the date and time shown on the transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety and in legible form to the facsimile number of the addressee notified for the purposes of this clause but if the delivery, receipt or transmission is on a day which is not a Business Day or is after 5.00 p.m. (addressee's time), it is deemed to have been received at 9.00 a.m. on the next Business Day; or
- (d) if sent by email, on the date and time at which it enters the addressee's information system (as shown in a confirmation of delivery report from the sender's information system, which indicates that email was sent to the email address of the addressee notified for the purposes of this clause), but if the delivery, receipt or transmission is on a day which is not a Business Day or is after 5.00 p.m. (addressee's time), it is deemed to have been received at 9.00 a.m. on the next Business Day.

10. Costs

Whether or not any of the transactions contemplated by this Agreement or the Scheme of Arrangement are completed, each party is (unless otherwise specified in this Agreement) to bear its own legal and accountancy costs and other expenses of and incidental to the preparation, execution and completion of this Agreement.

11. Remedies and Waivers

11.1 Exercise of rights and waivers

- (a) Time is of the essence in respect of all dates and times for compliance by the parties with their obligations under this Agreement.
- (b) No failure to exercise, and no delay in exercising, a right of a party under this Agreement will operate as a waiver of that right, nor will a single or partial exercise or waiver of a right preclude another or further exercise of that right or the exercise of another right. No waiver by a party of its rights under this Agreement is effective unless it is in writing signed by that party.

11.2 Remedies cumulative

The rights of the parties under this Agreement are cumulative and not exclusive of any rights provided by law.

12. Miscellaneous

12.1 Counterparts

This Agreement may be executed in any number of counterparts (including facsimile and PDF copies) all of which, when taken together, will constitute one and the same instrument. A party may enter into this Agreement by executing any counterpart.

12.2 No merger

The obligations, warranties, undertakings, and indemnities undertaken or given pursuant to this Agreement, to the extent not already performed on the Implementation Date, are not to merge on the Implementation Date or on the execution or delivery of any document pursuant to this Agreement, but are to remain enforceable to the fullest extent and notwithstanding any rule of law to the contrary.

12.3 Entire agreement

This Agreement, the Rights Offer Document and the JBS Offer Document constitute the entire agreement between the parties in connection with their subject matter and supersede all previous agreements or understandings between the parties in connection with their subject matter.

12.4 Relationship

Except where this Agreement expressly states otherwise, this Agreement does not create a relationship of employment, trust, agency or partnership between the parties.

12.5 Alterations

The Company and the Subscriber reserve the right to amend this Agreement at any time and from time to time provided that any such amendment must be contained in a written document which is filed with the High Court and, if made following the Special Meeting of Shareholders to consider the Scheme of Arrangement, approved by the High Court and communicated to shareholders in the manner required by the High Court (if so required). Any amendment to the Scheme of Arrangement proposed by the Company and the Subscriber at any time prior to or at the Special Meeting, with or without any other prior notice or communication, which is accepted by the Shareholders voting at the Special Meeting, will become part of the Scheme of Arrangement for all purposes.

12.6 Partial invalidity

The illegality, invalidity or unenforceability of a provision of this Agreement under any law will not affect the legality, validity or enforceability of that provision under another law or the legality, validity or enforceability of another provision.

12.7 Announcements

- (a) Subject to clause 12.7(b), neither party may make or send a public announcement, communication or disclosure concerning any term of this Agreement or the Scheme of Arrangement (including the existence of negotiations or any proposed transaction between parties hereto) unless:
 - (i) it has first obtained the written consent of the other party, which consent is not to be unreasonably withheld or delayed; or

- (ii) it is required to make the announcement or disclosure by law, legal process or the listing rules of any relevant stock exchange.
- (b) The parties will work together to agree the form of the announcement of the Subscription to be made at the time of the announcement by the Company referred to in clause 2.3(d).

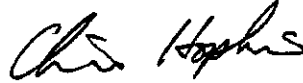
12.8 Governing law

This Agreement is governed by the laws of New Zealand and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New Zealand.

Signing page

EXECUTED as an agreement.

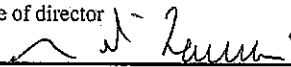
SCOTT TECHNOLOGY LIMITED by:



Signature of director

Chris C. Hopkins

Name of director



Signature of director

Stuart J. McLauchlan

Name of director

JBS AUSTRALIA PTY LTD by:



Signature of director

EDISON ALVARES

Name of director



Signature of director

Brent Eastwood

Name of director

Schedule 1 – Company Warranties

1. Share Capital

- (a) As at the date of this Agreement, the Company's share capital is as set out in the share register of the Company.
- (b) As at the date of this Agreement the Company's capital structure is as set out in Schedule 2.
- (c) There are no options, conversion privileges, calls or other rights, agreements, arrangements, commitments or obligations of the Company or its Subsidiaries in favour of a third party to issue, sell or acquire any Ordinary Shares or the same rights in the Subsidiaries.
- (d) The Subscription Shares, on the Implementation Date will be duly and validly issued with clear legal title free of all encumbrances or other adverse interests.

2. No disposals or material commitments

Since the date of this Agreement, the Group has not:

- (a) disposed of, or entered into any agreements or arrangements to dispose of, any of its material assets other than assets disposed of in the ordinary course of business; or
- (b) entered into any commitment or agreement which is material in the context of the Group taken as a whole which has not been disclosed in writing to the Subscriber.

3. Business

- (a) Since the date of this Agreement, each company in the Group has carried on its business in the ordinary course of business consistent with the past business practices of the Group.
- (b) No company in the Group is in breach of any statutory provision, order, by-law or regulation binding on or applicable to the Group in relation to the business of the Group where such breach would have a material adverse effect on the business of such company or of the Group.
- (c) No company in the Group has any basis to believe or expect that any customer or supplier agreement which is material to the business of the Company and any one of its Subsidiaries may be terminated.

4. No Litigation

None of the Company and any of its Subsidiaries is involved in any investigation, prosecution, litigation, arbitration, proceedings or any other form of mediation or dispute resolution or other legal proceedings (except as plaintiff in normal debt collection proceedings) the result of which could reasonably be expected to have a material adverse effect on the business of such company or the Company and its Subsidiaries and, to the best of the knowledge and belief of the Company's directors, after due inquiry, there are no such proceedings pending or threatened.

5. No Default

Each member of the Group is not in material default under any document, agreement or instrument binding on all or any one of them or their assets nor has anything occurred which is or would with the giving of notice or the lapse of time constitute an event of default, prepayment event or similar event or give another party a termination right or right to accelerate any right or

obligation under any such document (other than as a result of the change of control of the Company under the Scheme of Arrangement).

6. Insolvency

To the best of the knowledge and belief of the Company's directors, after due inquiry, none of the following has occurred and/or is continuing:

- (a) an Insolvency Event occurring with respect to any member of the Group; and
- (b) any member of the Group ceases or threatens to cease to carry on business or suspends or threatens to suspend all or substantially all of its operations.

7. Continuous disclosure

The Company has complied with its continuous disclosure obligations under NZX Listing Rule 10 and, other than in respect of the transactions contemplated by the Scheme of Arrangement, it is not relying on the exceptions in NZX Listing Rule 10.1.1(a) to withhold any material information from public disclosure.

8. Information

- (a) All information relating to the Company disclosed in writing by the Company to the Subscriber is materially accurate and is not materially misleading in its context.
- (b) To the best of the knowledge and belief of the Company's directors, after due inquiry, there are no material circumstances nor any material information relating to the Company that have not been disclosed to the Subscriber which, if disclosed, might reasonably be expected to lead a prospective investor in the Company to reduce materially its assessment of the value of the Subscription Shares.

Schedule 2 – Company structure

1. Wholly owned subsidiaries of the Company: Scott Technology NZ Ltd; HTS-110 Ltd; Scott Automation Ltd; Scott Technology USA Ltd; Scott LED Ltd; Rocklabs Ltd; Scott Systems International Inc; Scott Technology Australia Pty; Applied Sorting Technologies Pty Ltd; and Scott Automation & Robotics Pty Ltd.
2. Joint venture entities:

Joint Venture Entity	Owner (a)		Owner (b)		Owner (c)	
	Owner	Percentage	Owner	Percentage	Owner	Percentage
Robotic Technologies Ltd	Scott Technology Limited	50%	Silver Fern Farms Limited	50%	N/A	N/A
Scott Milktech Ltd	Scott Technology Limited	61%	Milktech Limited	39%	N/A	N/A
Scott Separation Technology Ltd	Scott Technology Limited	50%	R. A. Ward	40%	Wespark Trustees Limited	10%
Robot Vision Lab Ltd	James Preddey	60%	Scott Technology Limited	40%	N/A	N/A
QMT General Partner Ltd	Scott Technology Limited	93.30%	H. H. Pan	6.70%	N/A	N/A
QMT New Zealand Limited Partnership	Scott Technology Limited	92.34%	H. H. Pan	6.66%	QMT General Partner Ltd (NZ)	1%
QMT Machinery Technology (Qingdao) Co., Ltd	QMT New Zealand Limited Partnership	75%	Teknatool International Ltd	25%	N/A	N/A
Scott Systems (Qingdao) Co., Ltd	QMT New Zealand Limited Partnership	100%	N/A	N/A	N/A	N/A
Scott Technology Euro Ltd	Scott Technology Limited	50%	Industrial Process Solution	50%	N/A	N/A
NS Innovations Pty Ltd	Scott Technology Limited	50%	Northern Co-Operative Meat Company Limited	50%	N/A	N/A
Scott Technology S.A.	Scott Technology Limited	50%	STG Holdings Limited	50%	N/A	N/A
Rocklabs Automation Canada Ltd	Scott Technology Limited	50%	STG Holdings Limited	50%	N/A	N/A

