

WSI Holdings Pty Ltd
ACN 159 584 200
Level 7, 460 Collins Street
Melbourne, Victoria 3000
Australia

27 November 2012

New Zealand Wool Services International Limited
30 Sir William Pickering Drive
CHRISTCHURCH
By email: geoff@woolserv.co.nz

NZX Limited
Level 2, NZX Centre, 11 Cable Street
WELLINGTON
By email: announce@nzx.com

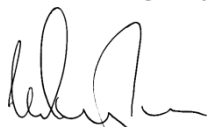
The Takeovers Panel
Level 3, Solnet House
70 The Terrace
WELLINGTON
By courier and by email: takeovers.panel@takeovers.govt.nz

Registrar of Companies
Level 18, ASB Centre
135 Albert Street
AUCKLAND
By hand delivery

Despatch notice pursuant to rule 45 of the Takeovers Code in relation to the full takeover offer in respect of New Zealand Wool Services International Limited

1. We refer to the takeover notice given by WSI Holdings Pty Ltd (ACN 159 584 200) (**WSIH**) to New Zealand Wool Services International Limited (**NZWSI**) on 29 October 2012 in relation to its full takeover offer for all of the ordinary shares in NZWSI (**Offer**).
2. WSIH hereby gives notice pursuant to rule 45 of the Takeovers Code that the document containing the Offer dated 27 November 2012 has today been sent to all NZWSI shareholders being the holders of those equity securities as at the record date of 19 November 2012.
3. **Enclosed** is a copy of the covering letter and Offer document sent to NZWSI shareholders.

Yours faithfully
WSI Holdings Pty Ltd



William Lempriere
Director of WSIH

27 November 2012

Dear NZWSI shareholder

Full Takeover Offer for New Zealand Wool Services International Limited at \$0.45 per share

Offer for your NZWSI Shares

On behalf of WSI Holdings Pty Ltd (**WSIH**), I am pleased to offer you an attractive premium for all of your shares in New Zealand Wool Services International Limited (**NZWSI**). WSIH is offering \$0.45 cash per share for all of the ordinary shares in NZWSI (**NZWSI Shares**).

Benefits of the Offer

I strongly recommend that you accept the Offer for the following reasons:

- The Offer price represents a 21.6% premium to:
 - the closing price of NZWSI Shares of \$0.37 on the NZAX on 18 September 2012, being the last trading day prior to the announcement by WSIH that it intended to make a takeover offer for NZWSI; and
 - the one month volume weighted average price of NZWSI Shares of \$0.37 on the NZAX for the period to 18 September 2012.
- The Offer provides the opportunity to realise a compelling premium for your NZWSI Shares, at a time when there is continued volatility in world markets and notwithstanding that NZWSI recently reported a 66% fall in its annual profit to \$2.2 million.
- The current share price is enjoying “price support” provided by the Offer. It is possible that NZWSI’s share price on the NZAX may fall below current levels after the Offer is completed.
- WSIH has entered into agreements with existing shareholders of NZWSI, including the two majority shareholders and senior management, which ensure that WSIH will receive acceptances for more than 75% of the shares in NZWSI. A 75% shareholding in NZWSI will give WSIH the power to make significant decisions about the NZWSI business.
- Following a competitive sale process for their shares, which commenced in early 2011, NZWSI’s two largest shareholders, Plum Duff Limited (in receivership) and Woolpak Holdings Limited (in receivership), who hold in aggregate 64.3% of the shares in NZWSI, have each entered into an irrevocable agreement to accept the Offer.
- A number of NZWSI’s senior management team have also each entered into an irrevocable agreement to accept the Offer. These agreements demonstrate that the Offer price has strong support from the senior management of NZWSI.

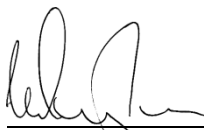
- With more than 75% of NZWSI Shares committed to this Offer, it is extremely unlikely that any competing offers will be made for your NZWSI Shares at this time.
- WSIH has indicated that, if the Offer is successful, it intends to recommend to NZWSI's board that it cease all future dividend payments by NZWSI (although it reserves the right not to do so, or to recommend that such payments be resumed at any time). As a result, if you choose not to accept the Offer, you may not receive any further dividend payments on your NZWSI Shares.
- If the Offer is successful, liquidity in the trading of NZWSI Shares may decline as a result of WSIH owning more than 75% of NZWSI – reducing the number of NZWSI Shares available for trading.

Other information

The Offer is subject to a number of conditions, contained in paragraph 6 of the Offer document. I encourage all NZWSI shareholders to read the offer document carefully before accepting the Offer.

To accept the Offer, please carefully follow the instructions set out in the Acceptance and Transfer Form enclosed with the Offer document. Completed acceptance forms **must be received by 5.00 p.m. New Zealand time on 24 February 2013**. If you require additional assistance, please call Link Market Services Limited on +64 9 375 5998.

Yours sincerely



William Lempriere
Director of WSIH

**FULL OFFER UNDER THE TAKEOVERS CODE BY
WSI HOLDINGS PTY LTD
TO PURCHASE ALL OF THE ORDINARY SHARES IN
NEW ZEALAND WOOL SERVICES INTERNATIONAL LIMITED**

IMPORTANT

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

If you have sold all your shares in New Zealand Wool Services International Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or the agent (e.g. the broker) through whom the sale was made, to be passed to the purchaser.

New Zealand Wool Services International Limited's target company statement, together with an independent adviser's report on the merits of this offer either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

**Full Offer under the Takeovers Code by
WSI Holdings Pty Ltd
to purchase all of the ordinary shares in
New Zealand Wool Services International Limited**

1. Offer

- 1.1 WSI Holdings Pty Ltd (ACN 159 584 200) (**WSIH**) offers to the shareholders of New Zealand Wool Services International Limited (**NZWSI**) to purchase, on the terms and subject to the conditions set out in this offer document, all of the fully paid ordinary shares in NZWSI that WSIH does not already hold (**NZWSI Shares**).
- 1.2 A holder of NZWSI Shares may accept the offer by WSIH set out in paragraph 1.1 (**Offer**) in respect of all or any of their NZWSI Shares.
- 1.3 This Offer is dated 27 November 2012 (**Offer Date**) and remains open for acceptance until 5.00 p.m. (**Closing Time**) on the date that is 90 days from and including the Offer Date (being 24 February 2013), or such later date to which the Offer may be extended by WSIH or the Takeovers Panel in accordance with the Takeovers Code, (the date on which the Offer closes being the **Closing Date**). The period from and including the Offer Date up to the Closing Time on the Closing Date is referred to in this Offer document as the **Offer Period**.
- 1.4 This Offer is made on the terms, and subject to the conditions, set out in this Offer document and on the terms contained in the Takeovers Code (except to the extent that the terms contained in the Takeovers Code are, where permitted by the Takeovers Code, varied by this Offer document).

2. Consideration

- 2.1 You will receive \$0.45 cash for each NZWSI Share in respect of which this Offer is accepted and which is taken up under this Offer.

3. Payment of consideration

- 3.1 The consideration payable to each person in respect of that person's NZWSI Shares that are taken up under this Offer will be paid by cheque (sent by ordinary mail) or an electronic transfer of cleared funds (at the election of such person) not later than seven days after the latest of:
- (a) the date on which this Offer becomes unconditional;
 - (b) the date on which your acceptance is received; and
 - (c) 24 February 2013, being the date that is 90 days from and including the Offer Date.

- 3.2 If the consideration for this Offer is not sent within the period specified in paragraph 3.1 to any person whose NZWSI Shares are taken up under this Offer, such person may withdraw acceptance of this Offer by notice in writing to WSIH, but only:
- (a) after the expiration of seven days' written notice to WSIH of that person's intention to do so; and
 - (b) if that person does not receive the consideration to which that person is entitled during the seven day period referred to in paragraph 3.2(a).

4. Acceptance

- 4.1 To accept this Offer, you must complete the acceptance and transfer form (**Acceptance and Transfer Form**) in accordance with the instructions printed on it, and return it to WSIH as soon as possible, but in any event so as to arrive before the end of the Offer Period, by:

- (a) mailing (in the enclosed prepaid envelope) it to:

WSI Holdings Pty Ltd
c/- Link Market Services Limited
PO Box 91976
Auckland 1142
New Zealand

- (b) delivering it to:

WSI Holdings Pty Ltd
c/- Link Market Services Limited
Level 16, Brookfields House
19 Victoria Street West
Auckland 1010
New Zealand

- (c) faxing it to:

WSI Holdings Pty Ltd
c/- Link Market Services Limited
on: +64 9 375 5990

If you do this, you should post your original Acceptance and Transfer Form to the address in sub-paragraph (a) above (although if you do not your acceptance will still be valid);

or

- (d) emailing it to:

WSI Holdings Pty Ltd
c/- Link Market Services Limited
at: operations@linkmarketservices.com

If you do this, please type “NZWSI Acceptance” in the subject line for easy identification and you should post your original Acceptance and Transfer Form to the address in sub-paragraph (a) above (although if you do not your acceptance will still be valid).

- 4.2 Please note that there is forwarded to you with this Offer document an Acceptance and Transfer Form in respect of NZWSI Shares.
- 4.3 No acknowledgement of the receipt of acceptances will be issued by or on behalf of WSIH.
- 4.4 WSIH may, in its discretion, treat any Acceptance and Transfer Form received as valid whether or not it complies with paragraph 4.1 or is otherwise irregular. WSIH may also, in its discretion, rectify any errors in, or omissions from, any Acceptance and Transfer Form to enable it to constitute a valid acceptance of the Offer and to facilitate registration of the transfer of the NZWSI Shares including inserting or correcting details of the NZWSI Shares recorded on an Acceptance and Transfer Form and filling in any blanks.
- 4.5 Except as provided in paragraphs 3.2 and 4.6 of this Offer document, acceptances are irrevocable and any person who accepts this Offer (**Acceptor**) is not entitled to withdraw that person’s acceptance, whether or not this Offer has been varied by WSIH in accordance with the Takeovers Code.
- 4.6 WSIH and every Acceptor shall be released from their obligations under this Offer, and arising from acceptance of this Offer, if:
- (a) this Offer is withdrawn with the consent of the Takeovers Panel; or
 - (b) this Offer lapses as a result of any condition in section 6 not being satisfied or waived (if capable of waiver) by the latest date for satisfaction or waiver of that condition.
- 4.7 This Offer is open for acceptance by all persons who hold NZWSI Shares whether acquired before or after the Offer Date.
- 4.8 All NZWSI Shares in respect of which this Offer is accepted must be free of all security interests, liens, charges, mortgages, encumbrances and other adverse interests or claims of any kind, when they are transferred to WSIH.
- 4.9 By acceptance of this Offer, each Acceptor will be deemed to:
- (a) authorise WSIH to advise NZWSI and / or its share registrar of the details of that Acceptor’s acceptance and to note in NZWSI’s share register those details;
 - (b) represent and warrant to WSIH that title to that Acceptor’s NZWSI Shares and to all other shares, options and other securities of the nature referred to in paragraphs 8.2, 8.3 and 8.4 of this Offer document, will pass to WSIH free of all security interests, liens, charges, mortgages, encumbrances and other adverse interests or claims of any kind, but together with all rights attaching to them, and that that Acceptor has full power and capacity to sell and transfer all such securities; and
 - (c) authorise WSIH to effect any rectification of any Acceptance and Transfer Form in the manner contemplated in paragraph 4.4.

5. Brokers

- 5.1 During the Offer Period, WSIH may choose to engage the services of one or more Primary Market Participants (in terms of the NZX Participant Rules) or other financial advisory firms (together, **Brokers**) to contact NZWSI shareholders and receive Acceptance and Transfer Forms. If WSIH chooses to do this, the key terms of the engagement will be as follows:
- (a) For each completed and valid Acceptance and Transfer Form procured by a Broker, WSIH will, subject to the terms set out in this paragraph 5, pay that Broker a handling or procurement fee in respect of the NZWSI Shares the subject to that Acceptance and Transfer Form (**Handling Fee**). The amount of the Handling Fee will be 0.75% of the consideration payment by WSIH under the Offer to the relevant Acceptor in respect of the Acceptance and Transfer Form received.
 - (b) The Broker will be paid, and receive, the Handling Fee solely in connection with its services to WSIH and must not, directly or indirectly, pass any or all of the Handling Fee on to any Acceptor, or share the Handling Fee with any Acceptor.
 - (c) The payment of a Handling Fee to a Broker in respect of an Acceptance and Transfer Form procured by that Broker is in all respects conditional on:
 - (i) the Offer being declared unconditional by WSIH;
 - (ii) the NZWSI Shares which are the subject of that Acceptance and Transfer Form being validly transferred to WSIH; and
 - (iii) the Acceptance and Transfer Form being delivered in accordance with paragraph 4.1 and being stamped by the Broker (and only that Broker).
 - (d) The conditions referred to in paragraph 5.1(c) are for the sole benefit of WSIH and, accordingly, each such condition may be waived, in whole or part and in respect of all Acceptance and Transfer Forms procured by Brokers or in respect of any one or more particular Acceptance and Transfer Form(s) only, by WSIH, on such terms as it decides, in its sole discretion.
 - (e) WSIH may, in determining the Handling Fee payable to a Broker, aggregate and / or disregard any acceptance of the Offer procured by that Broker if WSIH believes that a party has structured holdings of NZWSI Shares for the purpose or with the effect of enabling parties to take advantage of the arrangements described in this paragraph 5.1.
 - (f) WSIH will determine, in its sole discretion, any disputes relating to the payment of a Handling Fee. The determination of WSIH will be final and binding on all parties.
 - (g) No Handling Fees are payable in respect of any NZWSI Shares that are held or controlled by a party or parties to, or are otherwise subject to, the pre-bid agreements referred to in paragraphs 12.7 and 12.8.

6. Conditions

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

- 6.1 acceptances being received by WSIH in respect of that number of NZWSI Shares which, when taken together with the NZWSI Shares already held or controlled by WSIH, confer on WSIH more than 50% of the total voting rights in NZWSI;
- 6.2 WSIH receiving in writing all consents required under the Overseas Investment Act 2005 and Overseas Investment Regulations 2005 for the acquisition by WSIH of all the NZWSI Shares in accordance with the Offer, such consents being given on terms which are usual for the granting of such consents;
- 6.3 WSIH receiving, prior to the date on which WSIH may declare this Offer unconditional, a certificate from APEX Environmental Limited (**APEX**), as a consulting engineer appointed by NZWSI, addressed to WSIH and in the form previously agreed between WSIH and APEX, confirming that the Kaputone Wool Scour owned and operated by NZWSI and its subsidiaries has been re-commissioned and is fully operational with all consents and approvals required by law in full force and effect;
- 6.4 WSIH receiving, prior to the date on which WSIH may declare this Offer unconditional, a certificate from APEX, as a consulting engineer appointed by NZWSI, addressed to WSIH and in the form previously agreed between WSIH and APEX, confirming that the wastewater discharge levels from the Kaputone Wool Scour are less than the maximum levels specified in the agreed form of certificate;
- 6.5 during the period from the date on which notice of this Offer was given to NZWSI (that date being 29 October 2012, and being referred to as the **Notice Date**) to and including the latest date on which WSIH may declare this Offer unconditional, unless WSIH consents in writing:
 - (a) no dividends, bonuses or other distributions of any nature being declared, paid or made on, or in respect of, any NZWSI Shares or on or in respect of any shares or other securities in any of NZWSI's subsidiaries other than any dividend or distribution from wholly owned subsidiaries of NZWSI to NZWSI or other wholly owned subsidiaries of NZWSI;
 - (b) none of the NZWSI Shares being subdivided, consolidated or bought back by NZWSI, no further shares, options or other securities of any nature of NZWSI or any of its subsidiaries being issued or made the subject of any option or agreement to issue, and there being no alteration to the rights, privileges or restrictions attaching to the NZWSI Shares;
 - (c) the business of NZWSI and its subsidiaries being carried on in the ordinary course;
 - (d) neither NZWSI nor any of its subsidiaries disposing of, purchasing, transferring, leasing, granting a security interest or other security over, granting an option or legal or equitable interest in respect of, or otherwise dealing with a legal or equitable interest in, any asset, business operation or property or agreeing to do any such thing for, or in respect of, an asset having a value of an amount in excess of \$100,000 (either by a single act or series of related acts) otherwise than in the ordinary course of business;

- (e) neither NZWSI nor any of its subsidiaries entering into any new contract, commitment or agreement, or altering the terms of any existing contract, commitment or agreement, involving an amount, or providing for any payments over its term, in excess of \$100,000 or having a term of more than 1 year, otherwise than in the ordinary course of business;
- (f) neither NZWSI nor any of its subsidiaries entering into, contracting to enter into, or completing a transaction to which Rule 9.1 and/or 9.2 of the NZAX Listing Rules applies (or would apply but for the granting of a waiver or ruling);
- (g) neither NZWSI nor any of its subsidiaries establishing, nor entering into any agreement or arrangement to establish, any new business or operations or facilities, whether in New Zealand or elsewhere;
- (h) neither NZWSI nor any of its subsidiaries changing, or agreeing to change, the remuneration or any other material terms of employment of any director, officer, employee or consultant (except for ordinary wage or salary increases in accordance with its established review policy) or commencing the employment of any person (except where such commencement is for the purposes of filling a vacant position), at a rate of remuneration in excess of \$100,000 per annum;
- (i) no event of default, potential event of default, repayment event, prepayment event or event of review (however described) under any financing agreement to which NZWSI or any of its subsidiaries is subject occurring as a consequence of NZWSI or any of its subsidiaries becoming a subsidiary or under the control of WSIH or any of its subsidiaries;
- (j) there not occurring any material adverse change in the financial position, trading operations or assets of NZWSI or any of its subsidiaries as compared with the position as at the Notice Date, and no event occurring which gives or may give rise to such a material adverse change;
- (k) no building or any other real property owned or used by NZWSI or any of its subsidiaries failing to comply with all applicable laws and regulations;
- (l) there being no alteration to the constitution of NZWSI or any of its subsidiaries (otherwise than as are required to comply with the NZAX Listing Rules);
- (m) no receiver of any property or assets of NZWSI or any of its subsidiaries being appointed and no proceedings for the liquidation of NZWSI or any of its subsidiaries being commenced;
- (n) no proceedings, other than any which have been publicly disclosed by NZWSI prior to the Notice Date, being notified, threatened or commenced against NZWSI or any of its subsidiaries, involving a claim or claims together totalling in excess of \$25,000;
- (o) no resolution being passed for any amalgamation or liquidation of NZWSI or any of its subsidiaries, and none of NZWSI or any of its subsidiaries being involved in any merger, amalgamation, share buyback or scheme of arrangement, or any

- agreement or proposal relating to any merger, amalgamation, share buyback or scheme of arrangement being announced in respect of any of them;
- (p) no board resolution or shareholders' resolution of NZWSI or any of its subsidiaries being passed to do, or to authorise the doing of, any act or matter referred to in this paragraph 6.5;
 - (q) NZWSI not making any profit warning;
 - (r) there being no amendment to any existing, or entry into any new arrangement relating to the capital structure of NZWSI or any of its subsidiaries or any other entity in which NZWSI has an interest; and
 - (s) no shares, notes, options or other securities or interests held, controlled or owned by NZWSI or any of its subsidiaries in any company or other entity, or in any unincorporated body, save for Rural Wool-Link Limited, being subject to forfeiture, transfer or any right of pre-emption in the event of NZWSI or any of its subsidiaries becoming a subsidiary or under the control of any other company.

7. General provisions relating to the conditions

- 7.1 Each of the conditions set out in paragraphs 6.1 to 6.5 is a separate condition, and acceptance of this Offer by each Acceptor shall constitute a contract by that Acceptor with WSIH subject to those conditions. The Offer will only proceed if all the conditions in paragraph 6 are satisfied or waived (if capable of waiver).
- 7.2 The conditions set out in paragraphs 6.2 to 6.5 of this Offer document have been inserted solely for the benefit of WSIH. Each condition set out in paragraphs 6.2 to 6.5 may be waived by WSIH wholly or in part. Pursuant to the Takeovers Code, the condition in paragraph 6.1 cannot be waived.
- 7.3 Where any condition requires a determination before it may be invoked as to whether a matter is material or not, constitutes or involves a material adverse change or not, or is in the ordinary course of business or not, such determination must be made by a suitably qualified expert appointed by WSIH that is not an associate of WSIH, prior to WSIH being able to invoke the condition.
- 7.4 The latest time by which the condition in paragraph 6.1 must have been satisfied is the Closing Time on the Closing Date.
- 7.5 Subject to paragraph 7.4, if the Offer Period is not extended then the latest date on which WSIH can declare this Offer unconditional is 26 March 2013. If the Offer Period is extended by the Takeovers Panel by an order made under section 32(4)(d) of the Takeovers Act 1993, then the latest date WSIH can declare this Offer unconditional is 30 days after the end of the Offer Period (as extended).
- 7.6 WSIH acknowledges that all properly incurred costs of NZWSI associated with obtaining the certificates referred to in paragraphs 6.3 and 6.4 will be offer related expenses for the purposes of Rule 49 of the Takeovers Code.

- 7.7 In reference to the condition set out in paragraph 6.5(s), WSIH understands that NZWSI owns 50% of the issued share capital of Rural Wool-Link Limited (**RWL**). The constitution of RWL provides that if a change of control of NZWSI occurs, the other 50% shareholder of RWL will have the option to take up NZWSI's shares in RWL at fair value in accordance with schedule 1 of the constitution. Those pre-emptive provisions in the constitution of RWL will not trigger the condition in paragraph 6.5(s).

8. Changes in circumstances

- 8.1 If NZWSI declares, pays or makes any dividend or other distribution on, or in respect of, the NZWSI Shares on or after the Notice Date, and WSIH waives the condition in paragraph 6.5(a), then, at the option of WSIH, either:
- (a) Acceptors will be bound to pay to WSIH in respect of each NZWSI Share for which they have accepted this Offer an amount equal to that dividend or other distribution; or
 - (b) the consideration which would otherwise have been paid by WSIH in respect of each NZWSI Share to those Acceptors will be reduced by an amount equivalent to that dividend or other distribution payable to Acceptors in respect of each NZWSI Share.
- 8.2 If NZWSI makes any bonus issue of shares, options, or other securities in respect of NZWSI Shares on or after the Notice Date, and WSIH waives the conditions in paragraphs 6.5(a) and 6.5(b), then, at the option of WSIH, either:
- (a) each Acceptor must transfer to WSIH, without additional consideration, the number of those securities which is attributable to the NZWSI Shares agreed to be transferred to WSIH by the Acceptor; or
 - (b) if the bonus issue is of fully paid ordinary shares in NZWSI, WSIH may extend this Offer to include such of those bonus shares which WSIH does not hold following such issue, in which case the consideration payable for each NZWSI Share as set out in paragraph 2 will be proportionally reduced to take account of such bonus issue, such that the total aggregate consideration payable for all fully paid ordinary shares in NZWSI under this Offer (including those bonus shares), if accepted in full, remains the same as it would have had no such bonus issue taken place.
- 8.3 If NZWSI subdivides or consolidates the NZWSI Shares on or after the Notice Date, and WSIH waives the condition in paragraph 6.5(b), this Offer will be for the securities resulting from such subdivision or consolidation and the consideration for each NZWSI Share will be correspondingly reduced or increased (as the case may be) and Acceptors must transfer the relevant subdivided or consolidated NZWSI Shares to WSIH without any additional consideration.
- 8.4 If NZWSI issues any further fully paid ordinary shares on or after the Notice Date, whether pursuant to any dividend reinvestment plan, share investment scheme or employee share scheme, or otherwise, and WSIH waives the condition in paragraph 6.5(b), and paragraph 8.2 does not apply in respect of such shares, this Offer will be deemed to extend to and include such of those shares which WSIH does not hold following such issue.

9. Single class of securities

- 9.1 No report is required under rule 22 of the Takeovers Code (which, if the offer is for more than one class of securities, requires a report by an independent adviser on the fairness and reasonableness of the consideration and terms of the offer as between different classes of voting securities).

10. Notices

- 10.1 Except where WSIH is required by the Takeovers Code to give or send notice of any matter to the holders of NZWSI Shares, notice by WSIH to NZX and to NZWSI of any matter relating to this Offer will constitute notice of that matter to holders of NZWSI Shares and will be deemed to have been duly given on the day following the date of notification to NZX.
- 10.2 Notice of any variation of the Offer will be sent to each holder of NZWSI Shares, NZWSI, the Takeovers Panel and NZX in accordance with the Takeovers Code unless (and except to the extent that) such notice is not required to be given by the Takeovers Code.

11. General

- 11.1 All cheques, Acceptance and Transfer Forms and other documents to be delivered or sent by or to a holder of NZWSI Shares will be delivered or sent by or to that holder at that holder's own risk.
- 11.2 The provisions set out in any Acceptance and Transfer Form form part of the terms of this Offer.
- 11.3 All references in this Offer document and in any Acceptance and Transfer Form to:
- (a) currency, are to New Zealand currency;
 - (b) time, are to New Zealand time;
 - (c) the singular, include the plural and vice versa, unless the context otherwise requires.
- 11.4 Where the term **Takeovers Code** is used in this Offer document or in an Acceptance and Transfer Form, it means the Takeovers Code recorded in the Takeovers Code Approval Order 2000 as consolidated, amended, re-enacted or replaced from time to time and as varied by any applicable exemption granted by the Takeovers Panel. Where the term **Takeovers Panel** is used in this Offer document or in an Acceptance and Transfer Form, it means the Takeovers Panel established by the Takeovers Act 1993.
- 11.5 Headings are for convenience only and do not affect the interpretation of this Offer document or any Acceptance and Transfer Form.
- 11.6 Any expression that is defined in the Takeovers Act 1993, or in the Takeovers Code, and used (but not defined) in this Offer document or any Acceptance and Transfer Form, has the

same meaning as in the Takeovers Act 1993 or the Takeovers Code, unless the context otherwise requires.

- 11.7 This Offer, and all contracts arising from acceptance of it, will be governed by the laws of New Zealand. WSIH and each Acceptor submits to the non-exclusive jurisdiction of the courts of New Zealand.

12. Additional information

- 12.1 The information required by Schedule One to the Takeovers Code, and not stated elsewhere in this Offer document, is set out below.

WSIH details

- 12.2 The address of WSIH is:

Level 7, 460 Collins Street
Melbourne, Victoria 3000
Australia

- 12.3 The sole director of WSIH is William Dougall Lempriere.

Ownership of equity securities of NZWSI

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

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

Name	Description	Number of equity securities held or controlled	Type of equity securities	Percentage ^(a)
Plum Duff Limited (in receivership)	Person holding or controlling 5% or more of NZWSI Shares / Person acting jointly or in concert with WSIH	30,592,451	Ordinary shares	44.345%
Woolpak Holdings Limited (in receivership)	Person holding or controlling 5% or more of NZWSI Shares / Person acting jointly or in concert with WSIH	13,795,830	Ordinary shares	19.998%

Name	Description	Number of equity securities held or controlled	Type of equity securities	Percentage ^(a)
Michael Brian Francis Dwyer	Person holding or controlling 5% or more of NZWSI Shares / Person acting jointly or in concert with WSIH	4,282,601	Ordinary shares	6.208%
John William Dawson	Person acting jointly or in concert with WSIH	1,001,545	Ordinary shares	1.452%
Paul Huxley Steel	Person acting jointly or in concert with WSIH	1,000,100	Ordinary shares	1.450%
Ian Andrew Caradus, Lesley Maude Caradus and Donald William Irvine	Person acting jointly or in concert with WSIH	500,100	Ordinary shares	0.725%
Geoffrey William Deakins	Person acting jointly or in concert with WSIH	450,100	Ordinary shares	0.652%
Yuhui Chen	Person acting jointly or in concert with WSIH	181,770	Ordinary shares	0.263%

Note:

(a) The percentage numbers are rounded to three decimal places.

- 12.5 Except as stated in the above table, no person referred to in paragraphs 12.4(a) to 12.4(d) above holds or controls equity securities of NZWSI.

Trading in NZWSI equity securities

- 12.6 No person referred to in paragraphs 12.4(a) to 12.4(d) above has, during the 6-month period before the date of the Offer, acquired or disposed of any equity securities of NZWSI.

Agreements to accept Offer

- 12.7 On 19 September 2012 each of the following persons (each a **Pre-bid Counterparty**) entered into a pre-bid agreement to accept this Offer in respect of their respective entire holdings of NZWSI Shares:

- (a) Plum Duff Limited (in receivership), which, as at the Notice Date, holds 30,592,451 NZWSI Shares (which constitutes 44.345% of all NZWSI Shares on issue);
- (b) Woolpak Holdings Limited (in receivership), which, as at the Notice Date, holds 13,795,830 NZWSI Shares (which constitutes 19.998% of all NZWSI Shares on issue);
- (c) Michael Brian Francis Dwyer, who, as at the Notice Date, holds 4,282,601 NZWSI Shares (which constitutes 6.208% of all NZWSI Shares on issue);
- (d) John William Dawson, who, as at the Notice Date, holds 1,001,545 NZWSI Shares (which constitutes 1.452% of all NZWSI Shares on issue);

- (e) Paul Huxley Steel, who, as at the Notice Date, holds 1,000,100 NZWSI Shares (which constitutes 1.450% of all NZWSI Shares on issue);
- (f) Ian Andrew Caradus, Lesley Maude Caradus and Donald William Irvine, who, as at the Notice Date, holds 500,100 NZWSI Shares (which constitutes 0.725% of all NZWSI Shares on issue);
- (g) Geoffrey William Deakins, who, as at the Notice Date, holds 450,100 NZWSI Shares (which constitutes 0.652% of all NZWSI Shares on issue); and
- (h) Yuhui Chen, who, as at the Notice Date, holds 181,770 NZWSI Shares (which constitutes 0.263% of all NZWSI Shares on issue).

12.8 The material terms of each pre-bid agreement are as follows:

- (a) WSIH, or its nominee, was obliged to lodge an application for consent from the Overseas Investment Office (**OIO**), as soon as practicable, under the Overseas Investment Act 2005 and Overseas Investment Regulations 2005 to the acquisition of all the NZWSI Shares in accordance with the Offer;
- (b) WSIH, or its nominee, was obliged to send to NZWSI a Takeover Notice relating to this Offer in accordance with Rule 41 of the Takeovers Code as soon as practicable, and in any event within 2 days of the lodgement of the application with the OIO as referred to above;
- (c) WSIH, or its nominee, agreed to make the Offer as soon as reasonably possible, and in any event no later than on the date which is 30 days after the Takeover Notice was sent as referred to above; and
- (d) subject to this Offer being made, the relevant Pre-bid Counterparty irrevocably agreed to accept the Offer, once made, in respect of all NZWSI Shares held by it, no later than 2 business days after the date on which the Offer is received by that Pre-bid Counterparty.

12.9 A copy of each pre-bid agreement referred to in paragraph 12.7 was filed with NZX and NZWSI on 19 September 2012 and may be obtained from those parties.

12.10 Other than as disclosed above, no person has agreed conditionally or unconditionally to accept this Offer as at the date of this Offer.

Arrangements to pay consideration

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

12.12 A statement setting out the rights of each holder of NZWSI Shares under rule 34 of the Takeovers Code is set out in paragraph 3.2 of this Offer document.

Arrangements between WSIH and NZWSI

12.13 As at the Offer Date, no agreement or arrangement (whether legally enforceable or not) has been made or is proposed to be made between WSIH (or any associate of WSIH) and NZWSI or any related company of NZWSI in connection with, in anticipation of, or in response to, this Offer except:

- (a) a confidentiality deed between NZWSI and Lempriere (Australia) Pty Limited (**Lempriere**) (a related company of WSIH) dated 22 May 2012 in which the parties agree to release confidential information to each other and keep that information confidential in the context of Lempriere's interest in purchasing shares in NZWSI;
- (b) an acknowledgement from Lempriere dated 5 June 2012 waiving, for the benefit of NZWSI, the liability of NZWSI or its agents in providing information to Lempriere in response to Lempriere's interest in purchasing shares in NZWSI; and
- (c) WSIH has advised NZWSI of its intention to initiate a strategic review of the NZWSI and its subsidiaries (as referred to in paragraph 12.16).

Arrangements between WSIH, and directors and officers of NZWSI

12.14 As at the Offer Date, other than the agreements referred to in paragraph 12.7, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between WSIH or any associate of WSIH and any of the directors or senior officers of NZWSI (or any related company of NZWSI) in connection with, or in anticipation of, or in response to, this Offer except employment waivers between Lempriere and the following NZWSI employees dated 27 July 2012:

- (a) Michael Brian Francis Dwyer (Managing Director);
- (b) John William Dawson (General Manager);
- (c) Geoffrey William Deakins (Financial Controller); and
- (d) Paul Huxley Steel (Marketing Manager).

Financial assistance

12.15 WSIH has entered into funding arrangements in relation to this Offer. If, as a result of this Offer, WSIH becomes entitled to compulsorily acquire NZWSI Shares, it is intended that those rights will be exercised and WSIH will thereafter procure that NZWSI and each of its wholly-owned subsidiaries jointly and severally guarantee WSIH's obligations under those funding arrangements.

Likelihood of changes in NZWSI

12.16 WSIH intends to initiate a strategic review of NZWSI and its subsidiaries (together, the **NZWSI Group**). Subject to the outcome of that review, WSIH has no present intention to make any material changes to the business of the NZWSI Group, except:

- (a) WSIH will seek appropriate board representation on the NZWSI Group boards, and intends to actively participate in decisions relating to the NZWSI Group;

- (b) WSIH intends to recommend to the NZWSI board that it cease all future dividend payments by NZWSI to its shareholders, but reserves the right not to do so, or to recommend that such payments be resumed at any time;
- (c) WSIH intends to initiate a review of NZWSI's trade finance terms, which may result in changes to the capital structure of NZWSI;
- (d) WSIH intends to utilise the NZWSI Group to complement, and contribute synergies to, the existing businesses of Lempriere and its associated companies (**Lempriere Group**), to apply established business practices of the Lempriere Group to the NZWSI Group, and to introduce proprietary technology, systems and processes to the NZWSI Group.

12.17 WSIH is aware of Cavalier Wool Holdings Limited's interest in the wool scouring assets of NZWSI. WSIH has no intention to dispose of those assets.

12.18 If as a result of this Offer or otherwise, WSIH becomes entitled to compulsorily acquire NZWSI Shares it is intended that those rights will be exercised and NZWSI will apply for de-listing from NZX.

12.19 Although the foregoing represent WSIH's current intentions in relation to the NZWSI business, WSIH reserves the right to take any other action or pursue any other strategy in relation to the NZWSI business depending on the applicable industry and economic environment and any other relevant circumstances applicable post acquisition, including the right to procure the divestment of any or all of the assets of the NZWSI Group at any time.

Pre-emption clauses in NZWSI's constitution

12.20 As at the Offer Date, there are no restrictions contained in the constitution of NZWSI on the right to transfer NZWSI Shares which would have the effect of requiring holders of NZWSI Shares to offer such NZWSI Shares for purchase to members of NZWSI or another person before transferring the securities.

Escalation clauses

12.21 There is no agreement or arrangement (whether legally enforceable or not) to which WSIH or any of its related entities is a party, under which any existing holder of equity securities in NZWSI will or may receive in relation to, or as a consequence of, this Offer, any additional consideration or other benefit over and above the consideration set out in this Offer, or under which any prior holder of equity securities in NZWSI will or may receive any consideration or other benefit as a consequence of this Offer.

Important Note

IF YOU HAVE SOLD ALL YOUR NZWSI SHARES

Please send this Offer and all enclosures (including the relevant Acceptance and Transfer Form) immediately to the new holder of the NZWSI Shares or the broker through whom you made the sale requesting that they be forwarded to the new holder of the NZWSI Shares.

IF YOU HAVE SOLD SOME OF YOUR NZWSI SHARES

Please alter the total holding on the relevant Acceptance and Transfer Form to the number of NZWSI Shares which you have retained and forward the amended form to WSIH in the reply paid envelope supplied.

Upon receipt of the amended form, WSIH will recalculate the amount of your consideration to reflect the number of NZWSI Shares sold by you.

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

To the best of my knowledge and belief, after making proper enquiry, the information contained in or accompanying the Offer document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by WSIH under the Takeovers Code.



William Dougal Lempriere
As the sole director of WSIH



William Dougal Lempriere
As the person fulfilling the role of Chief Executive Officer of WSIH



William Dougal Lempriere
As the person fulfilling the role of Chief Financial Officer of WSIH

WSI Holdings Pty Ltd (ACN 159 584 200)
Level 7, 460 Collins Street
Melbourne, Victoria 3000
Australia

1. NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS ACCEPTANCE AND TRANSFER FORM

1.1 To accept the Offer:

- (a) Insert the date of signing in the space provided. Please ensure that all details on this Acceptance and Transfer Form are correct. Please alter this Acceptance and Transfer Form if required.
- (b) Sign this Acceptance and Transfer Form where marked "Signature(s)". Companies must sign where marked "For A Company" in accordance with the Companies Act 1993 or other applicable law.
- (c) If the NZWSI Shares are registered in the names of joint holders, **all holders must sign** this Acceptance and Transfer Form.

1.2 NZWSI Shares held by Nominees: If your NZWSI Shares are held through a nominee, advise your nominee that you wish to sell all your NZWSI Shares and instruct it to complete, sign and return this Acceptance and Transfer Form to WSIH in accordance with the instructions set out below.

1.3 Method of Payment: You should select a method of payment. If you do not, or if you do not provide sufficient details to enable an electronic transfer to you, you will be paid by cheque. Overseas shareholders should take particular care to provide all information that is required to make an electronic transfer to them. If they do not, payment will be made by cheque to them, and neither WSIH nor Link Market Services Limited has any responsibility to verify any such details. Overseas shareholders who have not provided a New Zealand bank account and that elect to be paid by electronic transfer will need to make their own arrangements with their bank to ensure that their designated account is capable of receiving funds transfer in New Zealand dollars. Your bank may charge you fees in relation to receipt of an electronic transfer.

1.4 Power of Attorney: If this Acceptance and Transfer Form is signed under a power of attorney, the certificate of non-revocation printed on this Acceptance and Transfer Form must be completed by the party holding the Power of Attorney and signing this Acceptance and Transfer Form.

1.5 On Completion: Either mail, deliver, fax or email this Acceptance and Transfer Form as provided for below as soon as possible, but in any event so as to be received by WSIH on or before 5.00 p.m. on the Closing Date.

- (a) **MAIL:** Place the signed Acceptance and Transfer Form in the enclosed prepaid envelope and send by post to the following address:

WSI Holdings Pty Limited
c/- Link Market Services Limited
PO Box 91976
Auckland 1142
New Zealand

- (b) **DELIVER:** Deliver the signed Acceptance and Transfer Form to WSIH, at the following address:

WSI Holdings Pty Limited
c/- Link Market Services Limited
Level 16, Brookfields House
19 Victoria Street West
Auckland, New Zealand

NOTE: *These offices are only open on weekdays during normal business hours.*

- (c) **FAX:** Fax the signed Acceptance and Transfer Form to WSI Holdings Pty Limited c/- Link Market Services Limited, on +64 9 375 5990.

- (d) **EMAIL:** Email the signed Acceptance and Transfer Form to WSIH at:

WSI Holdings Pty Limited
c/- Link Market Services Limited
operations@linkmarketservices.com
(Please type "WSIH Acceptance" in the subject line for easy identification)

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