

ASX/Media Release



Issued: 13 August 2021

Huon Aquaculture Group Limited (ASX: HUU) ("Company", "Huon")

RECOMMENDED TAKEOVER OFFER BY JBS AND MARKET UPDATE

Highlights

- Following further discussions with JBS and to provide Huon shareholders with additional certainty regarding the opportunity to receive the A\$3.85¹ cash per share being offered by JBS, Huon has entered into further arrangements with JBS
- JBS will make a takeover bid in parallel, but not in substitution to the schemes of arrangement announced on 6 August 2021 (the "Schemes"), at A\$3.85 cash per share and subject to a 50.1% minimum acceptance condition, among other customary conditions (the "Offer")
- Following the strategic review process that commenced in February 2021, Huon's Board considers the Scheme and Offer to be in the best interest of Huon shareholders and unanimously recommends that Huon shareholders vote in favour of the Schemes and accept the Offer subject to the qualifications below
- Each Huon Director, including Frances and Peter Bender, intends to vote all the shares held or controlled by them in favour of the Schemes to the extent the shares are entitled to be voted in the Schemes (representing up to approximately 53% of Huon's issued shares) and also intends to accept the Offer, in each case subject to the qualifications below
- The above recommendations and voting and acceptance intentions from each Huon Director are given subject to the absence of a superior proposal and subject to an Independent Expert concluding the Schemes are in the best interests of shareholders and the Bid is fair and reasonable or not fair but reasonable to Target Shareholders (other than associated shareholders)²
- Huon shareholders do not need to take any action at this time
- Huon has been and continues to be uncompromising in its commitment to the highest standards of animal husbandry, biosecurity, environmental management, and sustainable farming practices
- JBS has also confirmed its commitment to ensuring the wellbeing of animals under its care and to upholding and building on Huon's legacy of high standards for superior quality, fish health, welfare and sustainable farming practices under its ownership
- JBS has notified Huon that it intends to provide further detail regarding its application of best practice standards in animal welfare and environmental sustainability for inclusion in the Scheme Booklet

Update on the JBS proposal

On 6 August 2021, Huon Aquaculture Group Limited (ASX: HUU) ("Company", "Huon") announced that it had entered into a Scheme Implementation Deed with a wholly owned subsidiary of JBS S.A. ("JBS") under which

¹ Reduced by the amount of any dividend paid or declared by Huon (disregarding any franking credits).

² The obligation on Mr Peter Bender's private company to accept the Offer in respect of 19.9% of Huon shares under the terms of the pre bid acceptance agreement referred to below and attached to this announcement is not subject to the absence of a superior proposal or to an opinion from the Independent Expert.

it is proposed that JBS will acquire 100% of Huon for a cash consideration of A\$3.85 per share by way of a scheme of arrangement (“**Scheme**”)³.

This agreement was entered into by Huon following completion of a strategic review commenced in February 2021. At the end of this process, the Board of Directors of Huon concluded that the proposal from JBS was in the best interest of Huon shareholders.

Enhancement to the JBS proposal

Following further discussions with JBS, Huon is pleased to advise that it has entered a process agreement with JBS to provide for the making of a recommended takeover bid under Chapter 6 of the Corporations Act under which JBS will make an offer to all Huon shareholders (“**Offer**”). The Offer will be in parallel but not in substitution to the Scheme. The key terms of the Offer will be as follows:

- same offer price as the Schemes of A\$3.85 per share⁴;
- a 50.1% minimum acceptance condition and other conditions largely similar to the Schemes (for a full list of conditions see attached process agreement); and
- the Offer to be available for acceptance for at least 2 weeks after the Scheme Meeting in the event the Schemes are not approved.

In addition, at the request of JBS, the Bender family have entered into a pre bid acceptance agreement over 19.9% of shares on issue as detailed below.

Huon’s Board recommendation and Huon Directors’ intentions

Huon’s Board recommends that Huon shareholders vote in favour of the Schemes as the preferred transaction structure over the Offer. However, the addition of the Offer as a further alternative to the Schemes will allow Huon shareholders additional flexibility to receive the A\$3.85 per share if the Schemes are not approved.

The recommendation to vote in favour of the Schemes is subject to the absence of a superior proposal and subject to the Independent Expert concluding and continuing to conclude that the Schemes are in the best interests of Huon shareholders.

In the absence of a superior proposal and subject to the Independent Expert concluding and continuing to conclude that the Schemes are in the best interests of Huon shareholders and the Offer is fair and reasonable, or not fair but reasonable, the Huon Board unanimously recommends that Huon shareholders vote in favour of the Schemes and accept the Offer.

Subject to those same qualifications, each Huon Director, including Peter and Frances Bender, intends to vote all the shares held or controlled by them in favour of the Scheme to the extent those shares are entitled to be voted in the Scheme (representing up to approximately 53% of Huon’s issued shares).

Each of those Huon Directors also intend to accept the Offer subject to those same qualifications other than the 19.9% of Huon shares required to accept the Offer under the terms of the pre bid acceptance agreement.

³ Shareholders will be asked to approve a Proposed (Structure A) Scheme and (if that Scheme is not approved) an Alternative (Structure B) Scheme.

⁴ Reduced by the amount of any dividend paid or declared by Huon (disregarding any franking credits). If the Scheme price is increased (e.g. under JBS’ matching rights) then the Offer price will increase by the same amount.

A copy of the process agreement is attached to this announcement. It is expected that the terms of the process agreement will be incorporated in an amended and restated scheme implementation agreement concerning the Schemes that was entered on 6 August 2021 in due course.

Pre bid acceptance agreement with Bender family

In addition, JBS requested that Huon's founding and major shareholders, the Bender family, enter a pre bid acceptance agreement (which was entered into by the Bender family private company, Surveyors Investments Pty Ltd) to accept the Offer for A\$3.85 per share as to 19.9% of the shares on issue. That acceptance obligation will arise if the Offer becomes unconditional, other than the 50.1% minimum acceptance condition, and JBS has issued a notice calling for acceptance.

A copy of the pre bid acceptance agreement is attached to this announcement.

Transaction timing

Huon shareholders do not need to take any action at the present time.

The Scheme Booklet will contain further detailed information relating to the proposed transaction, including the Schemes and the Offer. It is still expected to be sent to Huon shareholders in late September 2021. It will also contain an Independent Expert's Report on whether the Schemes are in the best interests of Huon shareholders and whether the Offer is fair and reasonable or not fair but reasonable.

Commitment to the highest standards of animal welfare and environmental sustainability

On 11 August 2021, Tattarang Agrifood Pty Ltd ("**Tattarang**") lodged a substantial holding notice to confirm that it had increased its shareholding in Huon to 18.51% of the shares on issue. Dr Andrew Forrest, speaking on behalf of Tattarang, made various public comments with respect to the reasons for its investment in Huon.

Huon acknowledges the comments by Dr Forrest to explain the reasons for Tattarang's investment in the Company.

Huon has been, over 35 years of operation, and continues to be, uncompromising in its commitment to the highest standards of animal husbandry, biosecurity, environmental management, and sustainable farming practices and has been at the forefront of continuous improvement in relation to environmental sustainability.

JBS has also confirmed to Huon its commitment to ensuring the wellbeing of animals under its care and to upholding and building on Huon's legacy of high standards for superior quality, fish health, welfare and sustainable farming practices under its ownership.

JBS has notified Huon that they will provide further detail regarding their application of best practice standards in animal welfare and environmental sustainability for inclusion in the Scheme Booklet for all shareholders to consider.

Other

Huon also notes that in its announcement concerning the recommended acquisition of Huon by JBS on 6 August 2021, the "highlights" summary and "transaction structures" sections of that announcement referenced a board recommendation concerning the transaction as well as a director voting intention statement. For the avoidance of doubt, Huon wishes to confirm that each of these statements were intended to be qualified by the requirement that there be no superior proposal and that an Independent Expert conclude the transaction is in the best interests of Huon shareholders.

Huon's financial adviser is Grant Samuel and its legal adviser is Ashurst.

This announcement has been authorised by the Huon Board.

ENDS

For further information, contact:

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ashurst

Takeover Alternative Process Agreement

Huon Aquaculture Group Limited

ACN 114 456 781

and

JBS Australia Pty Ltd

ACN 011 062 338

and

Industry Park Pty Ltd

ACN 007 256 215

13 August 2021

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TAKEOVER ALTERNATIVE PROCESS AGREEMENT

BETWEEN:

- (1) **Huon Aquaculture Group Limited** ACN 114 456 781 whose registered office is at Level 13, 188 Collins Street, Hobart TAS 7000 (**Target**); and
- (2) **JBS Australia Pty Ltd** ACN 011 062 338 whose registered office is at 62 McRoyle Street, Wacol, QLD 4076 (**Bidder**); and
- (3) **Industry Park Pty Ltd** ACN 007 256 215 whose registered office is at 62 McRoyle Street, Wacol, QLD 4076 (**Bidder Guarantor**).

RECITALS

- (A) Bidder proposes to make the Bid in parallel but not in substitution of the Schemes and the Target Board proposes to recommend the Bid in the absence of a Superior Proposal.
- (B) The parties have entered into this document to agree on certain matters in relation to the conduct of the Bid.
- (C) The parties agree to amend the Scheme Implementation Deed to reflect the principles set out in this document.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

The definitions clause in clause 1.1 (*Definitions*) and the interpretation clause in clause 1.2 (*Rules for interpreting this document*) of the Scheme Implementation Deed apply to this document as if set out in full in this document.

The following definitions also apply in this document.

Agreed Bid Terms means the terms set out in Schedule 1.

Bid means an off-market takeover bid by Bidder or its nominee for all Target Shares in accordance with Chapter 6 of the Corporations Act.

Conditions mean the conditions set out in section 2 of Schedule 1.

Offer means each offer to acquire Target Shares to be made by Bidder to Target Shareholders in connection with the Bid.

Scheme Implementation Deed means the scheme implementation deed between Target, Bidder and Bidder Guarantor dated 6 August 2021.

Transaction means the Schemes and the Bid.

Transaction Documents means the Scheme Implementation Deed and Confidentiality Deed.

2. THE BID

2.1 Making the Bid

- (a) Bidder agrees that Bidder or its nominee must make the Bid.

- (b) The parties acknowledge and agree the Bid will be conducted in parallel, and not in substitution, to the Schemes.
- (c) Bidder may nominate a direct or indirect subsidiary of Bidder Guarantor to perform the obligations of Bidder under the Bid by giving written notice to Target of the Bidder Nominee at least one Business Day before the ASIC Review Draft is submitted to ASIC.

2.2 **Offers**

The parties acknowledge and agree Offers will commence on the dispatch of the Scheme Booklet to Target Shareholders in accordance with the Scheme Implementation Deed unless otherwise agreed between the parties.

2.3 **Variation**

Bidder may vary the Agreed Bid Terms or waive any condition to the Offer (excluding the "FIRB approval" condition) in any manner permitted by the Corporations Act so long as the varied terms are no less favourable to Target Shareholders than the Agreed Bid Terms.

2.4 **ASIC modifications**

- (a) Bidder must use reasonable endeavours to obtain all ASIC modifications to permit the making of the Bid in accordance with the Corporations Act.
- (b) Bidder must make application to ASIC and use reasonable endeavours to seek to obtain an ASIC modification to allow the Excluded Shareholder to accept the Bid by executing a share sale agreement in the same form as the Share Sale Agreement with such changes as are necessary (including, without limitation, clause 4.1(a) and (b) of the Share Sale Agreement) provided that any conditions to such relief imposed by ASIC are not considered unreasonably burdensome by the Bidder.

The provisions of clause 3.8 of the Scheme Implementation Deed apply to the obtaining of those modifications.

2.5 **Scheme Booklet**

The parties acknowledge and agree that provided the Scheme Booklet is dispatched to Target Shareholders no later than 7 weeks from the date of this document, the Scheme Booklet will include the Bidders Statement and Target Statement for the Bid and the Offers (**Combined Booklet**).

If the Combined Booklet is not dispatched to Target Shareholders within 7 weeks after the date of this document then JBS may elect to produce and dispatch a separate Bidders Statement for the Bid and the Offers.

3. **DEAL PROTECTION**

3.1 **Recommendation**

Target must use its best endeavours to procure that the Scheme Booklet and each public statement made by Target in relation to the Transaction and the Bid state that each Target Director:

- (a) considers the Schemes and the Bid, to be in the best interest of Target Shareholders and that the Target Board recommends that Target Shareholders vote in favour of the Schemes and the Share Sale and accept the Offers (**Recommendation**);

- (b) intends to cause any Target Shares in which he or she has a Relevant Interest to be voted in favour of the Schemes (in respect of Structure A Scheme and the Share Sale only, qualified only to the extent those Target Shares are entitled to be voted on the relevant Scheme, the Bid and the Share Sale) (**Voting Intention**);
- (c) intends to accept the Offers (**Bid Recommendation**),
- in each case qualified only by words to the effect of:
- (i) *'in the absence of a Superior Proposal'*;
 - (ii) prior to registration by ASIC of the Scheme Booklet: *'subject to the Independent Expert concluding that the Schemes are in the best interest of Target Shareholders, the Bid is fair and reasonable or not fair but reasonable to Target Shareholders (other than associated shareholders) and, in respect of Structure A Scheme only, the Share Sale is either fair and reasonable or not fair but reasonable to Target Shareholders (other than the Excluded Shareholder)'*; and
 - (iii) from registration by ASIC of the Scheme Booklet (including in any statements related to the Recommendation, Voting Intention and Bid Recommendation in the Scheme Booklet): *'subject to the Independent Expert continuing to conclude that the Schemes are in the best interest of Target Shareholders, the Bid is fair and reasonable or not fair but reasonable to Target Shareholders (other than associated shareholders) and, in respect of Structure A Scheme only, the Share Sale is either fair and reasonable or not fair but reasonable to Target Shareholders (other than the Excluded Shareholder)'*.

This obligation is subject to clause 7.1(b)(ii) of the Scheme Implementation Deed.

3.2 **Termination**

Clause 14 of the Scheme Implementation Deed applies to the Bid in the same way as to the Schemes.

3.3 **Break Fee**

Clause 11 of the Scheme Implementation Deed applies to the Bid in the same way as to the Schemes, subject to the amendments set out in clause 3.1 above. For the avoidance of doubt in no circumstances will Target be required to pay the Break Fee to Bidder more than once.

4. **AMENDMENT TO SCHEME IMPLEMENTATION DEED**

The parties agree to amend and restate the Scheme Implementation Deed to reflect the agreement and principles set out in this document.

5. **NOTICES**

- (a) A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail or email. If it is sent by mail, it is taken to have been received 3 working days after it is posted. If it is sent by email, it is taken to have been received when the addressee actually receives it in full and in legible form.
- (b) A person's address and email address are those set out below, or as the person notifies the sender:

Target

Address: L13, 188 Collins Street, Hobart TAS 7000
Email: pwiese@huonacqua.com.au
Attention: Philip Wiese

with a copy to:

Address: L16, 80 Collins Street Melbourne VIC 3000
Email: john.brewster@ashurst.com
Attention: John Brewster, Partner

Bidder and Bidder Guarantor

Address: 62 McRoyle Street, Wacol, QLD 4076
Email: edison.alvares@jbssa.com.au and jacinta.dale@jbssa.com.au
Attention: Edison Alvares and Jacinta Dale

with a copy to:

Address: MinterEllison
L40, Governor Macquarie Tower, 1 Farrer Place Sydney NSW 2000
Email: michael.scarf@minterellison.com
Attention: Michael Scarf

6. AMENDMENT AND ASSIGNMENT

6.1 Amendment

This document can only be amended or replaced by another document executed by the parties.

6.2 Assignment

A party may only assign, declare a trust over or otherwise deal with its rights under this document with the prior written consent of the other party.

7. GENERAL

7.1 Governing law

- (a) This document is governed by the laws of the State of Victoria.
- (b) Each party submits to the jurisdiction of the courts of Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document.

7.2 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver; and

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and

- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

7.3 Further assurances

Each party must promptly at its own cost do all things (including executing and if necessary delivering all documents) necessary or desirable to give full effect to this agreement.

7.4 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this document.

7.5 Operation of this document

- (a) This document and the Transaction Documents contain the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

7.6 Counterparts

This document may be executed in counterparts.

SCHEDULE 1

Agreed Bid Terms

1. **OFFER PRICE**

Bidder offers to each Target Shareholder \$3.85 per Target Share, less the amount per Target Share of any dividend (including a Permitted Dividend) declared, determined or paid by Target after the date of this document.

If, after the date of this document and prior to the close of the Offer, the Scheme Consideration offered to Target Shareholders under the Schemes is increased (for example, under a Counter Proposal submitted by JBS in accordance with clause 10.2 of the SID) then the Offer Price will be increased by a corresponding amount.

2. **CONDITIONS**

The Offer and any contract resulting from its acceptance, is subject to the Conditions set out below:

(a) **Minimum acceptance condition**

Bidder has a relevant interest in at least 50.1% (by number) of the Target Shares (then on issue).

(b) **FIRB approval**

Bidder has received FIRB approval in respect of the Offer on the same terms as set out in clause 3.3 of the Scheme Implementation Deed.

(c) **(Scheme fails)**

Each of the Scheme is not approved at the Scheme Meeting by the requisite majority of Target Shareholders or following approval of one or more of the Schemes at the

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Scheme Meeting by the requisite majority of Target Shareholders, the Court does not approve any of the Schemes.

(d) **(Target Material Adverse Effect)**

No Target Material Adverse Effect occurring in relation to Target between (and including) the date of announcement of the Offer until the end of the Offer period.

(e) **(Target Prescribed Event)**

No Target Prescribed Event occurring in relation to Target between (and including) the date of announcement of the Offer until the end of the Offer period.

(f) **(No restraints)**

No restraining order, injunction or other order of a Court or Government Agency that would prevent or delay the Offer is in effect at the end of the Offer period.

(g) **(Target representations and warranties)**

Target's representations and warranties provided in the Scheme Implementation Deed are accurate and not misleading at all times between (and including) the date of announcement of the Offer until the end of the Offer period.

(h) **(Regulatory Approvals)** all regulatory approvals of a Governmental Agency (including all ASIC modifications) that are necessary or desirable to implement the Bid or any aspect of it are obtained and those approvals have not been withdrawn or revoked.

(i) **(Conduct of business)**

From the date of this document until the end of the Offer Period, Target has complied with the obligations set out in clause 6.1 and 6.2 of the Scheme Implementation Deed.

(j) **(Performance Rights)**

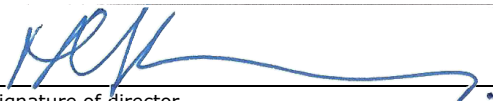
Target has caused all of the unvested Target Performance Rights to vest and, following such vesting caused the relevant number of Target Shares to be issued to each of the relevant former holders of Target Performance Rights in sufficient time to allow the relevant former holders the ability to participate in the Offer in respect of those Target Shares.

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EXECUTED as an **agreement**.

Each person who executes this document on behalf of a party under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so under that power of attorney.

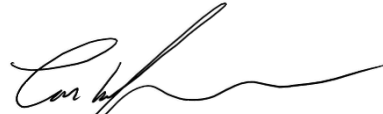
EXECUTED by **HUON AQUACULTURE GROUP LIMITED**:



Signature of director

Neil Kearney

Name




Signature of director/secretary

Tom Haselgrove

Name

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EXECUTED by JBS AUSTRALIA PTY LTD:



Signature of director

JOHN BERRY

Name




Signature of director/secretary

JACINTA DALE

Name

EXECUTED by INDUSTRY PARK PTY LTD:



Signature of director

JOHN BERRY

Name



Signature of director/secretary

JACINTA DALE

Name

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To: **Peter James Bender**
Surveyors Investments Pty Ltd
15A Hancock Street
Southbank VIC 3006

13 August 2021

Dear Mr Bender

Pre-Bid acceptance agreement – Huon Aquaculture Group Limited

1. Consideration and terms of takeover offer

In consideration of the payment of A\$10 by JBS Australia Pty Ltd or its nominated related body corporate (**JBS**) to Surveyors Investments Pty Ltd ACN 602 004 179 (**Vendor**) (receipt of which is acknowledged), Vendor agrees that it will accept a public takeover offer under Chapter 6 of the *Corporations Act 2001* (Cth) (**Act**) (**Offer**) for all of the issued share capital of Huon Aquaculture Group Limited ACN 114 456 781 (**Huon**) by JBS in respect of a total of 21,963,604 fully paid ordinary shares (**Acceptance Shares**), comprising 19.99% of Huon's issued share capital as at the date of this agreement:

- (a) at a price per share (**Offer Price**); and
- (b) subject to conditions,

no less favourable to offerees than the terms set out in the annexure to this agreement (**Annexure**).

2. Variation of terms

JBS may vary the terms and conditions of the Offer, provided that the varied terms and conditions are not less favourable to Huon's shareholders than those set out in the Annexure. JBS also has the right, subject to the Act, to vary or waive any condition in the Offer (excluding the "FIRB Approval" condition), declare the Offer unconditional or extend it at any time.

3. Acceptance arrangements

Vendor must deliver acceptances under the Offer in respect of a number of shares equal to the Acceptance Shares by 5.00pm on the second Business Day after the date on which JBS provides written notice to the Vendor requiring Vendor to accept the Offer in respect of the Acceptance Shares which JBS can only provide if the Offer has become free of all conditions except the minimum acceptance condition in the Annexure. (For the purpose of this agreement, a day is regarded as a business day if it is a day that is not a weekend or a public holiday on which banks are open for general banking in Hobart, Tasmania, Melbourne Victoria, and Brisbane, Queensland, Australia).

Vendor must do everything (including execute any document) that JBS may reasonably require to give full effect to its obligation to accept the Offer in respect of the Acceptance Shares in accordance with the terms of this document.

4. Restriction on dealing in Acceptance Shares

Vendor undertakes that it will not sell, transfer or otherwise dispose of, including through creation of a security interest, by the entry into a swap or other synthetic, economic or derivative transaction, or by the acceptance of any takeover offer made in respect of the Acceptance Shares by any person other than JBS or any of its subsidiaries or nominated related bodies corporate any of the Acceptance Shares, other than pursuant to the Offer, until the termination of this agreement.

Nothing in this agreement affects Vendor's power to dispose of, or control of the exercise of the power to dispose of shares in Huon which are in excess of the number of Acceptance Shares, nor any of the shares in Huon held by Mr Peter Bender personally.

The Vendor will not be in breach of this agreement by reason of any recommendation or other public statement made by Mr Peter Bender in his capacity as a director of Huon, except to the extent that any public statement made would otherwise prevent the Vendor's ability to comply with

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the terms of this agreement, including its obligation to accept the Offer with respect to the Acceptance Shares if required to by JBS in accordance with clause 3.

5. Subsequent sale of Acceptance Shares

JBS undertakes to the Vendor that it will not (and it will procure that its related bodies corporate do not) within 24 months of this agreement without the prior written consent of the Vendor sell, transfer or otherwise dispose of, including through creation of a security interest, by the entry into a swap or other synthetic, economic or derivative transaction, or by the acceptance of any takeover offer made by any person, any of the Acceptance Shares.

6. Warranties

6.1 Vendor represents and warrants to JBS that:

- (a) Vendor is the registered holder and beneficial owner of all of the Acceptance Shares and there are no mortgages, charges, liens, restrictions against transfer, encumbrances or other third party interests over or affecting those Acceptance Shares;
- (b) it has the power and lawful authority to enter into and perform this agreement and this agreement constitutes a legal, valid and binding obligation on Vendor, enforceable in accordance with its terms; and
- (c) no approvals are required to be obtained by virtue of a law, rule or regulation or the rules of any stock exchange applicable to it or its constitution or of any relevant governmental or regulatory authority, in order to permit it to undertake its obligations under this agreement.

7. Announcement

JBS agrees to make a public announcement in respect of this agreement immediately after it has been executed by both parties and exchanged. Subject to JBS' performance of its obligation under the first sentence, Vendor agrees not to make a public announcement in respect of this agreement until after JBS has first released its announcement.

8. Termination

8.1 This agreement will terminate (and Vendor's obligations under it will be released) in the event that:

- (a) the scheme of arrangement between Huon and its shareholders under Part 5.1 of the Act announced by Huon to ASX on 6 August 2021 (and referred to as the "Structure A Scheme"), under which JBS would acquire 100% of the issued capital in Huon (other than shares in Huon held by the Vendor) for a cash price per Huon share of no less than \$3.85 per share (**Structure A Scheme**), becomes effective in accordance with section 411(4)(b) of the Act; or
- (b) the scheme of arrangement between Huon and its shareholders under Part 5.1 of the Act announced by Huon to ASX on 6 August 2021 (and referred to as the "Structure B Scheme"), under which JBS would acquire 100% of the issued capital in Huon for a cash price per Huon share of no less than \$3.85 per share (**Structure B Scheme**), becomes effective in accordance with section 411(4)(b) of the Act; or
- (c) JBS does not issue an announcement of an Offer on terms and conditions no less favourable to offerees than those set out in the Annexure within 5 Business Days after execution and exchange of this agreement; or
- (d) JBS does not dispatch Offers to Huon shareholders within the time period specified by section 631(1) of the Act (as modified by any ASIC modification or relief); or
- (e) the Offer has not become unconditional within six months following the dispatch of the Offers to Huon shareholders unless the parties otherwise agree; or
- (f) 28 February 2022 passes.

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9. Authority

Each person signing this agreement on behalf of a party warrants the authority to do so.

10. Further assurance

Vendor must do all things necessary or desirable to give effect to this agreement.

11. Equitable remedies

The parties acknowledge that monetary damages alone would not be adequate compensation for a breach by Vendor of its obligations under this agreement and that an equitable remedy (such as specific performance or injunctive relief) for that breach or any suspected breach is an appropriate remedy.

12. Severability

A term or part of a term of this agreement that is illegal or unenforceable or which the Takeovers Panel decides constitutes unacceptable circumstances may be severed from this agreement and the remaining terms or parts of the term of this agreement continue in force.

13. Counterparts

This agreement may be executed in counterparts including by electronic mail or facsimile.

14. Governing law

This agreement is governed by the laws of Victoria, and Vendor and JBS irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of Victoria.

15. Acceptance

Please indicate your acceptance of these terms by signing this letter where indicated below.

Yours faithfully


**Executed by Surveyors Investments Pty Ltd
ACN 602 004 179** in accordance with Section 127
of the *Corporations Act 2001*



Signature of director



Name of director (print)



Signature of director/company secretary
(Please delete as applicable)



Name of director/company secretary (print)


Executed by JBS Australia Pty Ltd ACN 011
062 338 in accordance with Section 127 of the
Corporations Act 2001



Signature of director

JOHN BERRY

Name of director (print)



Signature of director/company secretary
(Please delete as applicable)

JACINTA DALE

Name of director/company secretary (print)

For personal use only

Annexure

PRINCIPAL TERMS AND CONDITIONS OF JBS' TAKEOVER OFFER TO ACQUIRE ALL OF THE FULLY PAID ORDINARY SHARES IN HUON

Offer Price: A\$3.85 per Huon Share payable in cash for 100% of Huon Shares, less the amount per Huon Share of any dividend (including a Permitted Dividend) declared, determined or paid by Huon after the date of this agreement.

JBS undertakes to the Vendor that if, after the date of this document and prior to the close of the Offer, the Scheme Consideration offered to Huon shareholders under one or both of the Structure A Scheme and the Structure B Scheme (together, **the Schemes**) is increased (for example, under a Counter Proposal submitted by JBS in accordance with clause 10.2 of the SID) then the Offer Price will be increased by a corresponding amount.

Offer Conditions:

The Offer and any contract resulting from its acceptance, is subject to the Conditions set out below:

1. **(minimum acceptance condition)** JBS has a relevant interest in at least 50.1% (by number) of all Huon Shares (then on issue).
2. **(FIRB approval)** JBS has received FIRB approval in respect of the Offer on the same terms as set out in clause 3.3 of the SID.
3. **(Scheme fails)** each of the Schemes is not approved at the Scheme Meeting by the requisite majority of Huon shareholders or following approval of one or more of the Schemes at the Scheme Meeting by the requisite majority of Huon shareholders, the Court does not approve any of the Schemes.
4. **(Target Material Adverse Effect)** No Target Material Adverse Effect (as defined in the Scheme Implementation Deed between Huon, JBS and Industry Park Pty Ltd dated 6 August 2021 (**SID**)) occurring in relation to Huon between (and including) the date of announcement of the Offer until the end of the Offer period.
5. **(Target Prescribed Event)** No Target Prescribed Event (as defined in the SID) occurring in relation to Huon between (and including) the date of announcement of the Offer until the end of the Offer period.
6. **(No Restraints)** no restraining order, injunction or other order of a Court or Government Agency that would prevent or delay the Offer is in effect at the end of the Offer period.
7. **(Huon representations and warranties)** Huon's representations and warranties provided in the SID are accurate and not misleading at all times between (and including) the date of announcement of the Offer until the end of the Offer period.
8. **(Regulatory Approvals)** all regulatory approvals of a Governmental Agency (including all ASIC modifications) that are necessary or desirable to implement the Bid or any aspect of it are obtained and those approvals have not been withdrawn or revoked.
9. **(Conduct of business)** From the date of this document until the end of the Offer period, Huon has complied with the obligations set out in clause 6.1 and 6.2 of the SID.
10. **(Performance Rights)** Huon has caused all of the unvested Target Performance Rights (as defined in the SID) to vest and, following such vesting caused the relevant number of Huon shares to be issued to each of the relevant former holders of Target Performance Rights in sufficient time to allow the relevant former holders the ability to participate in the Offer in respect of those Huon shares.