

Ashurst Australia
Level 16
80 Collins Street, South Tower
Melbourne VIC 3000
Australia

GPO Box 9938
Melbourne VIC 3001
Australia

Tel +61 3 9679 3000
Fax +61 3 9679 3111
www.ashurst.com

Our ref:
1000-175-839
Partner:
Neil Pathak
+61 3 9679 3359
neil.pathak@ashurst.com
Contact:
Joseph Nguyen
+61 3 9679 3089
joseph.nguyen@ashurst.com

13 September 2023

ONLINE LODGEMENT

Market Announcements Office
Australian Securities Exchange
Level 50, South Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Dear Sir/Madam

Off-market takeover bid by Bennamon Industries Pty Ltd for Pact Group Holdings Limited (ASX: PGH)

We act for Bennamon Industries Pty Ltd (ACN 666 620 677) (**Bennamon Industries**).

In accordance with item 5 of section 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), we enclose a copy of Bennamon Industries' bidder's statement dated 13 September 2023 (**Bidder's Statement**) containing an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all of the ordinary shares in Pact Group Holdings Limited (ACN 145 989 644) (**Pact**).

A copy of the Bidder's Statement has today been lodged with the Australian Securities and Investments Commission and served on Pact.

For the purposes of sections 633(2) and 633(4)(a) of the Corporations Act, Bennamon Industries has set 8.00 am (Melbourne time) on 14 September 2023 as the date for determining persons to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act.

Yours faithfully



Neil Pathak
Partner, Head of M&A (Australia)



Joseph Nguyen
Senior Associate

BIDDER'S STATEMENT

in relation to an off-market unconditional offer by Bennamon Industries Pty Ltd (ACN 666 620 677) a wholly owned subsidiary of Kin Group Pty Ltd (ACN 095 313 714) to purchase all of the shares in Pact Group Holdings Limited (ACN 145 989 644) for:

\$0.68 per Pact Share

ACCEPT THE UNCONDITIONAL OFFER

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about how to deal with this document, you should contact your legal, financial or other professional adviser immediately.

To accept the Offer you must log in to <https://events.miracle.com/BennamonIndustries-Offer/> and follow the instructions or sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address set out on the form before the Offer closes.

The Offer closes at 7.00 pm (Melbourne time) on [●] 2023, unless extended or withdrawn.

Offer Information Line:

1800 237 687 (within Australia) or +61 1800 237 687 (from outside Australia)

FINANCIAL ADVISER



LEGAL ADVISER

Ashurst

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Key dates

Event	Date
Announcement Date	13 September 2023
Date of this Bidder's Statement	13 September 2023
Date of Offer	[●] 2023
Offer closes (unless extended or withdrawn)	7.00 pm (Melbourne time), [●] 2023

Key contacts

Offer Information Line*	Share Registry
1800 237 687 (within Australia) +61 1800 237 687 (from outside Australia) *Calls to these numbers will be recorded	Link Market Services Limited Locked Bag A14 Sydney South, New South Wales, 1235, Australia

IMPORTANT NOTICES

Bidder's Statement

This document is a Bidder's Statement issued by Bennamon Industries Pty Ltd (ACN 666 620 677) (**Bennamon Industries**) under Part 6.5 of the Corporations Act. All of the shares in Bennamon Industries are owned by Bennamon Holdings Pty Ltd (ACN 666 608 975), which is wholly owned by Kin Group Pty Ltd (ACN 095 313 714) (**Kin Group**). This Bidder's Statement is dated 13 September 2023 and includes an offer dated [●] 2023 in section 13 to acquire all ordinary shares in Pact Group Holdings Ltd (ACN 145 989 644) (**Pact**) (**Pact Shares**) (**Offer**). This Bidder's Statement is an important document and you should read it in its entirety.

ASIC

A copy of this Bidder's Statement was lodged with ASIC on 13 September 2023. Neither ASIC nor its officers takes any responsibility for the content of this Bidder's Statement.

Investment decisions

In preparing this Bidder's Statement, Kin Group has not taken into account the individual objectives, financial situation or needs of individual Pact Shareholders. Accordingly, before deciding whether or not to accept the Offer, you may wish to consult with your legal, financial or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which members of Kin Group and Pact operate as well as general economic conditions, prevailing exchange rates, interest rates and conditions in financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of Bennamon Industries, Kin Group or their respective Related Bodies Corporate, any of the officers or employees of any of them or any persons named in this Bidder's Statement with their consent or involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to information on Pact and Pact Group

The information on Pact, Pact's securities and Pact Group contained in this Bidder's Statement has been prepared by Bennamon Industries and Kin Group using publicly available information. The information in this Bidder's Statement concerning Pact and the assets and liabilities, financial position and performance, profits and losses and prospects of Pact, has not been independently verified by Bennamon Industries or Kin Group. Accordingly, subject to the Corporations Act, neither Kin Group nor Bennamon Industries makes any representation or warranty (express or implied) as to the accuracy or completeness of any such information.

Further information relating to Pact's business may be included in the Target's Statement which Pact must provide to Pact Shareholders in response to this Bidder's Statement.

Offers outside Australia — notice to overseas Pact Shareholders

This Bidder's Statement and the Offer has been prepared having regard to Australian disclosure requirements which may be different from those applicable in other jurisdictions. This Bidder's Statement and the Offer do not constitute an offer (whether to buy or sell securities) in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Bidder's Statement may, in some countries outside Australia, be restricted by law or regulation and persons who come into possession of this Bidder's Statement should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify Bennamon Industries outside Australia.

If you are not an Australian resident taxpayer or are liable for tax outside Australia, you should seek specific tax advice in relation to the Australian and overseas tax consequences of accepting the Offer.

Privacy

Bennamon Industries has obtained your information from the Pact Register for the purpose of making this Offer and, if accepted, administering acceptances of the Offer in respect of Your Pact Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis

to Related Bodies Corporate and external service providers of Bennamon Industries and Kin Group, and may be required to be disclosed to regulators such as ASIC.

The registered address of Bennamon Industries is Level 16, 644 Chapel Street South Yarra, Victoria, 3141.

Websites

Pact maintains a website at <https://pactgroup.com/>. Information contained in or otherwise accessible through this website is not part of this Bidder's Statement. All references to this website in this Bidder's Statement are for information purposes only.

Effect of rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

Currencies

In this Bidder's Statement, references to "Australian dollars", "\$", "cents", "¢" or "currency" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Bennamon Industries, Kin Group or Pact in respect of which different exchange rates may have been, or may be, used.

Maps and diagrams

Any diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, maps, graphs and tables is based on public information available at the date of this Bidder's Statement.

Time

All references to time in this Bidder's Statement are to Melbourne time.

Defined terms

Capitalised terms and certain abbreviations used in this Bidder's Statement have the defined meanings in section 14. Section 14 also contains rules of interpretation that apply to this Bidder's Statement.

1. Letter from the Managing Director of Kin Group

13 September 2023

Dear fellow Pact Shareholders

\$0.68 unconditional all-cash Offer

We are pleased to present Pact Shareholders with this unconditional offer (**Offer**) from Bennamon Industries, a wholly owned subsidiary of Kin Group Pty Ltd (**Kin Group**), to acquire all of your shares in Pact Group Holdings Limited (**Pact**) for \$0.68 cash per Pact Share (**Offer Price**).

The Offer provides Pact Shareholders with liquidity and certainty through an unconditional, all-cash offer, allowing Pact Shareholders to avoid any further risk associated with their investment in Pact.

We believe the Offer is compelling as:

- Pact Shareholders who accept the Offer will be paid within one month after they accept the Offer or 21 days after the end of the Offer Period, whichever is earlier;
- Pact's share price has been under a steady decline for over 6 years, with lower earnings, higher leverage, substantial capital expenditure plans and reduced cash flow;
- accepting the Offer will remove the exposure to share price fluctuations with respect to Pact Shares and the risk of the share price falling further after the Offer closes;
- it is highly unlikely that a competing offer will eventuate, given Kin Group has a controlling interest of over 50% in Pact; and
- in the absence of Kin Group's Offer, the future value of Pact Shares is uncertain.

Key reasons to accept the Offer

Pact is a smaller business and faces a challenging operating environment

Pact faces a challenging operating environment with supply chain disruptions, inflationary pressures, fluctuating resin prices, labour constraints and macroeconomic uncertainty. These factors continue to impact Pact's operations and financial performance.

Kin Group is supportive of the sale of 50% of Pact's Crate Pooling Business.¹ However, following the sale, the size of Pact's core business, operating scale and available cashflow will be substantially smaller.

In an environment with increasing interest costs and in light of Pact's financial performance, declining EBITDA and capital expenditure needs, there's a possibility that Pact's near-term

¹ Pact ASX announcement titled "2023 full year results release" released on 16 August 2023. Completion of the sale is expected to occur in calendar year 2023.

For personal use only

priority to reduce debt to 2.5x leverage ratio by 30 June 2024 will not be achieved.² The combination of these factors further increase the uncertainty of future dividends and creates an investment environment where the Pact Share price may fall further after the Offer closes.

The Offer provides Pact Shareholders with certainty of value and liquidity

The Offer Price is at a price above the last closing price of Pact Shares on 12 September 2023 (the day prior to the Announcement Date). Pact's share price has significantly underperformed the S&P / ASX 300 Index by 67.9% since 1 January 2022,³ trading down 73.7%.

The Offer is unconditional, which means it is not subject to any defeating conditions. It provides Pact Shareholders with a straightforward means to sell Pact Shares with certainty of value and liquidity.

Pact is no longer in the S&P / ASX 300 Index, which has substantially reduced institutional investor support and activity on the share register.

After the Offer closes, there is no guarantee that the share price will not continue to fall.

Kin Group intends to delist Pact

Kin Group has every confidence in Pact, its employees, its business and its long-term future, and recognises that Pact, and its people, are a very important part of the Kin Group family.

Kin Group considers the success of Pact is best achieved under private ownership, without the additional costs, market volatility and complexities of being an ASX listed company. Kin Group believes that privatisation, along with additional investment, will allow Pact to achieve its long-term strategy of growth in the circular economy.

As such, Kin Group intends to delist Pact from ASX as soon as it is able to do so (subject to the ASX Listing Rules, legal, tax and other considerations, and the level of acceptances). Should this occur, it may be difficult for Pact Shareholders to sell their Pact Shares in a delisted environment. For further information on the potential for delisting please see sections 10.4(a) and 10.5(a).

Next steps

Details of the Offer, including its terms, are set out in this Bidder's Statement, which you should read in its entirety. The Offer is open for your acceptance until 7.00 pm (Melbourne time) on [●] 2023, unless extended or withdrawn in accordance with the Corporations Act.

To accept the Offer, please log in to <https://events.miracle.com/BennamonIndustries-Offer/> and follow the instructions, or follow the instructions on the accompanying Acceptance Form (see section 2 of this Bidder's Statement).

We encourage you to accept the unconditional, all-cash Offer.

² Pact ASX announcement titled "2023 full year results presentation" released on 16 August 2023.

³ Up to and including 12 September 2023.

If you have any questions about the Offer, please call the Offer Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (from outside Australia) or contact your legal, financial or other professional adviser.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'Nick Perkins', with a horizontal line extending to the right.

Nick Perkins
Managing Director
Kin Group Pty Ltd

2. Key dates and how to accept the Offer

2.1 Key dates

Event	Date
Announcement Date	13 September 2023
Date of this Bidder's Statement	13 September 2023
Date of Offer	[●] 2023
Offer closes (unless extended or withdrawn)	7.00 pm (Melbourne time), [●] 2023

These dates may change as permitted under the Corporations Act. Kin Group will announce any changes to the above timetable to ASX.

2.2 How to accept

If you accept the Offer, you may only do so in respect of all of Your Pact Shares. Acceptances must be received before the Offer closes. You should carefully read the entire Bidder's Statement.

Depending on the nature of your holding, you may accept the Offer in the following ways:

1. Issuer sponsored shareholders (your SRN starts with an "I")	If Your Pact Shares are held on Pact's issuer sponsored subregister, you may accept the Offer online or by signing and returning the enclosed Acceptance Form. • Online: to accept the Offer online, you must log in to https://events.miracle.com/BennamonIndustries-Offer/ using your SRN, follow the instructions, select the 'Accept' option and submit your acceptance of the Offer before the Offer closes; or • Acceptance Form: to accept the Offer using a physical Acceptance Form, sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the instructions on the form and send it to the address set out on the form so it is received before the Offer closes.
2. CHESS shareholders (your HIN starts with an "X")	If Your Pact Shares are in a CHESS Holding you may accept the Offer online, by contacting your Controlling Participant (usually your broker), or by signing and returning the enclosed Acceptance Form. To accept the Offer, you must comply with the ASX Settlement Operating Rules by doing one of the following: • Online: to accept the Offer online, you must log in to https://events.miracle.com/BennamonIndustries-Offer/

Depending on the nature of your holding, you may accept the Offer in the following ways:					
	using your HIN, follow the instructions, select the ‘Accept’ option and submit your acceptance of the Offer before the Offer closes. For your online acceptance to be an effective acceptance of the Offer, it must be received in time for the Share Registry to give instructions to your Controlling Participant and for your Controlling Participant to respond to and accept those instructions before the Offer closes; • Acceptance Form: sign the Acceptance Form enclosed with this Bidder’s Statement in accordance with the instructions on the form and send it to the address set out on the form, so that it is received in sufficient time for your Controlling Participant to effect acceptance before the Offer closes; or • Contact your Controlling Participant: contact your broker and instruct your Controlling Participant (for Pact Shareholders who are not institutions this is normally the stockbroker either through whom you bought Your Pact Shares or through whom you ordinarily acquire or dispose of shares on ASX) to accept the Offer on your behalf, before the Offer closes. Participants If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes. <table> <tr> <th>By post:</th><th>By hand:</th></tr> <tr> <td>Link Market Services Limited Locked Bag A14 Sydney South, New South Wales, 1235, Australia</td><td>Link Market Services Limited Level 12 680 George Street Sydney, New South Wales, 2000, Australia</td></tr> </table>	By post:	By hand:	Link Market Services Limited Locked Bag A14 Sydney South, New South Wales, 1235, Australia	Link Market Services Limited Level 12 680 George Street Sydney, New South Wales, 2000, Australia
By post:	By hand:				
Link Market Services Limited Locked Bag A14 Sydney South, New South Wales, 1235, Australia	Link Market Services Limited Level 12 680 George Street Sydney, New South Wales, 2000, Australia				
Further information on how to accept the Offer	Full details on how to accept the Offer are set out in section 13.6 of this Bidder’s Statement. If you have any further questions on how to accept the Offer, please call the Offer Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (from outside Australia) between 8.30 am and 5.30 pm (Melbourne time) on Business Days. Please note that calls to the above numbers will be recorded.				

3. Summary of the Offer

Set out below is a summary of the Offer. It is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement before deciding whether to accept the Offer.

The Offer	Bennamon Industries is offering to acquire all of Your Pact Shares by way of an off-market takeover bid on the terms set out in this Bidder's Statement.
Opening date	[●] 2023.
Offer Price	\$0.68 in cash for each of Your Pact Shares.
Bidder	Bennamon Industries, a wholly owned subsidiary of Kin Group.
Closing date	7.00 pm (Melbourne time), [●] 2023, unless extended or withdrawn.
Conditions to the Offer	The Offer is unconditional, which means that it is not subject to any defeating conditions.
Expected date of payment to Pact Shareholders who accept the Offer	If you accept the Offer, you will be paid on or before the earlier of: • one month after you accept the Offer; and • 21 days after the end of the Offer Period.

4. Why you should accept the Offer

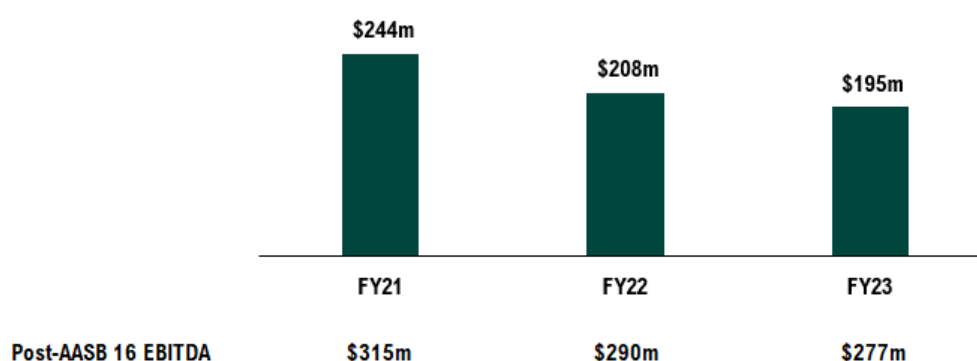
1	Pact faces a challenging environment , with supply chain disruptions, inflationary pressures, fluctuating resin prices, labour constraints and macroeconomic uncertainty	Section 4.1
2	Pact is now a smaller business with a reduced earnings base. Notwithstanding the sale of 50% of Pact's Crate Pooling Business, Pact will likely continue to have high debt in light of its ongoing capital expenditure plan. Accordingly, there is uncertainty about the prospect of future dividends in the short to medium term	Section 4.2
3	Kin Group controls Pact and the prospect of a competing offer eventuating is highly unlikely . Kin Group intends to delist the business as soon as it is able to do so	Section 4.3
4	Pact is no longer in the S&P / ASX 300 Index and has low institutional investor support . Compared to recent trading prices, the share price has declined and may fall further after the Offer closes	Section 4.4
5	Unconditional cash offer provides certainty at a price above the last closing price of Pact Shares (on 12 September 2023, the day prior to the Announcement Date) and an opportunity for minority shareholders to receive liquidity	Section 4.5

4.1 Pact faces a challenging environment

Pact continues to face a challenging environment with supply chain disruptions, inflationary pressures, fluctuating resin prices, labour constraints and macroeconomic uncertainty. Pact's financial results for FY23 highlighted that ongoing inflationary pressures will continue to impact on consumer demand and buying patterns.⁴

Pact's earnings have substantially declined from FY21 to FY23. For instance, Pact's (implied pre-AASB 16) EBITDA has declined by c. \$49 million from \$244 million in FY21 to \$195 million in FY23.⁵ Following the sale of 50% of its Crate Pooling Business, the implied EBITDA, operating scale and available cashflow of Pact's core remaining business will be substantially smaller.

Pact's implied pre-AASB 16 EBITDA from FY21 – FY23⁶ (\$m)



Further, in FY20, Pact set a target of greater than 13.5%⁷ return on invested capital (**ROIC**) which it is yet to achieve. In FY23, Pact reported a ROIC of 9.0%.⁸

Pact's declining EBITDA, among other factors, has in turn seen its share price significantly underperform the S&P / ASX 300 Index by 67.9% since 1 January 2022.⁹ Over the same period, Pact's share price has fallen 73.7%.

⁴ Pact ASX announcement titled "2023 full year results presentation" released on 16 August 2023.

⁵ This decline is also true for EBITDA on a post-AASB 16 basis, with post-AASB 16 EBITDA declining from \$315 million in FY21 to \$277 million in FY23.

⁶ Full year pre-AASB 16 EBITDA is calculated as reported net debt divided by gearing, as presented in Pact's disclosed investor presentation for that period.

⁷ Post-AASB 16 basis.

⁸ Refer to footnote 7.

⁹ Refer to footnote 3.

Pact's share price since 1 January 2022



4.2 Pact is now a smaller business with a reduced earnings base

In recent years, Pact has become a smaller business. Following completion of the sale of 50% of its Crate Pooling Business (expected before the end of calendar year 2023),¹⁰ Pact's core business will be smaller.

Net debt and leverage

At 30 June 2023, Pact had \$586 million of net debt.¹¹ Despite Pact's attempt in recent years to reduce debt and its leverage ratio, Pact's leverage ratio for FY23 remained high at 3.0x,¹² compared to 2.4x in FY21 and 2.7x in FY22.

The underlying business performance, together with high levels of capital investment, has contributed to an overall increase, rather than a decrease, in net debt. The business has a new plan to reset its leverage ratio to below 2.5x by 30 June 2024.¹³ Despite Pact's intention to use the sale proceeds to reduce debt and leverage,¹⁴ Pact may continue to have higher debt in light of its capital expenditure plan and lower cash generation.

¹⁰ Refer to footnote 1.

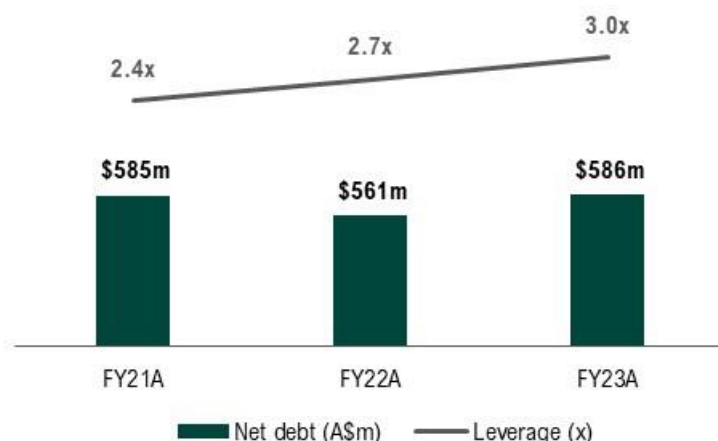
¹¹ As reported by Pact, excluding lease liabilities.

¹² Leverage defined as net debt / EBITDA on a pre-AASB 16 basis. The FY23 net debt and FY23 leverage represented does not include the proceeds to be received from the sale of 50% of Pact's Crate Pooling Business.

¹³ Refer to footnote 2.

¹⁴ Refer to footnote 1.

Net debt and leverage (pre-AASB 16)¹⁵



Free cash flow

Pact reported a \$60.1 million drop in free cash flow to \$9.3 million in FY23, down from \$69.4 million in FY22. The decrease in free cash flow was driven primarily by:

- **Rising interest rates**, resulting in total interest expense on borrowings (excluding lease liabilities) of \$45 million in FY23, up c. \$19 million from FY22.
- **Substantial capital expenditure**, with \$90 million in FY22, \$130 million in FY23, and a forecast to spend a further \$85 million in FY24.
- **Decline in earnings**, with pre-AASB 16 EBITDA decreasing from \$244 million in FY21 to \$195 million in FY23.

In addition, Pact paid no dividends in FY23. Any ongoing increase in net interest cost (particularly in a rising interest rate environment) will further impact future free cash flow, and Pact's ability to reduce debt. There is a risk that Pact may not have sufficient cash flow to pay dividends in the short to medium term.

4.3 Kin Group controls Pact and the prospect of a competing offer is highly unlikely

The prospect of a competing offer eventuating is unlikely

Kin Group and its Associates already hold a controlling interest of over 50% in Pact. Kin Group and its Associates have no intention of selling their shareholding. With their controlling interest, no other party would be able to secure control of Pact. As such, Kin Group believes that it is highly unlikely that any competing bid or control proposal for Pact will eventuate.

¹⁵ Refer to footnote 12.

As of the date of this Bidder's Statement, Kin Group and its Associates are not aware of any competing or control proposals being made to Pact.

Ability to pass and block ordinary resolutions

Kin Group and its Associates' controlling interest does not require additional Pact Shareholder support to pass or block ordinary (50%) resolutions (and has the ability to block special resolutions and, depending on voter turnout, may also have the ability to approve certain special resolutions held at future Pact Shareholder meetings without the need for support from other Pact Shareholders).

Pact Shareholders should consider Kin Group's intentions relating to the Offer as set out in section 10, as Kin Group may be able to carry out many of these intentions whether or not the Offer is accepted. These intentions may not align with current Pact Shareholder investment objectives and investment profile.

Intention to delist Pact

Kin Group intends to have Pact removed from the official list of ASX as soon as it is able to do so (subject to ASX Listing Rules, legal, tax and other considerations, and the level of acceptances). For further information on the potential for delisting, please see sections 10.4(a) and 10.5(a).

Accepting the Offer removes exposure to the risks associated with remaining a minority Pact Shareholder if Pact is delisted (or if there is low trading liquidity in Pact Shares), including, but not limited to:

- significantly lower liquidity in Pact Shares, which may make it difficult for you to sell Your Pact Shares outside the Offer; and
- Kin Group's intentions for Pact may not align with your investment objectives and investment profile (including that Kin Group intends to prioritise increased investment into the business and maintain the suspension of dividends to focus on strategic M&A activities and capital expenditure, which may require pursuing equity capital raisings).

Accepting the Offer removes exposure to these risks and Pact Shareholders will receive a certain cash amount for their shares.

4.4 Pact is no longer in the S&P / ASX 300 Index and has low institutional investor support

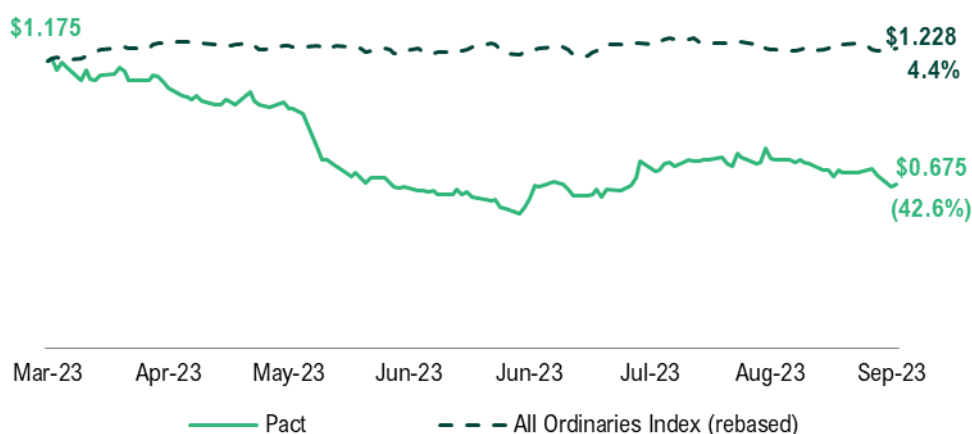
On 17 March 2023, Pact was officially excluded from the S&P / ASX 300 Index and the S&P / ASX Small Ords Index due to its smaller size (by market capitalisation) and low free float. Pact is now ranked lower than 500th of companies listed on ASX by market capitalisation.¹⁶

¹⁶ Based on official ASX company directory data from <https://www.asx.com.au/markets/trade-our-cash-market/directory> as at close of trading on 12 September 2023.

These index exclusions have likely resulted in lower overall institutional investor demand for Pact shares, given some large, institutional investors may not be mandated to own shares in a company outside of the S&P / ASX 300 Index.

From Pact's exclusion from the S&P / ASX 300 Index and the S&P / ASX Small Ords Index on 20 March 2023 until 12 September 2023 (the trading day prior to the Announcement Date),¹⁷ Pact's share price has fallen 42.6% from \$1.175 to \$0.675. There is a risk that Pact's share price may fall below the Offer Price and may continue to fall below recent trading prices.

Pact's share price since falling out of the S&P / ASX 300 Index

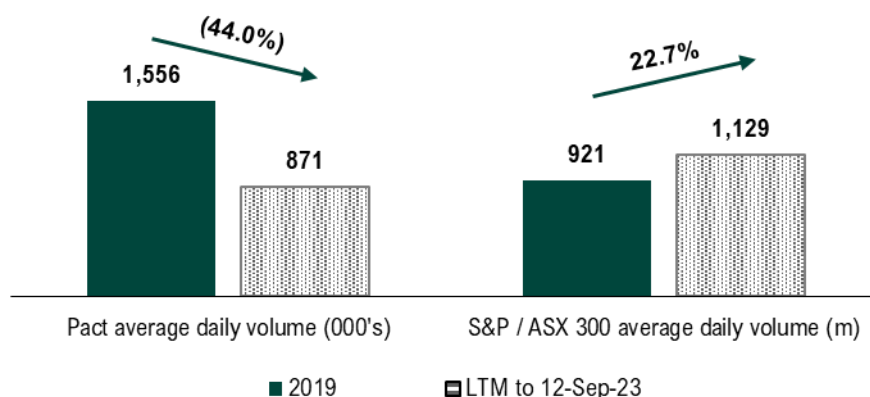


In recent years, Pact's trading liquidity has diminished due to its financial performance, limited free float, declining share price and reduction in research analyst and market attention. In particular, average daily cumulative trading volume has fallen from c. 1,556,000 Pact Shares per day in 2019 to c. 871,000 Pact Shares per day in the last twelve months to 12 September 2023 (the trading day prior to the Announcement Date).¹⁸

¹⁷ Pact was excluded from these indices on 17 March 2023. However, 20 March 2023 represents the first day of trading since Pact's exclusion from these indices. Refer to footnote 3.

¹⁸ Refer to footnote 3.

Average daily liquidity between 2019 and last twelve months to 12 September 2023¹⁹



4.5 Unconditional cash offer providing certainty, a price above the last closing price (on 12 September 2023, the trading day prior to the Announcement Date) and liquidity

Bennamon Industries is offering to acquire Pact Shares for \$0.68 per share in cash, being a price above the last closing price of Pact Shares on the trading day prior to the Announcement Date, providing certainty of an unconditional, all-cash offer regardless of future market conditions. There is no guarantee that the share price will not fall below the Offer Price after the Offer closes.

The Offer also represents a \$0.74 per Pact Share premium to Pact's net tangible assets per Pact Share as at 30 June 2023 of -\$0.06.

¹⁹ Represents daily number of Pact Shares traded.

5. Frequently asked questions

What is the Offer?	Bennamon Industries is offering to acquire all of Your Pact Shares by way of an off-market takeover bid on the terms set out in this Bidder's Statement. The Offer consideration is \$0.68 in cash for each of Your Pact Shares. You may only accept this Offer in respect of all of Your Pact Shares.
Persons to whom the Offer is made	The Offer is open to all holders of Pact Shares.
What is the Bidder's Statement?	This Bidder's Statement was prepared by Bennamon Industries and Kin Group for distribution to Pact Shareholders. The Bidder's Statement describes the terms of Bennamon Industries' Offer for Your Pact Shares and information relevant to your decision whether or not to accept the Offer. This Bidder's Statement is an important document. Should you have any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser.
Who are Bennamon Industries and Kin Group?	The bidder under the Offer is Bennamon Industries, which has been incorporated specifically for the purpose of acquiring an interest in Pact Shares, including pursuant to the Offer. All of the shares in Bennamon Industries are indirectly owned by Kin Group, which is ultimately owned by the Geminder family. For information on Bennamon Industries and the Kin Group, please see section 6.
If I accept the Offer, when will I be paid?	If you accept the Offer, you will be paid on or before the earlier of: • one month after you accept the Offer; and • 21 days after the end of the Offer Period. Full details of when Offer consideration will be provided are set out in section 13.9 of this Bidder's Statement.
Can I accept the Offer in respect of some, but not all, of my Pact Shares?	No, you cannot accept the Offer for some of Your Pact Shares. You may only accept the Offer in respect of all of Your Pact Shares.
Will I pay stamp duty or brokerage if I accept the Offer?	If Your Pact Shares are registered to an Issuer Sponsored Holding in your name and you deliver them directly to Bennamon Industries, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.

	If Your Pact Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Pact Shares are registered in the name of a broker, bank, custodian, or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer. Any brokerage fees charged by Controlling Participants or nominees will be the sole responsibility of the accepting Pact Shareholder.
Are there any conditions of the Offer?	The Offer is unconditional, which means that it is not subject to any defeating conditions.
Why should I accept the Offer?	There are a number of reasons why you should accept the Offer: • Pact faces a challenging environment, with supply chain disruptions, inflationary pressures, fluctuating resin prices, labour constraints and macroeconomic uncertainty • Pact is now a smaller business with a reduced earnings base. Notwithstanding the sale of 50% of Pact's Crate Pooling Business, Pact will likely continue to have high debt in light of its ongoing capital expenditure plan. Accordingly, there is uncertainty about the prospect of future dividends in the short to medium term • Kin Group controls Pact and the prospect of a competing offer eventuating is highly unlikely. Kin Group intends to delist the business as soon as it is able to do so • Pact is no longer in the S&P / ASX 300 Index and has low institutional investor support. Compared to recent trading prices, the share price has declined and may fall further after the Offer closes • Unconditional cash offer provides certainty at a price above the last closing price of Pact Shares (on 12 September 2023, the day prior to the Announcement Date) and an opportunity for minority shareholders to receive liquidity For more information, please see section 4.
How do I accept the Offer?	You may only accept the Offer in respect of all of Your Pact Shares. Depending on the nature of your holding, you may accept the Offer in the following ways:

Issuer sponsored shareholders (your SRN starts with an “I”)

If Your Pact Shares are held on Pact’s issuer sponsored subregister, you can accept the Offer online by:

- visiting <https://events.miracle.com/BennamonIndustries-Offer/> and follow the instructions; or
- signing the Acceptance Form enclosed with this Bidder’s Statement in accordance with the instructions on the form and send it to the address set out on the form so it is received before the Offer closes.

CHESS shareholders (your HIN starts with an “X”)

If Your Pact Shares are in a CHESS Holding, you can accept the Offer by:

- visiting <https://events.miracle.com/BennamonIndustries-Offer/> and follow the instructions;
- signing the Acceptance Form enclosed with this Bidder’s Statement in accordance with the instructions on the form and send it to the address set out on the form, so that it is received in sufficient time for your Controlling Participant to effect acceptance before the Offer closes; or
- contacting your broker and instruct your Controlling Participant (normally your broker) to accept the Offer on your behalf, before the Offer closes.

Participants

If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Full details on how to accept the Offer are set out in section 13.6 of this Bidder’s Statement.

If you have any further questions on how to accept the Offer, please call the Offer Information Line 1800 237 687 (within Australia) or +61 1800 237 687 (from outside Australia) between 8.30 am and 5.30 pm (Melbourne time) on Business Days.

When does the Offer close?

The Offer closes at 7.00 pm (Melbourne time) on [●] 2023, unless extended or withdrawn in accordance with the Corporations Act.

What happens if I do not accept the Offer?	If you do not accept the Offer, you will remain a Pact Shareholder and will not be paid the cash consideration under the Offer. If Bennamon Industries becomes entitled to compulsorily acquire Your Pact Shares, it intends to proceed with the compulsory acquisition. If Your Pact Shares are compulsorily acquired by Bennamon Industries, it will be on the same terms (including the same consideration for each Pact Share acquired) as the Offer, but at a later date. Refer to section 10 for details regarding Kin Group's and Bennamon Industries' intentions if Bennamon Industries does not become entitled to compulsorily acquire Pact.
How is Bennamon Industries funding the Offer?	The cash consideration to be paid to accepting shareholders will be fully funded by a combination of: • Bennamon Industries drawing under new acquisition debt facilities; and • Bennamon Industries having access to available existing cash reserves of Kin Group and its Subsidiaries under intercompany loan arrangements. Refer to section 9.2 for details regarding Bennamon Industries' funding arrangements.
What if I am a foreign shareholder?	Foreign Pact Shareholders will be paid the same Australian dollars cash consideration as available to Australian resident shareholders under the Offer. You will be paid in Australian dollars by cheque drawn on an Australian bank branch. However, the tax implications under the Offer for those foreign Pact Shareholders may be different to those relating to Australian resident Pact Shareholders. Accordingly, foreign Pact Shareholders should obtain their own advice in relation to the tax consequences of accepting the Offer in their jurisdiction.
Can the Offer Period be extended?	Yes, the Offer Period may be extended at the election of Bennamon Industries and as required under the Corporations Act. Bennamon Industries will give written notice of any extension of the Offer Period in accordance with the Corporations Act. Any extension will be announced to ASX.
What if Pact pays a dividend?	Under the terms of the Offer, if you accept the Offer then Bennamon Industries will be entitled to all of the Rights attaching to Your Accepted Pact Shares, which includes the value of any dividends declared, paid, made or which arise or accrue in respect of Your Accepted Pact Shares. In accordance with the terms and conditions of the Offer set out in full in section 13, if Pact pays any dividend to Pact Shareholders between the Announcement Date and the end of

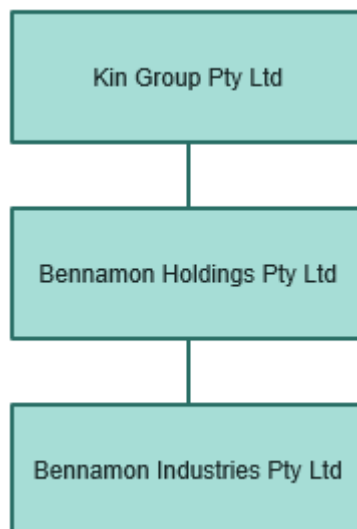
	the Offer Period and you (or any previous holder of Your Pact Shares) receive or is entitled to receive that dividend and you accept the Offer, Bennamon Industries will (provided the same has not been paid to Bennamon Industries in respect of Your Accepted Pact Shares) be entitled to deduct the amount (or value, as reasonably assessed by Bennamon Industries) of such dividends from the \$0.68 cash per share to be paid to you for Your Accepted Pact Shares. For the avoidance of doubt, Bennamon Industries is not entitled to deduct from the consideration (or require payment of), the amount or value of any franking credits attached to any dividend. Please see the terms of the Offer set out in section 13.9(c) for further information.
What are the tax implications of accepting the Offer?	Please refer to section 11 of this Bidder's Statement for an overview of the likely Australian taxation treatment for Pact Shareholders accepting the Offer. Pact Shareholders should not rely on that description as advice for their own affairs and Bennamon Industries recommends you consult your taxation adviser for detailed taxation advice before deciding whether or not to accept the Offer.
What if I have further questions or require further information in relation to the Offer?	If you have any questions in relation to the Offer, please contact the Offer Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (from outside Australia) between 8.30 am and 5.30 pm (Melbourne time) on Business Days during the Offer Period. Please note that calls to the above numbers will be recorded. Inquiries in relation to the Offer will not be received on any other telephone numbers of Bennamon Industries, Kin Group or its advisers.
Important notice	The information in this section 5 is a summary only of the Offer and is qualified by the detailed information set out elsewhere in the Bidder's Statement. You should read the entire Bidder's Statement and the Target's Statement before deciding whether to accept the Offer.

6. Information on Bennamon Industries and Kin Group

6.1 Overview

Bennamon Industries is an indirect wholly-owned subsidiary of Kin Group. Kin Group and each of its Subsidiaries is owned by Salvage Pty Ltd, which is a trustee company for the Geminder family trust.

Mr Raphael Geminder is a director of Bennamon Industries and Kin Group. The chart below sets out the ownership structure of Bennamon Industries.



Kin Group is a diversified, global, long-term focused investor ultimately controlled by the Geminder family with offices in Melbourne, Australia and New York City, USA.

Kin Group, led by experienced investment professionals, focuses on long-term strategic investments in both private and public companies across various industries, including packaging, food and beverage, discount retail, and real estate. Kin Group focuses on adding value to and supporting the growth potential of its investments with deep industry knowledge.

As at the date of this Bidder's Statement, Bennamon Industries, Kin Group and Salvage Pty Ltd have, in aggregate, a 50.004% shareholding in Pact and significant interests in other publicly listed companies including:

(a) **Pro-Pac Packaging Limited (ASX: PPG)**

Pro-Pac Packaging Limited (**Pro-Pac**) is a diversified manufacturing and distribution business providing industrial and flexible packaging solutions. Pro-Pac has its corporate office in Melbourne, with operations in Australia, and New Zealand.

Pro-Pac reported revenue²⁰ of c. \$339 million in FY23.

More information on Pro-Pac can be sourced from <https://www.ppgaust.com.au/>.

²⁰ From continuing operations.

Kin Group and its Associates have, in aggregate, a c. 65.75% shareholding in Pro-Pac as at the date of this Bidder's Statement.

(b) **The Reject Shop Limited (ASX: TRS)**

The Reject Shop Limited (**TRS**) is a discount variety retailer offering a range of general consumer merchandise such as food, snacks, greeting cards, party, health and beauty, and kitchenware. It operates more than 370 retail discount stores across Australia with over 3,500 staff.

TRS generated revenue of c. \$819 million in FY23.

More information on TRS can be sourced from <https://www.rejectshop.com.au/>.

Kin Group and its Associates have, in aggregate, a c. 20.52% shareholding in TRS as at 10 September 2023.²¹

6.2 Directors of Bennamon Industries

As at the date of this Bidder's Statement, the directors of Bennamon Industries are:

(a) **Raphael Geminder**

Raphael Geminder has over 30 years executive and investment experience in private and public companies throughout Australia and globally. Raphael founded Kin Group, a diversified, long-term focused investment group in 2000 and it has since executed numerous investments in a range of industries and regions. Raphael founded Pact Group Holdings Limited (ASX: PGH) in 2002 and currently serves as its Non-Executive Chairman. Prior to this, Raphael was the co-founder and Chairman of Visy Recycling, growing it into the largest recycling company in Australia. Raphael was appointed Victoria's first Honorary Consul to the Republic of South Africa in July 2006. He also holds a number of other advisory and board positions. Raphael holds a Master of Business Administration in Finance from Syracuse University, New York.

(b) **Nicholas Perkins**

Nicholas (Nick) Perkins is the Managing Director and General Counsel of Kin Group, located in Melbourne. Since 2003, Nick has worked in various roles within Kin Group and its subsidiary businesses. Nick currently sits on the boards of a number of portfolio investments spanning Kin Group's packaging, food and beverage and property portfolios. He currently serves as a director on the board of TRS. Nick holds a Bachelor of Arts and a Bachelor of Laws from the University of Melbourne.

(c) **Tristan Smith**

Tristan Smith is the Chief Financial Officer of Kin Group, located in Melbourne, and joined Kin Group in 2019 after nearly 20 years working globally with EY. Tristan

²¹ TRS commenced an on-market buy-back of its ordinary shares on 11 September 2023. To the extent TRS continues to buy-back its ordinary shares, Kin Group and its Associates' percentage shareholding in TRS will increase slightly.

currently holds a number of advisory and board positions across portfolio investments spanning Kin Group's packaging, food and property portfolios. Tristan holds a Bachelor of Commerce and a Master of Commerce from Macquarie University, and is a member of the Institute of Chartered Accountants.

6.3 Common director of Bennamon Industries and Pact

Raphael Geminder is a director of Bennamon Industries and Kin Group and the Non-Executive Chairman of Pact. Mr Geminder intends to continue in his role as Chairman of Pact but will recuse himself from the Pact Board in connection with any deliberations in relation to the Offer or a competing proposal (if any).

Kin Group expects that the Target's Statement will contain information about the protocols established by the Pact Board in this regard.

7. Information on Pact Group

7.1 Important information

The following information about Pact is based on publicly available information and has not been independently verified. Accordingly, neither Bennamon Industries, Kin Group nor any of their respective officers or employees make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on Pact and Pact Group in this Bidder's Statement should not be considered comprehensive. Pact Shareholders should refer to the Target's Statement for further information about Pact and Pact Group.

7.2 Overview of Pact

Pact (ASX: PGH) is an Australian ASX-listed company and is the holding company of Pact Group. Pact was admitted to the official list of ASX on 17 December 2013.

The Pact business has been operating since 2002, with a primary focus on specialty packaging solutions, servicing both the consumer and industrial sectors across a diverse range of industries, including food, dairy, beverage, agricultural, chemical and industrial.

Pact is headquartered in Melbourne, Australia, and has operations predominantly in Australia, New Zealand, Asia, USA and UK.

Pact offers the following products and services:

- *Packaging and sustainability*: packaging for consumer and industrial use, and recycling and sustainability services;
- *Materials handling and pooling*: closed loop pooling services, plastic materials handling products and infrastructure and industrial products; and
- *Contract manufacturing services*: integrated contract manufacturing services focused on the home, personal care, and health and wellness sectors.

Pact announced on 16 August 2023 that it has agreed to sell 50% of its Crate Pooling Business, which sits within the business' materials handling and pooling division, to Morrison & Co.²² The transaction is expected to be completed in the 2023 calendar year.²³

In its full year accounts to 30 June 2023 (Appendix 4E dated 16 August 2023), Pact Group reported revenue of \$1,948.6 million and underlying EBITDA of \$277 million and the following balance sheet items:

²² Refer to footnote 1.

²³ Refer to footnote 1.

As at 30 June 2023 (\$m) ²⁴	
Net assets	409
Net tangible assets	(20)
Cash	79
Total borrowings (excluding lease liabilities)	665
Lease liabilities	532
Net financial debt	586
Net debt (including lease liabilities)	1,118

In Pact Group's full year accounts to 30 June 2023 (Appendix 4E dated 16 August 2023), Pact stated that in relation to factors impacting its financial performance and outlook in FY24:

- inflationary pressures continue to impact on consumer demand and buying patterns;
- input costs remain elevated but are stabilising; and
- the business remains focussed on a reduction in their cost to serve.

According to documents provided by Pact to ASX, there are 344,290,053 Pact Shares on issue. As at the close of trading on 12 September 2023, the last trading date before the date of this Bidder's Statement, Pact's market capitalisation was \$232.4 million.

7.3 Directors and chief executive officer

As at the date of this Bidder's Statement, the directors and Chief Executive Officer of Pact are:

Raphael Geminder	Non-Executive Chairman
Michael Wachtel	Independent Non-Executive Director
Carmen Chua	Independent Non-Executive Director
Sanjay Dayal	Managing Director and Chief Executive Officer

Profiles of the Pact Board and management team are available on Pact's website at <https://pactgroup.com.au/investor/leadership/board-of-directors/>.

7.4 Substantial holders in Pact's Shares

As at the date of this Bidder's Statement, there were 344,290,053 Pact Shares on issue.

²⁴ Prior to completion of Pact's proposed sale of 50% of its Crate Pooling Business to Morrison & Co, as reported by Pact in its ASX announcement titled "2023 full year results release" released on 16 August 2023.

As at the date of this Bidder's Statement, based on the substantial holder notices lodged in relation to Pact, there are no substantial holders of Pact Shares except as set out below:

Substantial holder	Pact Shares held	% of Pact Shares
Kin Group and its Associates ¹	172,159,594	50.004%
Investors Mutual Limited	22,519,891	6.54%

¹ Includes Bennamon Industries, Kin Group and Salvage Pty Ltd

Further information about Pact's issued securities is set out in section 8.

7.5 Publicly available information about Pact Group

Pact is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Pact is subject to the ASX Listing Rules which require continuous disclosure of any information Pact has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. For information concerning the financial position and affairs of Pact, you should refer to the information that has been disclosed by Pact in accordance with these obligations.

ASX maintains files containing publicly disclosed information about all listed companies. Pact's file is available for inspection at ASX during normal business hours or online at <https://www.asx.com.au/>.

In addition, Pact is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Pact may be obtained from, or inspected at, an ASIC office.

Further information about Pact (including copies of its financial statements) is available at <https://www.pactgroup.com/> and may be included in the Target's Statement.

8. Information on Pact's securities

8.1 Pact's issued securities

According to documents lodged by Pact with ASX, as at the date of this Bidder's Statement, Pact has the following securities on issue:

- (a) 344,290,053 Pact Shares; and
- (b) 1,967,997 Performance Rights under the Pact Long Term Incentive Plan.

Kin Group expects that the Target's Statement will clarify the status of the Performance Rights.

8.2 Pact Performance Rights

Bennamon Industries is not offering to acquire any Performance Rights. However, the Offer extends to Pact Shares that are issued on vesting, conversion of or exercise of the Performance Rights prior to the end of the Offer Period.

If all the Performance Rights are not vested, converted, exercised or acquired by Bennamon Industries, or cancelled pursuant to agreements or other arrangements, Bennamon Industries intends to seek to compulsorily acquire or cancel any outstanding Performance Rights pursuant to Part 6A.2 of the Corporations Act, although it reserves its right not to do so.

Kin Group expects that the Target's Statement will explain how the Offer affects the Performance Rights.

8.3 Interests in Pact's securities

As at the date of this Bidder's Statement and as at the date immediately before the first Offer is sent:

- (a) each of Bennamon Industries and Kin Group has a Relevant Interest in 168,523,665 Pact Shares; and
- (b) Salvage Pty Ltd (the ultimate parent company of Bennamon Industries and Kin Group) has a Relevant Interest in the Pact Shares referred to in paragraph (a) above and an additional 3,635,929 Pact Shares (for an aggregate Relevant Interest in 172,159,594 Pact Shares).

Salvage Pty Ltd controls each of Bennamon Industries and Kin Group and, as such, they are each Associates of each other. Therefore, each of Bennamon Industries, Kin Group and Salvage Pty Ltd has Voting Power in Pact of 50.004%.

8.4 Dealings in Pact Shares

Neither Bennamon Industries, Kin Group nor any of their Associates have provided, or agreed to provide, consideration for Pact Shares under any purchase or agreement during the four months before the date of this Bidder's Statement, except as described below.

Date	Pact Shares	Description of dealing and consideration per Pact Share
12 September 2023	850,000	Acquisition of Pact Shares by Bennamon Industries at a price of \$0.68 per Pact Share

8.5 Period before Offer

Neither Bennamon Industries, Kin Group nor any of their Associates have provided, or agreed to provide, consideration for Pact Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer.

8.6 Recent share price performance of Pact

The last recorded sale price of Pact Shares on ASX on 12 September 2023, being the last trading day prior to the date on which the Bidder's Statement was lodged with ASIC, ASX and Pact, was \$0.675 per Pact Share.

8.7 No pre-Offer benefits

Except as set out in this Bidder's Statement, during the period commencing four months before the date of this Bidder's Statement, and the period from the date of this Bidder's Statement to the date immediately before the date of the Offer, neither Bennamon Industries, Kin Group nor any of their Associates gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- (a) accept the Offer; or
- (b) dispose of Pact Shares,

and which is not offered to all holders of Pact Shares under the Offer.

8.8 No escalation agreements

Neither Bennamon Industries, Kin Group nor any of their Associates have entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

9. Sources of consideration

9.1 Total consideration

The consideration for the acquisition of the Pact Shares to which the Offer relates will be satisfied by the payment of \$0.68 cash for each Pact Share.

As at the date of this Bidder's Statement, there are 344,290,053 Pact Shares on issue.

The maximum amount of cash that Bennamon Industries would be required to pay under the Offer if acceptances are received for all Pact Shares on issue as at the date of this Bidder's Statement (other than those Pact Shares in which Kin Group currently has Voting Power), or if Bennamon Industries becomes entitled to and exercises the right of compulsory acquisition under the Corporations Act, is approximately \$117 million.

In addition, if all unvested Performance Rights vest in accordance with the terms of their issue, and the holders exercise those Performance Rights and accept the Offer in respect of the Pact Shares issued to them, an additional \$1.3 million will be payable by Bennamon Industries under the Offer.

Accordingly, the maximum amount that Bennamon Industries could be required to pay under the Offer is \$118.4 million (**Maximum Offer Amount**), together with transaction costs.

9.2 Sources of cash consideration

The cash required to fund the Maximum Offer Amount and all transaction costs in connection with the Offer will be funded by:

- Bennamon Industries drawing under new acquisition debt facilities (**New Facilities**); and
- Bennamon Industries having access to available existing cash reserves of Kin Group and its Subsidiaries under intercompany loan arrangements. As such, the combination of the amount available under the New Facilities and the intercompany loan arrangements will be sufficient to fund the Maximum Offer Amount.

(a) New Facilities

Australia and New Zealand Banking Group Limited (**Lender**) has agreed to provide the full amount of the New Facilities, being \$70 million, under a binding commitment letter on the terms set out in a term sheet forming part of the commitment letter (**Terms**).

Bennamon Industries will enter into a facility agreement (**Facility Agreement**) with the Lender based on the Terms. Bennamon Industries will be the 'Borrower' under the New Facilities. Certain related entities will be guarantors and security providers (**Guarantors**) under the New Facilities. A summary of the material details of the New Facilities are set out below:

(i) **Purpose**

The New Facilities are available for purposes including but not limited to:

- funding the acquisition of Pact Shares pursuant to the terms of the Offer (or reimbursing any payments made by Bennamon Industries for the Pact Shares subject to certain conditions); and
- payment of fees and expenses related to the New Facilities and the Offer.

(ii) **Availability**

Unless cancelled earlier by Bennamon Industries or in accordance with the Facility Agreement, the New Facilities will be available for drawdown from the date of the Facility Agreement until the earlier of:

- 12 months and 3 weeks from the date of the Facility Agreement; and
- the later of:
 - 21 days after the last day on which the Offer is still open for acceptance; or
 - 6 weeks after the date compulsory acquisition notices are sent (if applicable).

(iii) **Conditions precedent**

The availability of the New Facilities is subject to certain conditions precedent which are customary for facilities of this nature. The material conditions precedent to the first drawdown under the New Facilities include the following:

- the granting of certain security and guarantees pursuant to the Terms; and
- the Kin Group and its Subsidiaries contributing an equity injection or subordinated loan to Bennamon Industries in the minimum amount specified in the Terms to acquire Pact Shares under the Offer.

As at the date of this Bidder's Statement, Bennamon Industries is not aware of any reason why the conditions precedent will not be satisfied in time to allow the proceeds to be able to be drawn down to fund the Offer consideration.

(b) **Intercompany loan arrangements**

Kin Group and its Subsidiaries has available to it cash reserves deposited at Australian banks required to fund the difference between the amount available under the New Facilities and the Maximum Offer Amount (being \$48.4 million). The funds committed by Kin Group and its Subsidiaries to Bennamon Industries for this purpose

are internally allocated and are not required for any other arrangements or obligations.

These cash reserves may themselves include funds sourced from other loan facilities or alternative sources of financing available to Kin Group and its Subsidiaries.

Under the intercompany arrangements:

- (i) funding is not subject to any conditions; and
- (ii) repayment cannot be called for until after Bennamon Industries has met all of its obligations under the Offer.

9.3 Provision of consideration

Having regard to the matters set out in this section 9, Bennamon Industries is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to satisfy its payment obligations under the Offer, as well as its costs associated with the Offer.

10. Kin Group's intentions in relation to Pact

10.1 Introduction

This section 10 sets out the intentions of Kin Group in relation to:

- (a) the continuation of the business of Pact;
- (b) any major changes to the business of Pact and any redeployment of the fixed assets of Pact;
- (c) the compulsory acquisition of Pact Shares and the potential delisting of Pact; and
- (d) the future employment of the present employees of Pact.

The intentions of Kin Group have been formed on the basis of facts and information known to Kin Group concerning Pact at the time of preparing this Bidder's Statement.

Final decisions regarding these matters will only be reached by Kin Group in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and may vary as new information becomes available or circumstances change. These intentions are also subject to the outcome of analysis to be undertaken by Kin Group, as contemplated by section 10.2.

The intentions of Kin Group described in this section 10 reflect the intentions of Kin Group, as the parent company of Bennamon Industries, and the intentions of Bennamon Industries.

10.2 Post Offer review

After the Offer Period, Kin Group will consider undertaking a general review of Pact's operations covering current strategy, financial and operating matters.

Following this review, Kin Group will give further consideration to its intentions set out in this section 10. Final decisions will only be reached after that review has been concluded and the results have been evaluated in light of all material information, facts and circumstances that exist at the time.

10.3 Key highlights of Kin Group's intentions

Moving forward, Kin Group will continue to be supportive of Pact's management team and its employees. In particular, Kin Group is supportive of the sale of 50% Pact's Crate Pooling Business (expected to complete before the end of calendar year 2023)²⁵ and Pact's cost out programme focusing on flattening operating costs in FY24.²⁶

²⁵ Refer to footnote 1.

²⁶ Pact ASX announcement titled "FY23 Guidance and Trading Update" released on 15 May 2023.

In addition, should Kin Group increase its shareholding, it intends to pursue the following objectives, subject to compliance with the Corporations Act, the ASX Listing Rules and the constitution of Pact:

- (a) seek to have Pact removed from the official list of ASX as soon as it is able to do so (subject to the ASX Listing Rules, legal, tax and other considerations, and the level of acceptances);
- (b) if Kin Group and its Associates acquire 100% of Pact Shares, it will convert Pact into a proprietary limited company;
- (c) increase its overall influence on the governance and day to day operations of Pact's business, seek to second Kin Group executives to assist the management team and appoint additional Kin Group nominees to the Pact Board;
- (d) maintain the suspension of dividends to focus on debt repayment and capital expenditure in light of increased interest costs; and
- (e) review Pact's overall capital structure and capital management policies including further equity capital raisings or asset divestments, which may be required to fund Pact's objectives and reduce debt.

This section 10.3 is a summary only of the remainder of section 10 and is subject to, and should be read in conjunction with, the further comments set out below.

10.4 Intentions for Pact as a controlled entity

This section describes Bennamon Industries' and Kin Group's intentions for Pact, as a controlled entity of Kin Group, if Bennamon Industries is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

If Bennamon Industries and its Associates obtain a Relevant Interest in less than 90% of all Pact Shares then on issue, Bennamon Industries' and Kin Group's current intentions are as follows:

(a) Corporate matters

After the end of the Offer Period, Kin Group intends to support the current Pact Board while, subject to the Corporations Act and the constitution of Pact, reserving its right to appoint nominees of Kin Group to the Pact Board to reflect its controlling shareholding. Kin Group has not determined who would be nominated for appointment to the Pact Board in such circumstances, other than Kin Group's current intention is for Mr Geminder to remain as Chairman on the Pact Board.

Kin Group would have regard to (but not necessarily comply with) the recommendations in the ASX Corporate Governance Principles and Recommendations when determining the composition of the Pact Board and all other governance matters. Kin Group does not consider that compliance with all of the ASX Corporate Governance Principles and Recommendations would be appropriate and,

should any such principles not be complied with, Kin Group would seek to procure that Pact disclose such matters as required by the ASX Listing Rules.

Kin Group intends to have Pact removed from the official list of ASX as soon as it is able to do so (subject to the ASX Listing Rules, legal, tax and other considerations, and the level of acceptances). ASX guidance indicates that the usual conditions that ASX expects to be satisfied in order for it to approve the removal of Pact from the official list of ASX in the context of a successful takeover bid include:

- at the end of the Offer, Bennamon Industries, Kin Group and their Related Bodies Corporate own or control at least 75% of the Pact Shares and the Offer has remained open for at least two weeks after Bennamon Industries, Kin Group and their Related Bodies Corporate attained ownership or control of at least 75% of the Pact Shares; and
- the number of Pact Shareholders (other than Bennamon Industries, Kin Group and their Related Bodies Corporate) having holdings with a value of at least \$500 is fewer than 150,

and in such case, ASX will not usually require Kin Group to obtain Pact Shareholder approval for Pact's removal from the official list of ASX.

In addition, ASX may approve an application for Pact to be removed from the official list of ASX with Pact Shareholder approval and, where such removal is sought later than 12 months after the end of the Offer Period, Bennamon Industries, Kin Group and their Associates would be entitled to vote on the resolution approving the removal.

After the end of the Offer Period, Kin Group will consider whether to initiate this course of action and may decide to seek the removal of Pact from the official list of ASX in accordance with the above, and will consider its ability to do so subject to its and its Associates' Relevant Interest in Pact Shares following the end of the Offer Period.

If Pact is removed from the official list of ASX, there may be risks related to remaining as a minority shareholder in Pact. These include significantly reduced liquidity if Pact Shareholders wish to sell their Pact Shares.

If Pact is not removed from the official list of ASX, Kin Group may seek to continue to increase its Relevant Interest in Pact under the "3% creep" exception in item 9 of section 611 of the Corporations Act.

(b) Capital structure and management

After the end of the Offer Period, Kin Group intends to conduct a review of Pact's overall capital allocation and capital structure as part of a larger review of Pact's business operations as a whole referred to in section 10.2.

Kin Group intends to support and prioritise increased investment in capital expenditure and strategic M&A, which may require pursuing equity capital raisings.

Pact may also need to consider additional asset divestments which will effectively reduce the overall size of its earnings base.

Additionally, it is unlikely that Pact will resume payment of dividends if appropriate opportunities exist to reinvest cash flows. In its review of Pact's capital structure and requirements, Kin Group will take into account, among other things, the capital structure of the business when it was previously a wholly owned subsidiary of Kin Group.

(c) Business and assets

To the extent practicable, Kin Group intends to request Pact undertake the review and analysis set out in section 10.2 and seek to implement such outcomes of that review in a manner consistent with Kin Group's shareholding interest in Pact at that time.

Subject to the review and analysis set out in section 10.2, Kin Group's overall intention is to ensure Pact's business operates efficiently and competitively, while reducing its overhead cost base in line with Pact's cost out programme.

Kin Group intends to prioritise capital investment and strategic M&A opportunities as they arise as part of its commitment to support the expansion of Pact's business.

On 16 August 2023, Pact announced that it has agreed to sell 50% of its Crate Pooling Business, which sits within the business' materials handling and pooling division to Morrison & Co.²⁷ Kin Group is supportive of the sale and the transaction is expected to be completed in the 2023 calendar year.²⁸

(d) Limitations in giving effect to intentions

The ability of Kin Group to implement the intentions set out in this section 10 will be subject to the legal obligations of Pact directors to have regard to the interests of Pact and all Pact Shareholders. Kin Group will only make a decision on the abovementioned courses of action following legal and financial advice in relation to those requirements.

In particular, if Kin Group controls (but does not own 100% of) Pact, Kin Group will be a "related party" of Pact within the meaning of Chapter 2E of the Corporations Act and, for as long as Pact remains listed on ASX, within the meaning of the ASX Listing Rules. Kin Group's ability to implement its intentions would therefore be subject to its obligations and the obligations of Pact to comply with applicable provisions of the Corporations Act, and provided Pact remains listed, the ASX Listing Rules relating to transactions between related parties.

Pact Shareholders should be aware that if Bennamon Industries is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act, if Pact continues to be listed on ASX following the Offer, then the decrease in the

²⁷ Refer to footnote 1.

²⁸ Refer to footnote 1.

number of Pact Shares available for ASX trading may have a material adverse effect on their liquidity and market value.

(e) **Impact on employees**

Kin Group recognises Pact's management and employees to be an integral part of the Pact business' success. The Pact business relies on the motivations and the quality of its team members.

Kin Group looks forward to continuing to work constructively with Pact employees in an open and transparent manner. Kin Group, together with the Pact Board, will assess the ongoing resourcing requirements of Pact with a view to ensuring the strategic priorities identified in this section can be implemented whilst also remaining a strong and attractive employer.

Other than to the extent noted in this section 10, Kin Group has not formed any present intention to materially reduce or increase Pact's current staffing levels.

10.5 Intentions for Pact as a wholly-owned controlled entity

Without limiting the comments in sections 10.1 and 10.2, this section describes the current intentions of Bennamon Industries and Kin Group if at the end of the Offer Period, Bennamon Industries and its Associates acquire a Relevant Interest in at least 90% of the Pact Shares then on issue and so becomes entitled to proceed to compulsory acquisition of outstanding Pact Shares in accordance with Part 6A.1 of the Corporations Act.

(a) **Corporate matters**

As at the date of this Bidder's Statement, it is intended that Kin Group would:

- (i) proceed to compulsory acquisition of the outstanding Pact Shares if permitted under Part 6A.1 of the Corporations Act;
- (ii) arrange for Pact to be removed from the official list of ASX;
- (iii) consider amending the constitution of Pact to reflect that it is a wholly owned subsidiary of Bennamon Industries and seek to convert Pact from a public company to a proprietary limited company; and
- (iv) reserve its right as a Pact Shareholder to reconstitute the Pact Board, in a manner consistent with Pact becoming a wholly owned subsidiary of Kin Group. Kin Group has not determined the precise size or composition of the Pact Board in such circumstances, other than Kin Group's current intention is for Mr Geminder to remain on the Pact Board.

(b) **Business and assets**

Kin Group's intentions for Pact as a wholly-owned controlled entity are the same as set out in section 10.4(c).

(c) **Impact on employees**

Kin Group's intentions for Pact as a wholly-owned controlled entity are the same as set out in section 10.4(e).

10.6 Other intentions

Subject to the matters described above in this section 10 and elsewhere in this Bidder's Statement, it is the intention of Kin Group, on the basis of the facts and information concerning Pact that are known to it and the existing circumstances affecting the assets and operations of Pact at the date of this Bidder's Statement, that:

- (a) the business of Pact will be conducted in substantially the same manner as at the date of this Bidder's Statement;
- (b) no other major changes will be made to the business of Pact;
- (c) there will be no redeployment of the fixed assets of Pact; and
- (d) Kin Group will evaluate the future head office and management requirements of Pact but expects the current employees of Pact will continue to be employed by Pact.

11. Tax considerations

The information provided below is intended to be a general overview only and does not purport to be a complete analysis of the potential tax consequences applicable to the particular circumstances of any Pact Shareholder of accepting the Offer. The tax consequences for each Pact Shareholder will vary depending on their specific profile, characteristics and circumstances. Pact Shareholders should seek their own tax advice, including in respect of any tax applicable in foreign jurisdictions.

Pact Shareholders are specifically informed that the outline below only relates to possible Australian income tax (including CGT), stamp duty and GST consequences on disposal of their Pact Shares based on the existing Australian tax laws and publicly known administrative practices of the ATO as at the date of this Bidder's Statement. The information provided below:

- (a) does not consider the taxation implications in jurisdictions outside Australia; and
- (b) should not be relied upon by any Pact Shareholder in ascertaining the Australian tax consequences that may arise as a result of the disposal of their Pact Shares to Bennamon Industries.

The following comments are only relevant to those Pact Shareholders who are individuals, companies (other than life insurance companies), trusts and complying superannuation entities that hold their Pact Shares on capital account for Australian income tax purposes. They do not apply to Pact Shareholders who:

- (c) hold their Pact Shares on revenue account or as trading stock (which will generally be the case if they are a bank, insurance company or carry on a business of share trading);
- (d) hold Performance Rights or acquired their Pact Shares, or any rights in relation to the Pact Shares, as the result of an employee share plan or employee share option plan;
- (e) are under a legal disability;
- (f) are exempt from any Australian tax or are superannuation entities with accounts in a tax-free pension phase;
- (g) are entities subject to special taxation rules such as the Investment Manager Regime and the Taxation of Financial Arrangement rules;
- (h) are taken to have acquired their Pact Shares before 20 September 1985;
- (i) are non-resident Pact Shareholders who currently hold, or have held Pact Shares at any time through a permanent establishment in Australia or who are temporary residents of Australia;
- (j) are temporary residents of Australia for Australian tax purposes;
- (i) change their tax residence while holding Pact Shares; or

- (j) obtained roll-over relief in connection with the acquisition of their Pact Shares.

11.1 Disposal of Pact Shares – Resident Pact Shareholders

This section 11.1 applies to Pact Shareholders who are residents of Australia for Australian tax purposes.

(a) CGT event

A Pact Shareholder that accepts the Offer, and transfers their Pact Shares to Bennamon Industries, will be treated as having disposed of their Pact Shares for Australian tax purposes when they accept the Offer.

A Pact Shareholder whose Pact Shares are compulsorily acquired will be taken to have disposed of their Pact Shares when the shares are transferred to Bennamon Industries.

The disposal of the Pact Shares will trigger CGT event A1 for Australian tax purposes. The CGT event will happen on the date on which the Offer is accepted or the transfer of Pact Shares occurs (as applicable).

(b) Determination of capital gains and losses

A Pact Shareholder should realise a capital gain in connection with the disposal of a Pact Share equal to the amount by which the Offer Price exceeds the cost base of that Pact Share.

Conversely, a Pact Shareholder should realise a capital loss equal to the amount by which the reduced cost base of the Pact Share exceeds the Offer Price. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests. Capital losses cannot reduce or offset other income or gains.

Any resulting net capital gain after the application of any available capital losses and any available CGT discount (refer below) should be included in a Pact Shareholder's assessable income and subject to Australian income tax at the applicable tax rate.

(c) Cost base and reduced cost base

The cost base of a Pact Share should generally include the amount paid (or deemed to be paid) to acquire the Pact Share, which includes certain non-deductible incidental costs (such as brokerage fees) relating to the acquisition, holding and disposal of the Pact Share.

The reduced cost base of a Pact Share would usually be determined in a similar, but not identical manner (e.g. it does not include certain amounts such as certain non-deductible interest).

(d) CGT discount

A Pact Shareholder that is a resident of Australia for tax purposes and is an individual, trust (other than one taxed as a company) or complying superannuation entity may be entitled to reduce their capital gain (after first reducing the capital gain by any available capital losses) by the applicable CGT discount provided that:

- (i) the Pact Shares were acquired (or are taken to have been acquired) at least 12 months before disposal to Bennamon Industries (excluding the date of acquisition and the date of disposal); and
- (ii) the Pact Shareholder did not choose to index the cost base of their Pact Shares (where applicable).

The applicable CGT discount is as follows:

- (i) 50% for individuals and trusts (except a trust that is a complying superannuation entity or that is taxed as a company); and
- (ii) 33⅓% for a complying superannuation entity.

The CGT discount is not available to any Pact Shareholders that are companies or trusts that are taxed like companies.

The availability of the CGT discount to beneficiaries of the trusts will depend on the tax profile of the beneficiaries. Trustees should seek their own advice on how the CGT discount provisions will apply to them and the beneficiaries.

11.2 Disposal of Pact Shares – non-resident Pact Shareholders

This section 11.2 applies to Pact Shareholders who are not residents of Australia for Australian tax purposes and who have not held their Pact Shares at any time in carrying on business through a permanent establishment in Australia at the relevant times. Section 11.2(b) is also relevant for Pact Shareholders where Bennamon Industries does not reasonably believe that Pact Shareholder is an Australian resident and either the Pact Shareholder has an address outside Australia or Bennamon Industries is authorised to make a payment to a place outside Australia.

(a) CGT

A Pact Shareholder that is not a resident of Australia for tax purposes and who has not held their Pact Shares at any time in carrying on business through a permanent establishment in Australia should not be subject to the CGT rules unless their Pact Shares are characterised as “indirect Australian real property interests”. This will be the case if both of the following requirements are satisfied:

- (i) the Pact Shareholder (together with any associates as defined by the Income Tax Assessment Act 1936 (Cth)) owned at least 10% of Pact either at the time the Pact Shares are disposed of (or taken to have been disposed of) or for at least 12 months during the 24 months before the Pact Shares are disposed of (for CGT purposes) (**Non-Portfolio Interest Test**); and

- (ii) at the time the Pact Shares are disposed of, more than 50% of the value of Pact's assets is represented by "taxable Australian real property" (**Principal Asset Test**). Pact Shares would generally pass this test if the market value of Pact's direct and indirect interests in Australian real property (including land and leases of Australian land) is more than the market value of other assets at the time the Pact Shares are disposed of.

If either element is absent, any capital gain (or capital loss) made on the disposal of a Pact Share by a non-resident should be disregarded for Australian tax purposes.

A non-resident Pact Shareholder who is subject to the CGT rules on disposal of their Pact Shares must account for their capital gain or loss in the same way as described in section 11.1. However, they will only be eligible to apply a CGT discount to part of their capital gain if they acquired, or are taken to have acquired, their Pact Shares on or before 9 May 2012 (subject to the other conditions being satisfied).

(b) **CGT Withholding Obligations**

Bennamon Industries may have an obligation to pay an amount equal to 12.5% of the Offer Price (**CGT Withholding Tax**) on each Pact Share to the ATO if the Pact Share is an "indirect Australian real property interest" (i.e. both the Non-Portfolio Interest Test and the Principal Asset Test are satisfied) and Bennamon Industries:

- (i) knows, or reasonably believes, that the Pact Shareholder is a foreign resident; or
- (ii) does not reasonably believe that the Pact Shareholder is an Australian resident, and either the Pact Shareholder has an address outside Australia or Bennamon Industries is authorised to make a payment to a place outside Australia.

A Pact Shareholder may make and provide to Bennamon Industries a written foreign resident capital gains withholding declaration, to declare that it is an Australian resident or that its Pact Shares are not "indirect Australian real property interests". The form to make such a declaration may be obtained on the website of the Australian Taxation Office. However, if the Pact Shareholder does not make and provide a valid declaration by the relevant time or if Bennamon Industries reasonably believes that the declaration is false, the declaration will not be effective and Bennamon Industries may withhold the CGT Withholding Tax from the Offer Price if it considers the Pact Shares are "indirect Australian real property interests".

If Bennamon Industries determines that it has an obligation to make a payment as described above, Bennamon Industries may withhold the CGT Withholding Tax from the Offer Price and pay that amount to the ATO. In such an instance, the relevant Pact Shareholder will only receive the net proceeds and will be taken to receive the full Offer Price for the purposes of the Offer.

11.3 Stamp duty

Any stamp duty payable on the transfer of Pact Shares to Bennamon Industries pursuant to the Offer will be paid by Bennamon Industries.

11.4 Goods and services tax

GST should not be payable on the disposal of Pact Shares pursuant to the Offer.

Pact Shareholders may be charged GST on costs (such as adviser fees relating to their participation in this Offer). Pact Shareholders should seek their own advice to determine whether any GST incurred on costs in relation to the disposal of their Pact Shares is recoverable.

12. Additional information

12.1 Date for determining holders of Pact Shares

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

12.2 On market purchases

In accordance with Rules 5.13.1 and 5.14.1 of the ASIC Market Integrity Rules and the Corporations Act, and subject to compliance with the Corporations Act, Bennamon Industries advises that it will seek to acquire Pact Shares on-market at or below the Offer Price during the Bid Period (as defined in the ASIC Market Integrity Rules). Bennamon Industries has appointed Macquarie Securities (Australia) Limited as licensed broker for this purpose.

12.3 Consents

The following persons have consented to being named in this Bidder's Statement in the form and context in which their names appear and have not withdrawn their consent prior to the lodgement of this Bidder's Statement with ASIC:

Name of person	Named as
Ashurst	Legal adviser to Bennamon Industries and Kin Group in respect of the Offer
Macquarie Capital (Australia) Limited	Financial adviser to Bennamon Industries and Kin Group
Macquarie Securities (Australia) Limited	Broker in respect of any on-market purchase of Pact Shares made by Bennamon Industries during the Offer Period
Link Market Services Limited	Share registrar in respect of the Offer
Kin Group Pty Ltd	Parent company of Bennamon Industries
Australia and New Zealand Banking Group Limited	Lender in respect of the New Facilities

None of the abovementioned persons have authorised, permitted, instructed or caused the issue of this Bidder's Statement.

Each of these persons:

- (a) does not make, or purport to make, any statement or representation in or accompanying this Bidder's Statement, or made any statement or representation on which a statement or representation in this Bidder's Statement is based; and

- (b) to the maximum extent permitted by law, expressly excludes and disclaims all liability, in respect of, makes no representation regarding and takes no responsibility for, any part of, or any statements or representations made in, this Bidder's Statement (other than as specified above).

This Bidder's Statement contains statements made by, or statements based on statements made by, Bennamon Industries and Kin Group. Each of Bennamon Industries and Kin Group has consented to being named in this Bidder's Statement and has consented to the inclusion of:

- (a) each statement it has made; and
- (b) each statement which is said in this Bidder's Statement to be based on a statement it has made,

in the form and content in which the statements made have been included and has not withdrawn its consent as at the date of this Bidder's Statement.

12.4 Documents lodged with ASIC or given to ASX

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order [CO 13/521], the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge) please contact the Offer Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (from outside Australia) between 8.30 am and 5.30 pm (Melbourne time) on Business Days during the Offer Period. Calls to these numbers will be recorded.

12.5 Official statements

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Bidder's Statement contains share price trading data sourced from IRESS Limited without their consent.

12.6 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- For personal use only
- (a) material to the making of a decision by a Pact Shareholder whether or not to accept the Offer; and
 - (b) known to Bennamon Industries or Kin Group,
- which has not previously been disclosed to Pact Shareholders.

13. The terms and conditions of the Offer

13.1 Offer

- (a) Bennamon Industries offers to acquire all of Your Pact Shares, together with all Rights attaching to them, on and subject to the terms and conditions set out in this section 13 of this Bidder's Statement.
- (b) The consideration under the Offer is \$0.68 in cash for each Pact Share.
- (c) You may only accept this Offer for all of Your Pact Shares.
- (d) By accepting this Offer, you undertake to transfer to Bennamon Industries not only Your Accepted Pact Shares, but also all Rights attached to those Pact Shares (see sections 13.8(b)(vi) and 13.9(c)).
- (e) The Offer is dated [●] 2023.

13.2 Offer Eligibility

- (a) This Offer is being made to:
 - (i) each person registered as the holder of Pact Shares in the register of Pact Shareholders on the Register Date;
 - (ii) holders of securities that come into existence as Pact Shares during the period from the Register Date to the end of the Offer Period due to the vesting, conversion of, or exercise of Rights conferred by, such securities and which are on issue as at the Register Date (including Performance Rights); and
 - (iii) any person who becomes registered, or entitled to be registered, as the holder of Your Pact Shares during the Offer Period.
- (b) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Pact Shares, then:
 - (i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Pact Shares;
 - (ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Pact Shares you hold to which the Offer relates; and
 - (iii) this Offer will be deemed to have been withdrawn immediately at that time.

13.3 Entitled to be registered as trustee or nominee

If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Pact Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those parcels and any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Offer Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (from outside Australia) to request those additional copies.

13.4 Pact Shares registered with a broker

If Your Pact Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.

13.5 Offer Period

- (a) Unless withdrawn (see section 13.11), the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00 pm (Melbourne time) on the later of:
 - (i) [●] 2023; or
 - (ii) any date to which the Offer Period is extended or withdrawn in accordance with the Corporations Act.
- (b) Bennamon Industries reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven days of the Offer Period, the Offer is varied to improve the consideration offered, then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

13.6 How to accept this Offer

- (a) **General**
 - (i) Subject to sections 13.2(b) and 13.3, you may only accept this Offer in respect of all of Your Pact Shares, and not some only.
 - (ii) You may only accept this Offer at any time during the Offer Period.

- (iii) If you accept the Offer, you will be taken to have accepted the Offer for all Your Pact Shares (despite any difference between that number and the number of Pact Shares specified on your Acceptance Form when you accept this Offer).

(b) **Issuer Sponsored Holdings**

If Your Pact Shares are held on the Pact's issuer sponsored subregister (in which case your Securityholder Reference Number (**SRN**) will commence with 'I'), to accept this Offer you must accept the Offer online or by signing and returning the enclosed Acceptance Form:

- (i) **Online: log in** to <https://events.miracle.com/BennamonIndustries-Offer/> using your SRN, follow the instructions, select the '**Accept**' option and **submit** your acceptance of the Offer before the Offer closes; or
- (ii) **Acceptance Form: sign** the Acceptance Form in accordance with the instructions on the form and ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the Offer closes, at the address shown on the Acceptance Form.

(c) **CHESS Holdings**

If Your Pact Shares are held in a CHESS Holding (in which case your Holder Identification Number (**HIN**) will commence with 'X'), to accept this Offer you must either accept the Offer online, or by contacting your Controlling Participant (usually your broker), or by signing and returning the enclosed Acceptance Form:

- (i) **Online:** to accept the Offer online, you must log in to <https://events.miracle.com/BennamonIndustries-Offer/> using your HIN, follow the instructions, select the 'Accept' option and submit your acceptance of the Offer before the Offer closes. For your online acceptance to be an effective acceptance of the Offer, it must be received in time for the Share Registry to give instructions to your Controlling Participant and for your Controlling Participant to respond to and accept those instructions before the Offer closes. There may not be sufficient time to do so for any online acceptances submitted by you if you accept the Offer online too close to the end of the Offer Period. Neither Bennamon Industries nor the Share Registry will be responsible should your Controlling Participant not acknowledge and confirm your acceptance before the Offer closes, after which time your submission will be deemed invalid;
- (ii) **Contact your Controlling Participant:** if you are not a Controlling Participant, you should contact your broker and instruct your Controlling Participant (this is normally your broker) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for this Offer to be accepted before the Offer closes; or

- (iii) **Acceptance Form:** sign the Acceptance Form in accordance with the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received in sufficient time for it to be acted upon by your Controlling Participant before the Offer closes, at the address shown on the Acceptance Form. This will authorise Bennamon Industries to request your Controlling Participant (usually your broker) to initiate acceptance of this Offer on your behalf.

You must comply with any other applicable ASX Settlement Operating Rules and the terms of the sponsorship agreement between you and the Controlling Participant.

If you are a Controlling Participant, you must initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes for the acceptance to be effective before the Offer closes.

(d) **If some of Your Pact Shares are held in a number of forms**

If some of Your Pact Shares are in different holdings, your acceptance of this Offer may require action under clauses 13.6(b) and 13.6(c) in relation to the separate portions of Your Pact Shares.

(e) **Pact Shares of which you are entitled to be registered as holder**

To accept this Offer for Pact Shares which are not held in your name in the Pact Register, but of which you are entitled to be registered as holder, you must:

- (i) **sign** the Acceptance Form in accordance with the instructions on the Acceptance Form; and
- (ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the Offer closes, at the address shown in the Acceptance Form.

(f) **Acceptance Form and other documents**

- (i) The Acceptance Form forms part of the Offer and the instructions on the Acceptance Form must be followed in using it to accept the Offer.
- (ii) If you intend to accept the Offer online, you must ensure that your acceptance is submitted before the Offer closes. Neither Bennamon Industries nor the Share Registry accept any responsibility or liability for any website downtime, delays or access failure that may occur due to any circumstances beyond its control, and which may delay or impede your ability to access <https://events.miracle.com/BennamonIndustries-Offer/> or submit an acceptance online.
- (iii) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered

in sufficient time for them to be received by Bennamon Industries at the address shown on the Acceptance Form before the Offer closes.

- (iv) When using the Acceptance Form to accept this Offer in respect of Pact Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by Bennamon Industries in time for Bennamon Industries to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.
- (v) When accepting this offer, you should also forward for inspection:
 - (A) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
 - (B) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Pact Shareholder, a certificate copied of the relevant grant of probate or letters of administration.
- (vi) Completed Acceptance Forms should be sent to:

By post:

Link Market Services Limited
Locked Bag A14
Sydney South, New South Wales, 1235,
Australia

By hand:

Link Market Services Limited
Level 12
680 George Street
Sydney, New South Wales, 2000,
Australia

A reply paid envelope (not able to be used by Pact Shareholders outside Australia) is enclosed for your convenience.

(g) Risk in online acceptance and Acceptance Form

- (i) The use of <https://events.miracle.com/BennamonIndustries-Offer/> to accept the Offer online is at your own risk. If you do not receive a confirmation message after attempting to accept the Offer online, please contact the Offer Information Line on 1800 237 687 (within Australia) or +61 1800 237 687 (from outside Australia) between 8.30 am and 5.30 pm (Melbourne time) on Business Days during the Offer Period.
- (ii) The postage and transmission of the Acceptance Form and other documents is at your own risk. No acknowledgement of receipt of any such documents will be given to you by or on behalf of Bennamon Industries.

13.7 Validity of acceptances

- (a) Subject to this section 13.7, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 13.6.
- (b) Bennamon Industries will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Bennamon Industries is not required to communicate with you prior to or after making this determination. The determination of Bennamon Industries will be final and binding on all parties.
- (c) Notwithstanding sections 13.6(b), 13.6(c), 13.6(d), 13.6(e) and 13.6(f), Bennamon Industries may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Accepted Pact Shares, even if a requirement for acceptance has not been complied with. In respect of each such Acceptance Form deemed valid by Bennamon Industries, payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Bennamon Industries.
- (d) Where the requirements of section 13.6 have been complied with in respect of some but not all of Your Pact Shares, Bennamon Industries may, in its sole discretion, deem your acceptance of this Offer valid in respect of those Pact Shares for which the requirements have been complied but not in respect of the remainder (unless Bennamon Industries waives those requirements in accordance with clause 13.7(c)).
- (e) Bennamon Industries will provide the consideration to you in accordance with section 13.9, in respect of any part of an acceptance determined by Bennamon Industries to be valid.

13.8 The effect of acceptance

(a) Revocation of acceptance

Once you have accepted the Offer, you will be unable to revoke or withdraw your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Accepted Pact Shares from the Offer or otherwise dispose of Your Accepted Pact Shares.

(b) Agreement resulting from acceptance

By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to section 13.6, you will be deemed to have:

- (i) accepted this Offer (and any variation of it) in respect of, and, subject to section 13.2(b) and section 13.3;
- (ii) represented and warranted to Bennamon Industries, as a fundamental condition going to the root of the contract resulting from your acceptance, that

at the time of acceptance, and the time the transfer of Your Accepted Pact Shares (including any Rights) to Bennamon Industries is registered, that:

- (A) all Your Accepted Pact Shares are and will be fully paid, free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise); and
 - (B) you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your Accepted Pact Shares (including any Rights) to Bennamon Industries, and that you have paid to Pact all amounts which at the time of acceptance have fallen due for payment to Pact in respect of Your Accepted Pact Shares;
- (iii) irrevocably authorised Bennamon Industries (and any director, secretary, nominee or agent of Bennamon Industries) to alter the Acceptance Form on your behalf by inserting correct details relating to Your Accepted Pact Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by Bennamon Industries to make it an effective acceptance of this Offer or to enable registration of Your Accepted Pact Shares in the name of Bennamon Industries;
 - (iv) if you signed the Acceptance Form or submitted an online acceptance in respect of Pact Shares which are held in a CHESS Holding, irrevocably authorised Bennamon Industries (or any director, secretary, nominee or agent of Bennamon Industries) to initiate, or instruct your Controlling Participant to initiate, acceptance of this Offer in respect of Your Accepted Pact Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
 - (v) if you signed the Acceptance Form or submitted an online acceptance in respect of Pact Shares which are held in a CHESS Holding, irrevocably authorised Bennamon Industries (or any director, secretary, nominee or agent of Bennamon Industries) to give any other instructions in relation to Your Accepted Pact Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant, as determined by Bennamon Industries acting in its own interests as a beneficial owner and intended registered holder of those Pact Shares;
 - (vi) irrevocably authorised and directed Pact to pay to Bennamon Industries, or account to Bennamon Industries for, all Rights in respect of Your Accepted Pact Shares, subject, if this Offer is withdrawn, to Bennamon Industries accounting to you for any such Rights received by Bennamon Industries;
 - (vii) irrevocably authorised Bennamon Industries to notify Pact on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Accepted Pact Shares is the address specified by Bennamon Industries in the notification;

- (viii) irrevocably appointed Bennamon Industries (and any director, secretary or nominee of Bennamon Industries) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Accepted Pact Shares, including (without limitation) signing any form, notice or instrument or other document relating to Your Accepted Pact Shares, powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of Pact and to request Pact to register, in the name of Bennamon Industries or its nominee, Your Accepted Pact Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (ix) agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting or any court-convened meeting of Pact or to exercise or purport to exercise any of the powers and rights conferred on Bennamon Industries (and its directors, secretaries and nominees) in section 13.8(b)(viii);
- (x) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 13.8(b)(viii), the attorney will be entitled to act in the interests of Bennamon Industries as the intended registered holder and beneficial owner of Your Accepted Pact Shares;
- (xi) agreed to do all such acts, matters and things that Bennamon Industries may require to give effect to the matters the subject of this section 13.8(b) (including the execution of a written form of proxy to the same effect as this section 13.8(b) which complies in all respects with the requirements of the constitution of Pact) if requested by Bennamon Industries;
- (xii) where, at that time, you have a right to be registered as a holder of the Pact Shares the subject of your acceptance as the result of an on-market purchase:
 - (A) agreed to procure the transfer and delivery of the Pact Shares the subject of your acceptance to Bennamon Industries in accordance with your acceptance (including giving Bennamon Industries all documents necessary to vest those Pact Shares in Bennamon Industries or otherwise to give Bennamon Industries the benefit or value of those Pact Shares);
 - (B) agreed not to do or omit to do anything which may frustrate your acceptance of this Offer, or otherwise obstruct registration of the transfer of the Pact Shares the subject of your acceptance to Bennamon Industries;
 - (C) irrevocably assigned to Bennamon Industries all contractual rights and recourse against the vendor in respect of your on-market purchase which contractual rights and recourse may arise by reason of that person's failure to complete the trade;

- (D) agreed to assign to Bennamon Industries (without any further action being required) all rights in respect of your on-market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to Bennamon Industries all right to (at Bennamon Industries' ultimate discretion) complete that trade on your behalf, and agreed that Bennamon Industries may deduct from the consideration otherwise payable to you (pursuant to a valid acceptance of this Offer and the delivery of the Pact Shares the subject of that acceptance) any amount paid by Bennamon Industries in order to settle that on-market purchase on your behalf. If Bennamon Industries does not, or cannot, make such a deduction, you must pay such amount to Bennamon Industries; and
- (E) agreed that if you are unable to assign to Bennamon Industries any of the rights and recourse specified under clause 13.8(b)(xii)(C) and 13.8(b)(xii)(D), you will assign such rights and recourse as soon as you are legally able to;
- (xiii) agreed to indemnify Bennamon Industries in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN or in consequence of the transfer of Your Accepted Pact Shares to Bennamon Industries being registered by Pact without production of your HIN or your SRN for Your Accepted Pact Shares;
- (xiv) represented and warranted to Bennamon Industries that, unless you have notified it in accordance with section 13.3, Your Accepted Pact Shares do not consist of separate parcels of Pact Shares;
- (xv) irrevocably authorised Bennamon Industries (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Accepted Pact Shares to the Takeover Transferee Holding of Bennamon Industries, regardless of whether it has paid the consideration due to you under this Offer; and
- (xvi) agreed to execute all such documents, transfers and assurances, and do all such acts, matters and things that Bennamon Industries may consider necessary or desirable to convey Your Accepted Pact Shares registered in your name and Rights to Bennamon Industries.

The undertakings and authorities referred to in section 13.8(b) will remain in force after you receive the consideration for Your Accepted Pact Shares and after Bennamon Industries becomes registered as the holder of Your Accepted Pact Shares.

By accepting this Offer (and any variation of it), you will be deemed to have agreed to the matters set out in this section 13.8, notwithstanding where this Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

13.9 Payment of consideration

(a) When you will be paid

Subject to sections 13.7(b) and 13.9 and the Corporations Act, Bennamon Industries will provide the consideration due to you for Your Accepted Pact Shares on or before the earlier of:

- (i) one month after the date on which you validly accept the Offer in respect of Your Pact Shares; and
- (ii) 21 days after the end of the Offer Period.

(b) Payment where additional documents required

Where the Acceptance Form or subsequent request from Bennamon Industries requires an additional document to be delivered with your Acceptance Form (such as a certified copy of any of a power of attorney, grant of probate or letters of administration, or any other document reasonably requested by Bennamon Industries to give better effect to your acceptance):

- (i) if that document is given with your Acceptance Form, Bennamon Industries will provide the consideration in accordance with section 13.9(a);
- (ii) if that document is given after your Acceptance Form and before the Offer closes, Bennamon Industries will provide the consideration due to you on or before the earlier of:
 - (A) one month after that document is given; and
 - (B) 21 days after the end of the Offer Period; or
- (iii) if that document is given after your Acceptance Form and after the end of the Offer Period, Bennamon Industries will provide the consideration within 21 days after that document is given.

(c) Rights

If you accept this Offer, Bennamon Industries is entitled to all Rights (including dividends) declared, paid, made or which arise or accrue in respect of Your Accepted Pact Shares. Bennamon Industries may require you to provide all documents necessary to vest title to those Rights in Bennamon Industries, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Bennamon Industries, or if you have received or are entitled to receive (or any previous holder of Your Accepted Pact Shares has received or is entitled to receive) the benefit of those Rights, Bennamon Industries will (provided the same has not been paid to Bennamon Industries) be entitled to deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Bennamon Industries) of those Rights. If Bennamon Industries does not, or cannot, make such a deduction, you must pay such value or amount to Bennamon Industries. For the avoidance of doubt, for the

purposes of this clause 13.9(c), Bennamon Industries is not entitled to deduct from the consideration otherwise due to you (or require payment of), the amount or value of any franking credits attached to any dividend.

(d) **Delivery of consideration**

Payment of any cash amount to which you are entitled under the Offer will be made by cheque in Australian currency in your favour. Cheques will be posted to you at your risk by ordinary mail (or in the case of Pact Shareholders with addresses outside Australia, by airmail) to the address shown either, at the discretion of Bennamon Industries, on your Acceptance Form or the Pact Register supplied by Pact from time to time. Payment will be deemed to have been made at the time the cheque is delivered by or on behalf of Bennamon Industries to the post for delivery. If Your Pact Shares are held in a joint name, the cheque will be issued in the name of the joint holders and forwarded to the address that appears first in the register of Pact.

Under no circumstances will interest be paid on the consideration to which you are entitled, regardless of any delay in providing the consideration or any extension of the Offer.

(e) **Withholding of consideration by Bennamon Industries**

- (i) Bennamon Industries will make all payments that become due under the Offer free and clear and without deduction of all present and future withholdings unless Bennamon Industries determines (acting reasonably) that it is required to by law or a governmental agency (including the Commissioner of Taxation pursuant to Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth)) (in this clause 13.9(e), a **Withholding Amount**).
- (ii) If Bennamon Industries determines (acting reasonably) that it is required to pay a Withholding Amount with respect to the acquisition of Pact Shares from a Pact Shareholder, Bennamon Industries will:
 - (A) determine the amount of the Withholding Amount;
 - (B) remit the Withholding Amount to the relevant governmental agency (including the Commissioner of Taxation) within the time required by law; and
 - (C) be deemed to have satisfied its obligations to pay the Withholding Amount to the Pact Shareholder for the purposes of the Offer.

(f) **Non-Australian residents**

If at the time you accept the Offer:

- (i) you are located in, or a resident of, a place to which, or you are a person to whom any of the following applies:
 - (A) *Banking (Foreign) Exchange Regulations 1959* (Cth);

(B) *Charter of the United Nations Act 1945 (Cth)*, *Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)* or any other law or regulation made under that legislation;

(C) *Autonomous Sanctions Act 2011 (Cth)*; or

(D) any other law of Australia or elsewhere that would make it unlawful for Bennamon Industries to provide any consideration to you for Your Accepted Pact Shares; or

(ii) any authority, clearance or approval of the Reserve Bank of Australia, the Department of Foreign Affairs and Trade, the ATO or any other government authority is required for you before you receive any consideration for Your Accepted Pact Shares,

then you will not be entitled to receive any consideration for Your Accepted Pact Shares until all requisite authorities, clearances or approvals have been received by Bennamon Industries.

(g) The Offer consideration you are paid will be reduced by the amount or value of any Rights attaching to Your Pact Shares, on or after the Announcement Date, which Bennamon Industries does not receive (see section 13.9(c)).

13.10 Conditions of this Offer

This Offer is unconditional, which means that it is not subject to any defeating conditions.

13.11 Withdrawal of this Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Bennamon Industries will give notice of the withdrawal to ASX and to Pact and will comply with any other conditions imposed by ASIC.
- (b) If the Offer is withdrawn, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) A withdrawal pursuant to this section 13.11 will be deemed to take effect:
 - (i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or
 - (ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

13.12 Variation of this Offer

Bennamon Industries may vary this Offer in accordance with the Corporations Act.

13.13 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by Bennamon Industries to you in connection with the Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the Pact Register or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

13.14 Stamp duty and brokerage

- (a) Bennamon Industries will pay any stamp duty payable on the transfer of Your Accepted Pact Shares to it.
- (b) As long as Your Accepted Pact Shares are registered in your name in an Issuer Sponsored Holding and you deliver them directly to Bennamon Industries, you will not incur any brokerage charges in connection with your acceptance of this Offer.
- (c) If Your Accepted Pact Shares are in a CHESS Holding or you hold Your Pact Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or the bank, custodian or other nominee whether it will charge any transaction fees or service charges connected with you accepting the Offer. Any brokerage fees charged by Controlling Participants or nominees will be the sole responsibility of the accepting Pact Shareholder.

13.15 Foreign laws

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

13.16 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in Victoria, Australia.

14. Definitions and interpretation

14.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
\$	Australian dollars, the lawful currency of the Commonwealth of Australia.
AASB 16	Australian Accounting Standard AASB 16 (<i>Leases</i>).
Acceptance Form	the acceptance form enclosed with this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of Bennamon Industries.
Announcement Date	the date on which the Offer was announced by Kin Group, being 13 September 2023.
ASIC	the Australian Securities and Investments Commission.
ASIC Market Integrity Rules	ASIC Market Integrity Rules (Securities Market) 2017.
Associate	has the meaning given in sections 12(2) and 16 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as "ASX" operated by it.
ASX Listing Rules	official listing rules of ASX.
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532).
ASX Settlement Operating Rules	operating rules of ASX Settlement which govern the administration of CHESS.
ATO	Australian Taxation Office.
Bennamon Industries	Bennamon Industries Pty Ltd (ACN 666 620 677).
Bidder's Statement	this document, being the statement of Bennamon Industries under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Business Day	a day that is each of the following: (a) a "Trading Day" within the meaning given in the ASX Listing Rules; and (b) a day on which banks are open for business in Melbourne, excluding a Saturday, Sunday or public holiday.

Term	Meaning
CGT	capital gains tax.
CGT Withholding Tax	has the meaning given in section 11.2.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities.
CHESS Holding	a holding of Pact Shares on the CHESS subregister of Pact (being a register administered by ASX Settlement and which records uncertificated holdings of shares). A CHESS holding will be administered through a Controlling Participant which is normally your broker.
Controlling Participant	in relation to Your Pact Shares, has the same meaning as in the ASX Settlement Operating Rules (normally your broker). Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (within the meaning of the ASX Settlement Operating Rules).
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Crate Pooling Business	the Crate Pooling and Crate Manufacturing business referred to by Pact in its ASX announcement titled “2023 full year results release” released on 16 August 2023.
EBITDA	earnings before interest, taxes, depreciation and amortisation.
Facility Agreement	has the meaning given in section 9.2(a).
FY	financial year.
FY20	financial year ended 30 June 2020.
FY21	financial year ended 30 June 2021.
FY22	financial year ended 30 June 2022.
FY23	financial year ended 30 June 2023.
FY24	financial year ended 30 June 2024, as reported by Pact publicly.
GST	goods and services tax.
Guarantors	has the meaning given in section 9.2(a).
HIN or Holder Identification Number	the number used to identify a Pact Shareholder on Pact’s CHESS subregister.
Issuer Sponsored Holding	a holding of Pact Shares on Pact’s issuer sponsored subregister.

Term	Meaning
Kin Group	Kin Group Pty Ltd (ACN 095 313 714).
Lender	Australia and New Zealand Banking Group Limited.
Maximum Offer Amount	has the meaning given in section 9.1.
New Facilities	has the meaning given in section 9.2.
Offer	offer for Pact Shares under the terms and conditions contained in section 13.5 of this Bidder's Statement.
Offer Information Line	1800 237 687 (within Australia) +61 1800 237 687 (from outside Australia)
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 13.5 of this Bidder's Statement.
Offer Price	\$0.68 per Pact Share.
Pact	Pact Group Holdings Limited (ACN 145 989 644).
Pact Board	the board of directors of Pact.
Pact Group	Pact and each of its Subsidiaries.
Pact Register	share register of Pact.
Pact Shareholder	means each person who is registered as the holder of a Pact Share in the register of members of Pact maintained in accordance with the Corporations Act.
Pact Shares	fully paid ordinary shares in the capital of Pact.
Participant	an entity admitted to participate in CHESS under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Performance Rights	performance rights issued by Pact prior to the Announcement Date, being 1,967,997 unlisted performance rights.
Register Date	8.00 am (Melbourne time) on 14 September 2023, being the date set by Bennamon Industries under section 633(2) of the Corporations Act.
Related Body Corporate	has the meaning given to that term in section 50 of the Corporations Act.
Relevant Interest	has the meaning given to that term in sections 608 and 609 of the Corporations Act.
Rights	all accretions, rights or benefits of whatever kind attaching or arising from Pact Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends or other distributions and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other

Term	Meaning
	securities declared, paid or issued by Pact or any of its Subsidiaries).
Share Registry	Link Market Services Limited (ACN 083 214 537).
SRN or Security Reference Number	the number allocated by Pact to identify a Pact Shareholder on Pact's issuer sponsored subregister.
Subsidiary	has the meaning given in the Corporations Act.
Takeover Transferee Holding	has the meaning as in the ASX Settlement Operating Rules.
Target's Statement	target's statement to be prepared by Pact in relation to the Offer.
Terms	has the meaning given in clause 9.2(a).
Voting Power	has the meaning given in section 610 of the Corporations Act.
VWAP	volume weighted average trading price of Pact Shares on ASX.
Your Accepted Pact Shares	the number of Your Pact Shares in respect of which you have accepted the Offer.
Your Pact Shares	subject to section 13.6, the Pact Shares: (a) in respect of which you are registered, or entitled to be registered, as holder in the Pact Register on the Register Date; or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period; and any new Pact Shares in respect of which you are registered or entitled to be registered as the holder on the Pact Register at any time during the period from the Register Date to the end of the Offer Period as a result of the vesting, conversion of, or exercise of Rights attached to, Performance Rights.

14.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act (and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, that special meaning);
- (b) words importing the singular include the plural and vice versa;
- (c) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

- For personal use only
- (d) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;
 - (e) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
 - (f) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
 - (g) a reference to time is a reference to time in Melbourne, Australia; and
 - (h) a reference to Australian dollars, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

15. Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by the directors of Bennamon Industries.

Date: 13 September 2023.

SIGNED for and on behalf of **BENNAMON INDUSTRIES PTY LTD** by:



Director



Print name

16. Corporate directory

Kin Group Pty Ltd

Level 16
644 Chapel Street
South Yarra, Victoria, 3141

Bennamon Industries Pty Ltd

Level 16
644 Chapel Street
South Yarra, Victoria, 3141

Legal adviser in respect of the Offer

Ashurst
Level 16
80 Collins Street, South Tower
Melbourne, Victoria, 3000

Financial adviser in respect of the Offer

Macquarie Capital (Australia) Limited
50 Martin Place
Sydney, New South Wales, 2000

Share registrar

Link Market Services Limited
Level 12
680 George Street
Sydney, New South Wales, 2000

Investor relations and media enquiries

Citadel-MAGNUS
Level 27
420 George Street
Sydney, New South Wales, 2000

Offer Information Line*

1800 237 687 (within Australia) or +61 1800 237 687 (from outside Australia)

*Calls to these numbers will be recorded

Your holding

Pact Group Holdings Limited Shares held as at Register Date	99,999,999
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CONTROLLING PARTICIPANT'S NAME

Broker's Name printed here

Transfer and Acceptance Form – CHERS Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to your controlling participant to accept the Offer

If you sign and return this form, you will be deemed to have accepted the Offer in respect of **ALL** of Your Pact Group Holdings Limited Shares (even if different to the number stated above). Your form must be received by the date the Offer closes.

Offer Consideration – \$0.68 per Pact Group Holdings Limited Share

To accept the Offer you may either:

- directly instruct your Controlling Participant to accept the Offer on your behalf; or
- sign and return this Acceptance Form to the address shown overleaf so the Bidder can contact your Controlling Participant on your behalf and relay your instructions.

If your Controlling Participant acts on your instruction CHESS will send you a confirmation notice.

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

()

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Pact Group Holdings Limited Shares and hereby agree to transfer to Bennamon Industries Pty Ltd all my/our Pact Group Holdings Limited Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Shareholder 2 (Individual)

Shareholder 3 (Individual)

Sole Director & Sole Company Secretary

Secretary/Director (delete one)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



HIN



Broker PID



Holding

PGHT TKO002



Further Important Instructions

Your Pact Group Holdings Limited Shares are in a CHESS Holding, you do not need to complete and return this Acceptance Form to the registry to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow Link Market Services Limited ("Link") sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf. Neither Bennamon Industries Pty Ltd, nor Link will be responsible for any delays incurred by this process.

Please refer to the Bidder's Statement dated 13 September 2023 which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
 - **Please note** your consideration will be issued by cheque in the names as they appear on the Pact Group Holdings Limited register.
- D**
- **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your Pact Group Holdings Limited Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services Limited
Pact Group Holdings Limited Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Link Market Services Limited
Level 12
680 George Street
Sydney, NSW, 2000, Australia

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (Melbourne time) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the Bennamon Industries Pty Ltd Offer Information Line on the following numbers:

within Australia: 1800 237 687
outside Australia: +61 1800 237 687

Your holding

Pact Group Holdings Limited Shares held as at Register Date	99,999,999
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This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Transfer and Acceptance Form – Issuer Sponsored Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to accept the Offer

If you sign and return this form, you will be deemed to have accepted the Offer in respect of **ALL** of Your Pact Group Holdings Limited Shares (even if different to the number stated above). Your form must be received by the date the Offer closes.

Offer Consideration – \$0.68 per Pact Group Holdings Limited Share

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Pact Group Holdings Limited Shares and hereby agree to transfer to Bennamon Industries Pty Ltd all my/our Pact Group Holdings Limited Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Shareholder 2 (Individual)

Shareholder 3 (Individual)

Sole Director & Sole Company Secretary

Secretary/Director (delete one)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



Holding

PGHT TKO001



Further Important Instructions

Your Pact Group Holdings Limited Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Bidder's Statement dated 13 September 2023 which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A**
- **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Pact Group Holdings Limited Registry.
 - **Please note** your consideration will be issued by cheque in the names as they appear on the Pact Group Holdings Limited register.
- D**
- **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your Pact Group Holdings Limited Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

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