

8 April 2016

RECOMMENDED PROPORTIONAL TAKEOVER OFFER BY SEA HARVEST

- **Sea Harvest proposes to make a proportional cash takeover offer at \$0.35 per share to all existing Mareterram shareholders for 50% of their shares in Mareterram**
- **Mareterram's Independent Directors¹ unanimously recommend the Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable to shareholders**
- **Mareterram's directors and four major shareholders intend to accept the offer in the absence of a Superior Proposal**
- **Mareterram and its shareholders will benefit from the closer relationship with Sea Harvest**
- **Sea Harvest strongly supports and endorses Mareterram's current directors, management and strategy**

The Board of Mareterram Limited (**ASX: MTM**) (**Mareterram** or the **Company**) is pleased to announce the Company has entered into a Bid Implementation Agreement (**BIA**) with its major shareholder Sea Harvest Holdings Proprietary Limited (**Sea Harvest**) pursuant to which Sea Harvest (or a member of the Sea Harvest group) will make a conditional proportional off-market cash offer to acquire 1 out of every 2 shares held by Mareterram shareholders (other than Sea Harvest and its related entities) for \$0.35 cash per share (**Offer**). A copy of the BIA is attached to this announcement.

Sea Harvest (through a wholly-owned subsidiary) is the largest shareholder in Mareterram, currently holding voting power of 19.9%. Sea Harvest's Offer is conditional upon (amongst other things) achieving a 50.1% shareholding. If all of Mareterram's shareholders choose to accept the Offer, Sea Harvest's ownership of Mareterram shares will increase up to a maximum of approximately 59.6% for a total cash consideration of approximately \$19.7 million.

David Lock, CEO and Managing Director of Mareterram commented: "This is an outstanding result for Mareterram and its shareholders. To be more closely aligned with a high quality company with the fishing industry expertise and experience of Sea Harvest is an exciting and significant development for our growing company. This transaction reinforces our strategic direction and will help us deliver our strategy to drive long term value creation for all Mareterram shareholders".

Mr Felix Ratheb, Chief Executive Officer of Sea Harvest (and non-executive director of Mareterram) stated: "This proposed Offer for Mareterram's shares demonstrates our confidence in Mareterram and is a strong endorsement of its high quality people and strategic direction. Sea Harvest will continue to support Mareterram's Board and management and their strategy. We believe by increasing Sea Harvest's shareholding we can better partner and assist Mareterram in achieving its goals, especially in relation to its growth and diversification objectives."

¹ All capitalised terms used in this announcement have the same meaning as in the BIA, unless otherwise defined. As Non-Executive Director Mr Felix Ratheb is also the Chief Executive Officer of Sea Harvest, the Board has established an Independent Board committee comprising Messrs Peter Hutchinson, David Lock, James Clement and Mark Pitts to consider and respond to the Offer (**Independent Directors**).

Under the terms of the BIA Sea Harvest has the right to appoint Mr Fred Robertson as a non-executive director to the Board (in addition to Mr Ratheb) upon acquiring a relevant interest in 50.1% of Mareterram shares and the Offer being declared unconditional. .

Chairman of Mareterram Mr Peter Hutchinson said: “The Company looks forward to welcoming Mr Robertson to the Board as a Non Executive Director (subject to completion of the Offer) and his much anticipated contribution given his significant international business experience, particularly in his role as Chairman of Sea Harvest and its holding company Brimstone. Mr Robertson was clearly impressed and saw opportunity during his most recent trip to Western Australia and the Company’s prawn trawling operations in Carnarvon”.

A brief profile of Mr Robertson follows: Executive chairman and co-founder of Brimstone, Mr Robertson is a leading figure in the South African business community, having gained experience on the national and international business stage through his directorships of Remgro Limited, AON Re Africa (Proprietary) Limited and Old Mutual Emerging Markets Limited. He is also non-executive chairman of Sea Harvest, Lion of Africa Insurance Company Limited, Lion of Africa Life Assurance Company Limited and House of Monatic (Proprietary) Limited.

Transaction Rationale and Benefits

The transaction has a number of benefits for Mareterram and its shareholders, including:

- **Price is a premium** - Mareterram shareholders who accept the Offer will receive cash of \$0.35 per share for the shares accepted. The Offer price represents:
 - a 75% premium over the offer price of \$0.20 per Mareterram share under the Company’s recent re-compliance prospectus dated 12 November 2015;
 - a 19.7% premium over the 30 day volume weighted average price of \$0.2924 per Mareterram share up to and including 4 April 2016, the last trading day prior to the Company entering into the trading halt ahead of this announcement; and
 - a 9.37% premium over the closing price of \$0.32 per Mareterram share on 4 April 2016.
- **Continued participation in Mareterram for accepting shareholders** – the structure of the Offer means that Mareterram shareholders who accept the Offer will still retain half of their current holding, and accordingly, can continue to participate in the Company’s future growth.
- **Global supply chain** – With a 52 year history in global markets, Sea Harvest sells its products to the US, Europe and Asia (and to customers not currently serviced by Mareterram). It has long term relationships with established customers and access to international supply chain logistics. Mareterram will be better able to leverage those Sea Harvest relationships to sell its own products and to penetrate new markets, as well as better service Mareterram’s existing customers.
- **Support for Mareterram’s growth strategy** - Sea Harvest has stated it strongly endorses Mareterram’s current Board and management, their growth strategy and vision of a diversified agribusiness. This will provide Mareterram access to a broader range of growth opportunities and valuable expertise in identifying and assessing acquisitions.
- **Improve product and distribution diversity** – Mareterram distributes Sea Harvest hake products in Australia under an existing supply arrangement. Closer alignment between Sea Harvest and Mareterram provides Mareterram the opportunity to increase the volume and range of Sea Harvest products it sells and to diversify its distribution channels into the marketplace.
- **Funding support** – An increased shareholding by Sea Harvest assists in underpinning Mareterram’s future capital requirements to fund its strategic objectives. Sea Harvest is controlled by Brimstone Investment Corporation Limited (**Brimstone**), an investment holding company listed on the Johannesburg Stock Exchange. Brimstone’s strategy is to develop long term partnerships with, and invest alongside, strong management teams running cash generative businesses.

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- **Expertise and operational synergies** – Sea Harvest is one of the largest vertically integrated fishing companies in South Africa. Established in 1964 and employing over 2,400 people, it owns 18 deep-sea fishing trawlers, processes approximately 40,000 tonnes of fish and has considerable expertise in the fishing industry. Mareterram will work with Sea Harvest to better access the people, systems and expertise of Sea Harvest to achieve synergies in a number of areas, including purchasing power, maintenance and support of vessels, engineering, sales and marketing, IT, risk management, fishing practices, OH&S and quality control.

Mareterram Director Recommendations

The Independent Directors unanimously recommend Mareterram shareholders accept the Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding the Offer is fair and reasonable to shareholders.

The Independent Directors believe it is an attractive offer for shareholders and note the premium over recent trading and volume weighted average prices that the Offer price represents.

Shareholder and Director Support

The two largest shareholders of Mareterram (other than Sea Harvest) are Craig Mostyn & Co Pty Ltd (**Craig Mostyn**) (who holds 20 million shares representing a 14.83% interest) and Orange Sun Development Corporation Pty Ltd (**Orange Sun**) (who holds 10 million shares representing a 7.42% interest). Both these shareholders have indicated they intend to accept the Offer, in the absence of a Superior Proposal. Wolf Capital Pty Ltd (**Wolf**) and Oresusa Pty Ltd (**Oresusa**) who each hold 5 million shares representing a 3.71% interest have also separately indicated they intend to accept the Offer, in the absence of a Superior Proposal.

In addition, all the directors of Mareterram have indicated they intend to accept the Offer in relation to all shares owned or controlled by them, in the absence of a Superior Proposal.

The indications of an intention to accept the Offer, in the absence of a Superior Proposal, which have been received by the Company from major shareholders and the directors relate to an aggregate total of 23,375,000 shares, representing 17.33% of the total issued capital of the Company.

Acceptance of the Offer by Craig Mostyn, Orange Sun and Mr Hutchinson, will be as soon as is reasonably practicable on the later of the date of satisfaction of the escrow restrictions described below and 21 days after the Offer opens, in the absence of a Superior Proposal. Acceptance of the Offer by the remaining directors and Wolf and Oresusa will be as soon as is reasonably practicable on the date which is 21 days after the Offer opens, in the absence of a Superior Proposal.

The 20 million Mareterram shares held by Craig Mostyn, the 10 million Mareterram shares held by Orange Sun, and 3,406,250 of the 5,000,000 Mareterram shares controlled by Mr Hutchinson are subject to voluntary escrow agreements. These shareholders will be permitted to accept the Offer in respect of their escrowed Mareterram shares if holders of at least half of the shares (excluding the escrowed shares) have accepted the Offer and all conditions of the Offer have been satisfied or waived. Alternatively, if a bid acceptance facility is established, these shareholders may tender their escrowed shares into the facility if holders of at least half of the shares (excluding the escrowed shares) have accepted the Offer or tendered (and not withdrawn) their shares into the facility.

The BIA

A copy of the BIA is attached to this announcement. Key terms of the BIA are set out below:

- the Offer is subject to the satisfaction or waiver of the conditions set out in Schedule 1 of the BIA, including but not limited to:
 - Sea Harvest obtaining approval from the Financial Surveillance Department within The South African Reserve Bank for remittance of foreign currency out of South Africa for the

purpose of satisfying any consideration payable to shareholders who accept the Offer pursuant to section B.2(B)(ii) of the rules under the Exchange Control Regulations;

- 50.1% minimum acceptance;
 - Mareterram does not make any material acquisitions, disposals or new commitments;
 - no prescribed occurrence occurs in relation to Mareterram;
 - there being no material adverse change in respect of Mareterram;
 - there being no regulatory action;
 - all material approvals and licences required to conduct the Mareterram Group business and the Carnarvon Boat Harbour leases remain in force;
 - supply arrangements with key suppliers, including Mydibel, Top Hat, Bayview and Rand Transport remain in force; and
 - the independent expert concluding that the Offer is fair and reasonable to shareholders.
- Mareterram has agreed to customary exclusivity arrangements including “no shop” and “no talk” restrictions, notification and matching rights until the end of the Offer period, subject to a customary fiduciary exception to allow it to consider competing proposals;
 - Sea Harvest will enter into an agreement with Mr Hutchinson to acquire 50% of the 5,000,000 options controlled by him for \$0.15 per option (being the difference between the Offer price per share of \$0.35 and the exercise price of the options of \$0.20 per option) subject to the Offer being declared unconditional or all of the conditions being satisfied; and
 - the Offer will extend to shares that are issued during the Offer period due to the vesting of Performance Rights. 3,125,000 of the 6,250,000 Performance Rights held by Mr Lock and 1,562,500 of the 3,125,000 Performance Rights held by Mr Clement will vest subject to the Offer being or being declared unconditional (with Messrs’ Lock and Clement able to accept the Offer for 50% of the shares arising from the vesting of the Performance Rights). The balance of the Performance Rights remain in place.

Indicative timing

The indicative timetable for the Offer is set out below:

Event	Target Date
Lodgement of Bidder’s and Target’s Statements with ASIC and ASX	19 May 2016
Expected dispatch of Bidder’s and Target’s Statements	7 June 2016
Expected opening of the Offer	7 June 2016

Advisers

Euroz Securities Limited is acting as corporate adviser to Mareterram and Gilbert + Tobin is acting as legal adviser to Mareterram.

The Standard Bank of South Africa Limited is acting as Investment Bank to Sea Harvest and DLA Piper Australia is acting as legal adviser to Sea Harvest.

Nedbank Limited is acting as corporate adviser to Brimstone.

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Appendix 1

Bid Implementation Agreement



EXECUTION VERSION

DATED

8TH

APRIL 2016

(1) SEA HARVEST HOLDINGS PROPRIETARY LIMITED
Sea Harvest

- and -

(2) MARETERRAM LIMITED
Mareterram

**BID IMPLEMENTATION
AGREEMENT**

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THIS AGREEMENT is made on

8TH

APRIL 2016

BETWEEN:

- (1) **MARETERRAM LIMITED**, a public company registered in Western Australia with company number 009 248 720 which has its registered office at Unit 4, 24 Mews Road, South Fremantle WA 6160 ("**Mareterram**"); and
- (2) **SEA HARVEST HOLDINGS PROPRIETARY LIMITED**, a corporation organised and existing under the laws of South Africa with registration number 2008/001066/07 720 which has its registered office at 1st Floor, Block C, The Boulevard, Searle Street, Woodstock 7925 Cape Town, South Africa ("**Sea Harvest**").

BACKGROUND:

- A Sea Harvest is proposing to make the Takeover Bid.
- B The Independent Directors are proposing to recommend the Takeover Bid in the absence of a Superior Proposal and subject only to the Independent Expert concluding that the Takeover Bid is fair and reasonable to Shareholders.
- C The Parties have agreed that the Takeover Bid will be implemented on the terms and conditions of this Agreement.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

Definitions

- 1.1 The meanings of the terms used in this document are as follows:

"**ACCC**" means the Australian Competition and Consumer Commission;

"**Accommodation Facilities Licence**" means a contractual licence held by Mareterram Fisheries Pty Limited to use accommodation facilities at Babbage Island pursuant to the letter agreement entitled 'Use of accommodation facilities in Babbage Island' dated 18 December 2015 between Mareterram Fisheries Pty Limited and Fichia Pty Ltd (formerly Nor-West Seafoods Pty Ltd);

"**Accounts**" means the reviewed consolidated statement of financial position as at the Accounts Date of Mareterram and the consolidated income statement for the half-year ended on that date of Mareterram;

"**Accounts Date**" means 31 December 2015;

"**Agreed Announcement**" means the agreed form announcement in schedule 3;

"**Agreement**" means this bid implementation agreement;

"**Announcement Date**" means the date on which the Agreed Announcement is made, being on or about the date of this Agreement;

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"**Approval**" means a licence, authority, consent, approval, order, exemption, waiver, ruling or decision;

"**ASIC**" means Australian Securities and Investments Commission;

"**Associate**" means the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act includes a reference to this Agreement;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Bid Conditions**" means the conditions of the Takeover Bid included in section 3 of the Bid Terms and "**Bid Condition**" means any one of them;

"**Bidder's Statement**" means the bidder's statement to be issued by Sea Harvest in respect to the Takeover Bid;

"**Bid Terms**" means the terms and conditions in schedule 1;

"**Break Fee**" means the amount of \$200,000;

"**Business Day**" means a day on which the banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday;

"**Carnarvon Boat Harbour Leases**" means the Lease for Lots A, B, C, M, N, A1, B1 & C1 and the Lease for Lots E & E1;

"**Challenged Amount**" has the meaning given in clause 6.9;

"**Change of Control Event**" has the meaning given in the Performance Right;

"**Claim**" includes actions, suits, causes of action, debts, dues, costs, claims, liabilities, demands, damages, losses, costs and expenses of any description, decisions, judgments and orders either at law or in equity or arising under any statute;

"**Competing Proposal**" means any expression of interest, proposal, offer, transaction or arrangement by or with any person pursuant to which, if the expression of interest, proposal, offer, transaction or arrangement is entered into or completed substantially in accordance with its terms, would result in a Third Party:

- (a) directly or indirectly acquiring an interest, a Relevant Interest in or becoming the holder of:
 - (i) more than 20% of the Shares; or
 - (ii) the whole or a substantial part or a material part of the business or property of Mareterram or the Mareterram Group (in either case when considered in aggregate);
- (b) acquiring Control of Mareterram; or
- (c) otherwise acquiring or merging (including by a takeover bid, scheme of arrangement, capital reduction, reverse takeover bid, security buy-back, sale or

purchase of assets, joint venture, partnership or dual listed company structure) with Mareterram;

"Completion Date" means the date that is 5 Business Days after the date on which the Offer becomes (or is declared) wholly unconditional;

"Confidentiality Agreement" means the confidentiality agreement between Mareterram and Sea Harvest dated 30 March 2016;

"Control" has the meaning given in section 50AA of the Corporations Act;

"Corporations Act" means the *Corporations Act 2001* (Cth);

"Counter Proposal" has the meaning given in clause 7.4.2.4;

"Encumbrance" means:

- (a) a PPS Security Interest;
- (b) any other mortgage, charge, pledge or lien;
- (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money);
- (d) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase, licence, lease or hire purchase); or
- (e) an agreement to create anything referred to above or to allow any of them to exist,

and Encumber has a corresponding meaning;

"Exchange Control Regulations" means the *Exchange Control Regulations 1961* (South Africa) as amended from time to time;

"Exclusivity Period" means the period commencing on the date of this Agreement and ending on the earlier of:

- (a) the date of termination of this Agreement; and
- (b) the end of the Offer Period;

"Facilities" means the loan facilities granted pursuant to the Financing Agreement;

"FATA" means the *Foreign Acquisitions and Takeovers Act 1975* (Cth);

"Financing Agreement" means the financing agreement dated 11 December 2015 between NAB, and each entity of the Mareterram Group, as amended by an amendment deed dated February 2016;

"FIRB" means the Foreign Investment Review Board;

"Fishing Licences" means:

- (a) ten current fishing boat licences, one for each of the vessels in the Mareterram Group's fleet (Cape Inscription, NW Levillian, NW Carnarvon II, NW Louisa Bay, NW Shark Bay, NW Herald Bay, Cape Bellefin, NW Henri Freycinet, Abel Tasman and NW Heirisson I) ("**Vessels**"), each expiring on 31 December 2016;
- (b) ten current fish processor's licences, one for the on-vessel processing facilities on each of the Vessels, expiring on 31 December 2016;
- (c) ten current managed fishery licences authorising each of the Vessels to fish for prawns in the Shark Bay Prawn Managed Fishery, expiring on 1 March 2017;
- (d) ten current managed fishery licences (class B) authorising each of the Vessels to fish for scallops in the Shark Bay Scallop Managed Fishery, expiring on 1 March 2017; and
- (e) ten current managed fishery licences (class A) authorising each of the Vessels to fish for crabs in the Shark Bay Crab Managed Fishery, expiring on 31 October 2016;

"Government Agency" includes:

- (a) ASX, ACCC, ASIC and FIRB;
- (b) any government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute;

"GST" has the meaning given in the GST Law;

"GST Law" has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

"Holding Lock" has the meaning given to that term in the Listing Rules;

"Independent Board" means the directors of Mareterram from time to time but does not include those board members who are nominees of, or were suggested to Mareterram by, Sea Harvest, being Felix Ratheb;

"Independent Director" means a member of the Independent Board;

"Independent Expert" means the independent expert to be engaged by Mareterram to express an opinion on whether the Takeover Bid is fair and reasonable to Shareholders;

"Listing Rules" means the listing rules of ASX;

"Lodgement Date" means the lodgement date as set out in the Timetable, being the date by which Sea Harvest must lodge the Bidder's Statement with ASIC;

"Losses" means all claims, demands, damages, costs, expenses and liabilities;

"Mareterram Diligence Materials" means the information provided by Mareterram to Sea Harvest and its Representatives in the Mareterram drop box hosted by Dropbox as at 5pm on 6 April 2016, any additional information that has been provided in writing by Mareterram in response to a request by Sea Harvest or its Representatives, and any information which has been publically announced by Mareterram prior to the date of this Agreement;

"Mareterram Group" means Mareterram and each of its Related Bodies Corporate;

"Mareterram Group Entity" means any member of the Mareterram Group;

"Mareterram Option" means an unlisted option to acquire a Share with an exercise price of \$0.20;

"Material Contract" means a contract or commitment requiring total payments in excess of \$200,000;

"NAB" means National Australia Bank Limited ACN 004 044 937;

"NAB Security Interests" means all security interests granted to NAB under the following documents:

- (a) General Security Agreement between Mareterram Fisheries Pty Ltd, Mareterram Trading Pty Ltd, Mareterram and NAB dated 18 December 2015;
- (b) Specific Security Agreement (Receivables) between Mareterram Trading Pty Ltd and NAB dated 18 December 2015;
- (c) Specific Security Agreement (Fishery Licences) between Mareterram Fisheries Pty Ltd and NAB dated 18 December 2015;
- (d) Ship Mortgage between Mareterram Fisheries Pty Ltd and NAB dated 18 December 2015;
- (e) Mortgage with respect to Lease L211101 between Mareterram Fisheries Pty Ltd and NAB dated 18 December 2015;
- (f) Mortgage with respect to Lease N208072 between Mareterram Fisheries Pty Ltd and NAB dated 18 December 2015; and
- (g) Mortgage with respect to Lease N188305 between Mareterram Fisheries Pty Ltd and NAB dated 18 December 2015;

"Notice" has the meaning given in clause 14.1;

"Offer" means each offer to acquire Shares made in connection with the Takeover Bid;

"Offer Date" means:

- (a) the offer date as set out in the Timetable; or
- (b) any other date agreed in writing by the Parties;

"Offer Period" means the period that the Offers are open for acceptance, as extended from time to time;

"Offer Price" has the meaning given in paragraph 1 of schedule 1;

"Party" means a party to this Agreement;

"Performance Right" means a right to acquire a Share (subject to satisfaction of certain vesting conditions);

"Permitted Encumbrance" means:

- (a) an Encumbrance that is registered on any public register at the date of this agreement;
- (b) a lien that arises by the operation of law in the ordinary course of business which is not more than 60 days overdue (unless being contested or litigated in good faith); and
- (c) a deemed security interest under section 12(3) of the PPSA which does not secure payment or performance of an obligation;

"PPSA" means the *Personal Property Securities Act 2009* (Cth);

"PPS Security Interest" means a security interest that is subject to the PPSA;

"Processing Facility Licence" means a contractual licence held by Mareterram Fisheries Pty Ltd to use seafood processing facilities at Babbage Island in accordance with the letter agreement entitled 'Use of processing facilities in Babbage Island' dated 18 December 2015 between Mareterram Fisheries Pty Limited and Fichia Pty Ltd (formerly Nor-West Seafoods Pty Ltd);

"Prospectus" means the second replacement prospectus issued by Mareterram on 12 November 2015;

"Register" means the register of Shareholders maintained by Mareterram in accordance with the Corporations Act;

"Register Date" means the register date as set out in the Timetable, being the date determined by Sea Harvest for the purposes of section 633(2) of the Corporations Act;

"Registry" means Automic Registry Services;

"Related Body Corporate" has the meaning given in section 50 of the Corporations Act;

"Release Event" has the meaning given in paragraph 2.11 of part 2 of schedule 4;

"Relevant Date" has the meaning given in paragraph 2.4.2 in part 2 of schedule 4;

"Relevant Interest" has the meaning given in sections 608 and 609 of the Corporations Act;

"Representatives" means, in respect to a person, the person's directors, officers, employees, agents, consultants and advisers;

"Sea Harvest Group" means Sea Harvest and each of its Related Bodies Corporate;

"Share" means a fully paid ordinary share in the capital of Mareterram;

"Shareholder" means a holder of Shares;

"Superior Proposal" means a bona fide Competing Proposal which the Independent Directors have determined, in good faith after consultation with their external legal and financial advisers, is likely to be:

- (a) reasonably capable of being valued, taking into account all aspects of the Competing Proposal and the person making it;
- (b) reasonably capable of being completed on a timely basis; and
- (c) more favourable to Shareholders (as a whole) than the Takeover Bid, taking into account all the terms and conditions of the Competing Proposal;

"Takeover Bid" has the meaning given in clause 2.1.1;

"Target's Statement" means the target's statement to be issued by Mareterram in respect of the Takeover Bid;

"Tax Act" means the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth);

"Taxation Authority" means any taxing or other authority competent to impose, administer or collect any taxation in any jurisdiction;

"Taxation or Tax" means:

- (a) any charge, tax, duty, levy, impost or withholding, wherever chargeable and however collected or recovered, imposed by a Taxation Authority including taxes on gross or net income, profits or gains, taxes on receipts, sales, use, occupation, franchise or transfer, personal property taxes, social security taxes, GST and other value added taxes, pay-as-you-go instalments or superannuation guarantee levy and Stamp Duties; and
- (b) any penalty, fine, interest or additional charge payable in relation to any taxation within paragraph (a) above;

"Terminating Party" has the meaning given in clause 11.1;

"Third Party" means a person other than a member of the Sea Harvest Group;

"Timetable" means the indicative timetable in schedule 2;

"Transfer Consideration" means the amount of \$0.15 per Mareterram Option;

"Truth in Takeover Statements" means a statement from each of the Voluntary Escrow Shareholders that it intends to accept the Offer subject to the terms of any applicable escrow agreement and there being no Superior Proposal;

"Unacceptable Circumstances" means as in section 657A of the Corporations Act;

"Voluntary Escrow Shares" means the Shares which are subject to voluntary escrow arrangements pursuant to the voluntary escrow deeds between Mareterram and each of the Voluntary Escrow Shareholders;

"Voluntary Escrow Shareholders" means each of Molonglo Pty Ltd, Craig Mostyn & Co Pty Ltd and Orange Sun Development Pty Ltd; and

"Voting Power" has the meaning given in section 610 of the Corporations Act.

Interpretation

- 1.2 In this Agreement, headings and bold text are for convenience only and do not affect the interpretation of this Agreement and, unless the context otherwise requires:
- 1.2.1 words importing the singular include the plural and vice versa;
 - 1.2.2 words importing a gender include any gender;
 - 1.2.3 other parts of speech and grammatical forms of a word or phrase defined in this Agreement have a corresponding meaning;
 - 1.2.4 an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency;
 - 1.2.5 a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.2.5 implies that performance of part of an obligation constitutes performance of the obligation;
 - 1.2.6 a reference to a clause, party or schedule is a reference to a clause of, and a party or schedule to, this Agreement and a reference to this Agreement includes any schedule;
 - 1.2.7 a reference to a statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances or by laws amending, consolidating or replacing it, whether passed by the same or another Government Agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
 - 1.2.8 a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
 - 1.2.9 a reference to a party to a document includes that party's successors and permitted assigns;
 - 1.2.10 a reference to an agreement other than this Agreement includes an undertaking, deed, agreement or legally enforceable arrangement or understanding whether or not in writing;
 - 1.2.11 a reference to "A\$" or "\$" is a reference to the lawful currency of the Commonwealth of Australia;
 - 1.2.12 a reference to any time is a reference to that time in Perth, Western Australia; and

- 1.2.13 an expression defined in, or given a meaning for the purpose of, the Corporations Act in a context similar to that in which the expression is used in this Agreement has the same meaning or definition.

2. THE TAKEOVER BID

Making of the Takeover Bid

- 2.1 Subject to the terms and conditions of this Agreement, Sea Harvest agrees to:
- 2.1.1 make offers pursuant to a proportional off-market takeover bid under Chapter 6 of the Corporations Act to acquire 50% of the Shares held by each Shareholder (other than Sea Harvest) on terms and conditions no less favourable than the Bid Terms ("**Takeover Bid**") as soon as reasonably practicable and, in any event, within 2 months (inclusive) of the date of this Agreement; and
- 2.1.2 publicly propose (by means of an announcement to ASX which is in all respects in accordance with the form of the Agreed Announcement) to undertake the Takeover Bid, immediately after both Parties have executed this Agreement.
- 2.2 The Offer and Takeover Bid shall extend to all Shares that are issued during the Offer Period due to the conversion or vesting of any other Mareterram securities on issue at the Register Date.

Sea Harvest may use members of the Sea Harvest Group

- 2.3 Sea Harvest may satisfy its obligation under clause 2.1.1 by causing a member of the Sea Harvest Group to perform that obligation (subject to appropriate funding arrangements being in place), in which case references to:
- 2.3.1 the Takeover Bid are references to the takeover bid by that entity; and
- 2.3.2 Sea Harvest making the Takeover Bid or the Offer are references to Sea Harvest causing that entity to make the Takeover Bid or the Offer (as applicable).
- 2.4 Sea Harvest acknowledges and agrees that if it elects a member of the Sea Harvest Group to perform the obligations, Sea Harvest remains liable to Mareterram for the due performance of those obligations.

Mareterram's assessment of the Takeover Bid

- 2.5 Mareterram represents and warrants that:
- 2.5.1 the Independent Board has met and considered the possibility of Sea Harvest agreeing to make the Takeover Bid; and
- 2.5.2 all of the Independent Directors have informed Mareterram that, provided Sea Harvest complies with clause 2.1, they will:
- 2.5.2.1 procure Mareterram to announce to ASX that the Independent Board unanimously recommends that Shareholders accept the Offer in the absence of a Superior Proposal subject only to the Independent Expert concluding that the Takeover Bid is fair and reasonable to

Shareholders by lodging an announcement contemplated by clause 2.6; and

- 2.5.2.2 subject to the terms of any applicable escrow agreement, accept, or procure the acceptance of, the Offer in the absence of a Superior Proposal in respect of all Shares that they own or Control as soon as practicable on the day 21 days after the Offer has been made by Sea Harvest (or as otherwise permitted in accordance with the terms of any applicable escrow agreement or Truth in Takeover Statement).

Mareterram announcement

2.6 Immediately following the execution of this Agreement, Mareterram will make an announcement to ASX which is substantially in the form of the Agreed Announcement, and which must, amongst other things:

2.6.1 state that subject only to the Independent Expert concluding that the Takeover Bid is fair and reasonable to Shareholders the Independent Directors unanimously recommend that Shareholders accept the Offer in the absence of a Superior Proposal;

2.6.2 state that, subject to the terms of any applicable escrow agreement, it is the current intention of each Independent Director to accept the Offer in the absence of a Superior Proposal in respect of all Shares that they own or Control as soon as practicable on the day 21 days after the Offer has been made by Sea Harvest (or as otherwise permitted in accordance with the terms of any applicable escrow agreement or Truth in Takeover Statement); and

2.6.3 include the Truth in Takeover Statements.

Maintenance of recommendation

2.7 Mareterram must procure that, during the Exclusivity Period:

2.7.1 neither an Independent Director nor the Independent Board make any public statement or take any other action that qualifies their support of the Takeover Bid or contradicts, or subsequently change, withdraw or modify, the recommendation referred to in clause 2.5.2 except where:

2.7.1.1 the Independent Board determines, after Sea Harvest's rights under clause 7.4.2 have been exhausted, that a Competing Proposal constitutes a Superior Proposal;

2.7.1.2 the Independent Expert fails to conclude that the Takeover Bid is fair and reasonable (or having given a report that, in the opinion of the Independent Expert, the Bid is fair and reasonable, gives a report changing that opinion for any reason to conclude that the Bid is not fair and not reasonable, or not fair but reasonable); or

2.7.1.3 the Independent Board has determined in good faith, having received expert advice as appropriate, that the duties of the Independent Directors require them to change their recommendation.

3. FACILITATION OF OFFER

General obligations

3.1 Sea Harvest and Mareterram must each:

3.1.1 use all reasonable endeavours and commit necessary resources (including management resources and the resources of external advisers); and

3.1.2 procure that its Representatives work in good faith and in a timely co-operative fashion with the other Party (including by attending reasonably called meetings and by providing information that the other party reasonably requires),

to implement the Takeover Bid.

Independent expert's report

3.2 The Parties acknowledge and agree that Mareterram will commission as soon as practicable the preparation of an independent expert's report for the Target's Statement by the Independent Expert in relation to the Takeover Bid. Sea Harvest will provide any assistance or information reasonably requested by either Mareterram or the Independent Expert in connection with the preparation of the independent expert's report.

Drafts of statements

3.3 Sea Harvest must provide an advanced draft of its Bidder's Statement and any supplementary bidder's statement to Mareterram, to the extent reasonably possible, in accordance with the Timetable and in any event prior to lodgement with ASIC and shall consider in good faith all reasonable and timely comments received from Mareterram.

3.4 Mareterram must provide an advanced draft of its Target's Statement and any supplementary target's statement to Sea Harvest, to the extent reasonably possible, in accordance with the Timetable and in any event prior to lodgement with ASIC and shall consider in good faith all reasonable and timely comments received from Sea Harvest.

3.5 Mareterram must provide any assistance and information reasonably requested by Sea Harvest to enable Sea Harvest to prepare and finalise the Bidder's Statement.

3.6 Sea Harvest must provide any assistance and information reasonably requested by Mareterram to enable Mareterram to prepare and finalise the Target's Statement.

Early dispatch of documents

3.7 Mareterram agrees, and represents and warrants that the Independent Directors have agreed, that the Bidder's Statement may be sent to Shareholders on a date nominated by Sea Harvest (in consultation with Mareterram) that is earlier than the date for sending under Item 6 of section 633(1) of the Corporations Act.

3.8 At the request of Sea Harvest, Mareterram must use its best endeavours to ensure that the Target's Statement is dispatched to Shareholders together with the Bidder's Statement unless prevented from doing so by prevailing law or regulations.

Promote the Takeover Bid

- 3.9 During the Offer Period, in the absence of a Superior Proposal and provided the Independent Expert concludes that the Takeover Bid is fair and reasonable to Shareholders, the Independent Directors will, to the extent consistent with their fiduciary duties, participate in efforts reasonably required by Sea Harvest to promote the merits of the Takeover Bid, including meeting with key Shareholders if requested to do so by Sea Harvest.

Bid Conditions

- 3.10 Subject to clause 3.11, each Party agrees not to do, or omit to do, anything which will, or is reasonably likely to, result in any of the Bid Conditions being breached.
- 3.11 Nothing in these clauses 3.10 to 3.13 prevents Mareterram or its related parties from taking, or failing to take, action where to do otherwise may, in the reasonable opinion of the Independent Board (determined in good faith and after receiving advice from external lawyers), constitute a breach of the Independent Directors' fiduciary or statutory duties.
- 3.12 Each Party must keep the other promptly and reasonably informed of the steps it has taken and its progress towards satisfaction of the Bid Conditions, and promptly notify the other if it becomes aware that any Bid Condition has been fulfilled or breached. If any event occurs or becomes apparent which would or would reasonably be likely to cause any of the Bid Conditions to be breached or cause fulfilment of any of them to be materially delayed, each Party must, to the extent that the Party is actually aware of such information, notify the other Party of that event as soon as reasonably practicable.
- 3.13 A reference in clauses 3.10 to 3.13 to a Bid Condition being breached includes a reference to the Bid Condition not being, or not being capable of being, fulfilled.

Conduct of Mareterram

- 3.14 During the Exclusivity Period, Mareterram must, and must procure that each other Mareterram Group Entity:
- 3.14.1 conduct their business in the usual and ordinary course and on a basis consistent with the manner in which their business was conducted immediately before the date of this Agreement;
 - 3.14.2 use reasonable endeavours to preserve and maintain the value of its and their business and assets, and its and their relationships with financiers, customers, suppliers, employees and others with whom it and they have business dealings; and
 - 3.14.3 not, without Sea Harvest's prior written consent, enter into any lines of business or other activities in which it and they are not engaged as at the date of this Agreement.
- 3.15 During the Exclusivity Period, unless Sea Harvest agrees otherwise in writing and subject to the Listing Rules and any other legal requirements, Mareterram will promptly notify Sea Harvest of anything of which it becomes aware that makes any:
- 3.15.1 material information publicly filed by Mareterram or provided to Sea Harvest as part of the Mareterram Diligence Materials, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect; or

- 3.15.2 warranty or representation by Mareterram in this Agreement false, inaccurate, misleading or deceptive in any material respect.

Government Approvals

- 3.16 Sea Harvest agrees that, as soon as practicable after announcing the Takeover Bid, it will apply for all relevant Approvals required from any Government Agency (including, but not limited to, the Financial Surveillance Department of the South African Reserve Bank) in relation to the Takeover Bid.

Register

- 3.17 Mareterram must:
- 3.17.1 provide all relevant information about (i) the Register and (ii) Mareterram securities on issue at the Register Date that may be converted into or exercised to receive Shares to Sea Harvest which Sea Harvest reasonably requires in order to solicit acceptances under the Takeover Bid; and
- 3.17.2 promptly provide all necessary directions to the Registry to provide any information that Sea Harvest reasonably requests in relation to the Register and Mareterram securities on issue at the Register Date (as applicable) and, where requested by Sea Harvest, Mareterram must procure such information to be provided to Sea Harvest in such electronic form as is reasonably requested by Sea Harvest and reasonably able to be provided by the Registry.
- 3.18 If a Release Event occurs, Mareterram shall as soon as practicable after the Release Event occurs remove the Holding Lock with respect to the Voluntary Escrow Shares the subject of the Takeover Bid.

Other obligations of Mareterram

- 3.19 As soon as practicable after the Announcement Date and before the end of the Offer Period (inclusive), Mareterram (or its subsidiary) must obtain the following consents and confirmations in connection with the Offer (or completion of any of the transactions contemplated by the Offer):
- 3.19.1 written consent of the Minister for Transport (or his delegate) in respect of the deemed assignment of the Carnarvon Boat Harbour Leases or an amendment to the Carnarvon Boat Harbour Leases such that such consent is not required; and
- 3.19.2 written consent of NAB pursuant to the Financing Agreement in relation to the matters referred to in paragraph 3.21 of schedule 1.

- 3.20 As soon as practicable after the Announcement Date and before the end of the Offer Period (inclusive), Mareterram must obtain written confirmation from each of David Lock and James Clement that, notwithstanding completion of any transactions contemplated by the Offer, they shall not elect to treat their employment as being terminated by Mareterram under their respective employment agreements merely because of the completion of any transactions contemplated by the Offer. For the avoidance of doubt, this clause does not otherwise prevent each of David Lock and James Clement from exercising their rights under their respective employment agreements.
- 3.21 At the request of Sea Harvest, Mareterram will provide Sea Harvest with such assistance as it may reasonably require in establishing or operating any institutional or shareholder acceptance facility relating to the Offer.

4. TAKEOVER OFFER – VARIATION AND WAIVER

Variation

- 4.1 Sea Harvest may vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act provided the varied terms and conditions are not less favourable to Shareholders than the Bid Terms.

Waiver of conditions and extension

- 4.2 Subject to the Corporations Act, Sea Harvest may:

- 4.2.1 declare the Takeover Bid to be free from any Bid Condition at any time; and
- 4.2.2 extend the Offer Period at any time.

Consultation on failure of Bid Condition

- 4.3 If:
- 4.3.1 there is breach or non-fulfilment of a Bid Condition which is not waived in accordance with clause 4.2.1 of this Agreement; or
- 4.3.2 there is an act, failure to act or occurrence which will prevent a Bid Condition being satisfied by the end of the Offer Period (and the breach or non-fulfilment which would otherwise occur has not already been waived in accordance with this Agreement),

then the Parties must promptly consult in good faith with a view to determining whether:

- 4.3.3 the Takeover Bid may proceed by way of alternative means to the extent possible; or
- 4.3.4 to extend the Offer Period pursuant to clause 4.2.2.
- 4.4 If the Parties are unable to reach agreement under clause 4.3 within 10 Business Days of the commencement of consultation between Sea Harvest and Mareterram, either Party may terminate this Agreement (and such termination will be in accordance with clause 11.1.2).

5. ANNOUNCEMENTS

Announcements

- 5.1 Subject to clause 5.2, each Party must use its best endeavours to consult with the other Party prior to making any public announcements in connection with the Takeover Bid (other than the announcements referred to in clauses 2.1.2 and 2.6 which have already been agreed).
- 5.2 Where a Party is required by applicable law or stock exchange rules to make any announcement or public disclosure relating to the Takeover Bid (including any supplementary bidder's statement or target's statement), it may do so only after it has, to the extent reasonably possible in the circumstances:
- 5.2.1 given the other Party as much notice as is reasonably practicable in the context of any deadlines imposed by the Listing Rules or other stock exchange rules, any applicable law or a Government Agency; and
 - 5.2.2 has consulted with the other Party as to the context of that announcement or public disclosure.

Obligation to announce on ASX

- 5.3 Upon the request of Sea Harvest, Mareterram will send to ASX any notice issued to it by Sea Harvest in respect to the Takeover Bid, and shall ensure that a copy of such notice is lodged on the ASX platform of Mareterram.

6. BREAK FEE

Background

- 6.1 Sea Harvest and Mareterram acknowledge that, if they enter into this Agreement and the Takeover Bid is subsequently not implemented, Sea Harvest will incur significant costs.
- 6.2 In these circumstances, Sea Harvest has requested that provision be made for the payments outlined in this clause 6, without which Sea Harvest would not have entered into this Agreement or otherwise agreed to implement the Takeover Bid.
- 6.3 The Independent Board believes that the Takeover Bid will provide benefits to Shareholders and that it is appropriate for Mareterram to agree to the payments referred to in this clause 6 in order to secure Sea Harvest's participation in the Takeover Bid.

Payment of costs incurred by Sea Harvest

- 6.4 Mareterram must pay the Break Fee to Sea Harvest, if:
- 6.4.1 during the Exclusivity Period any Independent Director fails to recommend that Shareholders accept the Takeover Bid in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable to Shareholders or, having made such a recommendation, makes a public statement which withdraws, revises, or qualifies that recommendation, or (except in circumstances where Mareterram has validly terminated this Agreement under clauses 11.1.1, 11.1.2 or 11.1.5) a Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-condition) and within 12 months from the date of such announcement,

the Third Party or any Associate of that Third Party completes a Competing Proposal of a kind referred to in any of paragraphs (a) to (c) (inclusive) of the definition of Competing Proposal;

6.4.2 Mareterram or any of its Directors does, or omits to do, anything (whether or not it may be permitted by the terms of this Agreement) which results in any of the Bid Conditions being breached or becoming incapable of being fulfilled and Sea Harvest does not declare the Takeover Bid free of the breached conditions (which Sea Harvest is under no obligation to do); or

6.4.3 Sea Harvest validly terminates this Agreement under clause 11.1.1.

Payment

6.5 Sea Harvest may demand payment of the Break Fee under clause 6.4 in writing stating the circumstances which give rise to payment.

6.6 Mareterram must pay the Break Fee to Sea Harvest, without set-off or deduction, within 5 Business Days of receipt by Mareterram of a demand for payment from Sea Harvest referred to in clause 6.5.

Basis of Break Fee

6.7 The Break Fee has been calculated to reimburse Sea Harvest for the following:

6.7.1 fees for legal and financial advice in planning and implementing the Takeover Bid;

6.7.2 reasonable opportunity costs incurred in engaging in the Takeover Bid or in not engaging in other alternative acquisitions or strategic initiatives;

6.7.3 costs of management and directors' time in planning and implementing the Takeover Bid;

6.7.4 out of pocket expenses incurred by Sea Harvest's employees, advisers and agents in planning and implementing the Takeover Bid; and

6.7.5 any damage to Sea Harvest's reputation associated with a failed transaction and the implications of those damages if Sea Harvest seeks to execute alternative acquisitions in the future,

in each case, incurred by Sea Harvest directly or indirectly as a result of pursuing the Takeover Bid.

Quantification

6.8 The Parties acknowledge and agree that the loss actually incurred by Sea Harvest in the circumstances which give rise to the payment of the Break Fee in accordance with this clause 6 will be of such nature that it cannot accurately be ascertained and that the amount of the Break Fee is a genuine and reasonable pre-estimate of those fees, costs and losses.

Compliance with law

- 6.9 If:
- 6.9.1 it is found by the Takeovers Panel or a court that all or any part of the payment required to be made under clause 6.4 is unlawful, involves a breach of director's duties or constitutes Unacceptable Circumstances and the period for lodging an application for review or a notice of appeal (as applicable) has expired without such an application or notice having been lodged; or
 - 6.9.2 an application for review or a notice of appeal having been lodged with the Takeovers Panel or a court within the prescribed period, it is found by the relevant review panel or appeal court that all or any part of the payment required to be made under clause 6.4 is unlawful, involves a breach of director's duties or constitutes Unacceptable Circumstances,
- ("Challenged Amount") then:
- 6.9.3 the undertaking under clause 6.4 does not apply to the extent of the Challenged Amount; and
 - 6.9.4 Sea Harvest must immediately refund any Challenged Amount paid to Sea Harvest under this Agreement.

Other claims

- 6.10 This clause 6 does not limit the rights of Sea Harvest in respect of any other Claims that may arise under this Agreement.

Break Fee payable only once

- 6.11 Where the Break Fee becomes payable to Sea Harvest under clause 6.4 and is actually paid to Sea Harvest, Sea Harvest cannot make a claim against Mareterram for payment of any subsequent Break Fee.

7. EXCLUSIVITY

Cease existing discussions

- 7.1 Mareterram warrants that, as at execution of this Agreement, it is not in any discussions or negotiations, and has ceased any discussions or negotiations, with any Third Party, in respect of any Competing Proposal.

Prohibition

- 7.2 During the Exclusivity Period, Mareterram must not, and must ensure that each of its Related Bodies Corporate or Representatives does not, directly or indirectly:
- 7.2.1 **(no shop)** solicit, invite, encourage or initiate (including, without limitation, by the provision of non-public information) any enquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal, or communicate any intention to do any of those things (whether from a

person with whom Mareterram or any of its Related Bodies Corporate or Representatives has previously been in discussions or not); and

7.2.2 (no talk) subject to clause 7.5:

7.2.2.1 participate in any negotiations or discussions or provide any information to any person with respect to any enquiry, expression of interest, offer or proposal by any person to make a Competing Proposal;

7.2.2.2 accept or enter into, or offer to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal;

7.2.2.3 disclose any non-public information about the business or affairs of any Mareterram Group Entity to a Third Party (other than a Government Agency) with a view to obtaining or which may reasonably be expected to lead to receipt of a Competing Proposal, other than in the ordinary course of business or as required by law; or

7.2.2.4 communicate to any person an intention to do anything referred to in this clause 7.2.2.

7.3 Nothing in clause 7.2 prevents Mareterram from promoting the merits of the Takeover Bid.

Notification of approaches

7.4 Subject to clause 7.5:

7.4.1 during the Exclusivity Period, Mareterram must immediately notify Sea Harvest if it or any of its Representatives receives any unsolicited approach with respect to any Competing Proposal from any Third Party, with such notification to include a summary of the material terms of the Competing Proposal, including but not limited to, the details of the proposed consideration, conditions (including status of funding), timing and break fee (if any), but not the identity of the Third Party;

7.4.2 Mareterram must:

7.4.2.1 not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) in relation to the Competing Proposal with a Third Party; and

7.4.2.2 must use its best endeavours to procure that none of its Independent Directors change their recommendation in favour of the Takeover Bid to publicly recommend a Competing Proposal,

unless, Mareterram has:

7.4.2.3 complied with its notification obligation under clause 7.4.1; and

7.4.2.4 has given Sea Harvest at least 5 Business Days after the provision of the information referred to in clause 7.4.1 to propose an amendment

to the terms of the Offer or propose any other transaction so that the Offer (as amended) would provide an least an equivalent outcome (including with respect to price) for Shareholders when compared to the Competing Proposal ("**Counter Proposal**").

7.4.3 If the Independent Board acting in good faith determines the terms and conditions of the Counter Proposal taken as a whole is no less favourable to Shareholders than those in the applicable Competing Proposal, then Mareterram and Sea Harvest must use all reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the Counter Proposal as soon as reasonably practicable and Mareterram must use all reasonable endeavours to procure that the Independent Board:

7.4.3.1 unanimously recommends the Counter Proposal to Shareholders (which recommendation may be expressed as being subject to there being no Superior Proposal and the Independent Expert concluding that the Takeover Bid is fair and reasonable to Shareholders); and

7.4.3.2 not recommend the relevant Competing Proposal.

7.4.4 Clauses 7.4.2 and 7.4.3 have repeat application so that if any further proposal is made after Sea Harvest has made a Counter Proposal, Sea Harvest will again have the right to match the further proposal.

Fiduciary exception

7.5 Clauses 7.2.2 and 7.4 do not prohibit any action or inaction by Mareterram or any of its Representatives if compliance with clause 7.2.2 or 7.4 would, in the opinion of the Independent Board, formed in good faith and after consultation with its external legal advisers constitute, or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the Independent Directors.

8. BOARD APPOINTMENTS

If during the Offer Period, Sea Harvest acquires a Relevant Interest in 50.1% or more of the Shares and the Takeover Bid is declared unconditional, as soon as reasonably practicable thereafter, Mareterram shall take all action necessary, and in accordance with the Mareterram constitution, to cause the appointment of Fred Robertson to Mareterram's board of directors as a non-executive director. For the avoidance of doubt, Sea Harvest's right to nominate a person to the Mareterram board under this clause is in addition to its board nominee rights under the earn out and equity participation agreement between Sea Harvest, Sea Harvest Corporation Proprietary Limited, Mareterram and Mareterram Trading Pty Ltd dated 14 August 2015.

9. MARETERRAM OPTIONS AND OTHER RIGHTS

9.1 As soon as reasonably practicable after the Announcement Date, Sea Harvest must use all reasonable endeavours to enter into a written agreement with each person who is a holder of Mareterram Options under which Sea Harvest agrees to acquire 50% of the holder's options, with effect from the end of the Offer Period, in consideration for the issue of the Transfer Consideration, subject to the Takeover Bid being declared unconditional, and Mareterram must use all reasonable endeavours to procure that the Mareterram Options holder enters into such an agreement. The form of agreement to be used for this purpose must be acceptable to Sea Harvest and Mareterram, acting reasonably. Sea Harvest must take all necessary steps

(including, but not limited to, the obtaining of any necessary approvals) to enable it to issue the Transfer Consideration on the last day of the Offer Period.

- 9.2 Mareterram shall only accelerate vesting of up to 50% of the Performance Rights on issue upon a Change of Control Event of Mareterram prior to the end of the Offer Period. The remaining 50% of the Performance Rights shall remain on foot.

10. WARRANTIES

- 10.1 Each Party warrants to the other Party (on its own behalf and separately as trustee or nominee for each of its directors) that each of the statements set out in part 1 of schedule 4 is true and correct as at the date of this Agreement and at all times on each subsequent day of the Exclusivity Period (including the last day of that period).

- 10.2 Subject to clause 10.3, Mareterram warrants to Sea Harvest (on its own behalf and separately as trustee or nominee for each of Mareterram's directors) that each of the statements set out in part 2 of schedule 4 is true and correct as at the date of this Agreement and at all times on each subsequent day of the Exclusivity Period (including the last day of that period).

- 10.3 The warranties referred to in clause 10.2 are given subject to and qualified by, and Sea Harvest is not entitled to claim that any fact, matter or circumstance causes any of these warranties to be breached if and to the extent they are:

10.3.1 disclosed in the Mareterram Due Diligence Materials; or

10.3.2 within the actual knowledge of Felix Ratheb before entering into this Agreement.

11. TERMINATION

Termination rights

- 11.1 A Party ("**Terminating Party**") may terminate this Agreement at any time, by notice to the other Party, if:

11.1.1 the other Party is in material breach of this Agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by that other Party within 5 Business Days of it receiving notice from the Terminating Party of the details of the breach and the Terminating Party's intention to terminate;

11.1.2 the Parties are unable to reach agreement in accordance with and pursuant to clause 4.4;

11.1.3 the Independent Board recommends a Superior Proposal provided such proposal was not encouraged, solicited, invited, facilitated or initiated by Mareterram or its Representatives in contravention of clauses 7.2 to 7.4.4;

11.1.4 the Independent Board withdraws its recommendation in accordance with clause 2.7; or

11.1.5 Sea Harvest withdraws the Takeover Bid or the Takeover Bid lapses for any reason, including non-satisfaction of a Bid Condition,

by immediate notice to the other Party.

Effect of termination

11.2 If this Agreement is terminated under this clause 11:

11.2.1 each Party will be released from its obligations under this Agreement except its obligations under clauses 13 and 14 (except 14.12);

11.2.2 each Party will retain the rights it has or may have against the other Party in respect of any past breach of this Agreement; and

11.2.3 in all other respects, all future obligations of the Parties under this Agreement will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Takeover Bid.

12. GST

Interpretation

12.1 In this clause 12, a word or expression defined in the GST Act has the meaning given to it in that Act.

GST gross up

12.2 Subject to clause 12.3, if a Party makes a supply under or in connection with this Agreement in respect of which GST is payable, the consideration for the supply but for the application of this clause 12.2 is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.

12.3 Clause 12.2 does not apply to any consideration that is expressed in this Agreement to be inclusive of GST.

Reimbursements and indemnifications

12.4 If a Party must reimburse or indemnify another Party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other Party is entitled to for the loss, cost or expense, and then increased in accordance with clauses 12.2 to 12.3.

Tax invoice

12.5 A Party need not make a payment for a taxable supply made under or in connection with this Agreement until it receives a tax invoice for the supply to which the payment relates.

13. CONFIDENTIALITY

Each Party acknowledges and agrees that it continues to be bound by the Confidentiality Agreement in respect of all information received by it from the other Party on, before or after the date of this Agreement.

14. GENERAL

Notices

14.1 Any notice, demand, consent, approval or other communication ("**Notice**") under or in connection with this Agreement:

14.1.1 must be in writing and signed by the sender to a person duly authorised by the sender;

14.1.2 must be addressed and delivered to the intended recipient by prepaid post (if posed to an address in another country, by registered airmail) or by hand, fax or email to the address, fax number or e-mail address below (or the address, fax number of email address last notified by the intended recipient to the sender):

14.1.2.1 Sea Harvest:

Address: c/o DLA Piper
Level 31 Central Park
152-158 St Georges Terrace Perth WA 6000

Fax no: +61 8 6467 6012

Email: scott.gibson@dlapiper.com

For the attention of: Scott Gibson

14.1.2.2 Mareterram:

Address: Unit 4, 24 Mews Road
South Fremantle WA 6160

Email: David.Lock@mareterram.com.au

For the attention of: David Lock

14.1.3 will be conclusively taken to be duly given or made:

14.1.3.1 in the case of delivery in person, when delivered;

14.1.3.2 in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and

14.1.3.3 in the case of facsimile, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax number or name of recipient and indicating that the transmission has been made without error;

14.1.3.4 in the case of email, on the first to occur of:

- For personal use only
- (a) receipt by the sender of an email acknowledgment from the recipient's information system showing that the email has been delivered to the email addressed stated above;
 - (b) the time that the email enters an information system which is under the control of the recipient; and
 - (c) the time that the email is first opened or read by an employee or officer of the recipient,

but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 5pm (local time) it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place.

Governing law and jurisdiction

- 14.2 This Agreement is governed by the laws of Western Australia.
- 14.3 Mareterram and Sea Harvest irrevocably submit to the non-exclusive jurisdiction of the courts of Western Australia.

Prohibition and enforceability

- 14.4 Any provision of, or the application of any provision of, this Agreement or any power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- 14.5 Any provision of, or the application of any provision of, this Agreement which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- 14.6 Where a clause is void, illegal or unenforceable, it may be severed without affecting the enforceability of the other provisions in this Agreement.

Waivers

- 14.7 Waiver of any right, power, authority, discretion or remedy arising from a breach of this Agreement must be in writing and signed by the Party granting the waiver.
- 14.8 A failure or delay in exercise, or partial exercise, of a right, power, authority, discretion or remedy arising from a breach of this Agreement does not result in a waiver of that right, power, authority, discretion or remedy.

Variation

- 14.9 A variation of any term of this Agreement must be in writing and signed by the Parties.

Costs and expenses

- 14.10 Each Party must pay its own legal costs and expenses in respect of the negotiation, preparation, completion and stamping of this Agreement.

Assignment

- 14.11 Neither Party may assign or otherwise transfer any of its rights arising under this Agreement without the prior written consent of the other Party.

Further assurances

- 14.12 Each Party must do all things and execute all further documents necessary to give full effect to this Agreement.

Time of the essence

- 14.13 Time is of the essence of this Agreement.

Counterparts

- 14.14 This Agreement may be executed in any number of counterparts.

Attorneys

- 14.15 Each of the attorneys executing this Agreement (if any) states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

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SCHEDULE 1: BID TERMS

1. OFFER PRICE

- 1.1 The offer price offered under the Takeover Bid will be not less than \$0.35 for each Share acquired ("**Offer Price**").

2. OFFER PERIOD

- 2.1 The Offer will remain open for one month from the date the Offer opens, subject to Sea Harvest's right to extend the period.

3. OFFER CONDITIONS

- 3.1 The Offer is subject to the fulfilment (or waiver by Sea Harvest) of the following conditions:

No regulatory actions

- 3.2 Between the Announcement Date and the end of the Offer Period (each inclusive):

3.2.1 no preliminary or final decision, order or decree issued by a Government Agency is in effect; and

3.2.2 no action or investigation is commenced by any Government Agency,

in consequence of or in connection with the Offer (other than an application to, or decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of, Chapter 6, 6A, 6B or 6C of the Corporations Act or relating to Unacceptable Circumstances) which restrains or prohibits the making or completion of the Offer, or the acquisition of any Shares under the Offer, the completion of any of the transactions contemplated by the Offer or the rights of Sea Harvest in respect of Mareterram or any Shares.

Approvals by Public Authorities

- 3.3 Between the Announcement Date and the end of the Offer Period (each inclusive):

3.3.1 Sea Harvest receives approval from the Financial Surveillance Department within The South African Reserve Bank for remittance of foreign currency out of South Africa for the purpose of satisfying any consideration payable to Shareholders who accept the Offer pursuant to section B.2(B)(ii) of the rules under the Exchange Control Regulations; and

3.3.2 Mareterram receives all other Approvals that are required by law or by any Government Agency as result of the Offers (or the successful acquisition of the Shares) and which are necessary for the continued operation of the business of the Mareterram Group,

and in respect of the Approvals referred to in sub-paragraph 3.3.2, those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

Minimum acceptance

- 3.4 During, or at the end of, the Offer Period, Sea Harvest and its Associates together have a Relevant Interest in at least 50.1% (by number) of the Shares on issue at that time.
- 3.5 During, or at the end of, the Offer Period, Shareholders holding at least 67% of the Shares that are not Voluntary Escrow Shares that are the subject of the Takeover Bid have accepted the Offer.

No material acquisitions, disposals or new commitments etc

- 3.6 Except for any proposed transaction publicly announced by Mareterram before the date of the Agreed Announcement, none of the following events occur between the Announcement Date and the end of the Offer Period (each inclusive) without the prior written consent of Sea Harvest (such consent not to be unreasonably withheld):
- 3.6.1 a Mareterram Group Entity acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$200,000 or makes an announcement about such an acquisition;
- 3.6.2 a Mareterram Group Entity disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$200,000 or makes an announcement about such a disposal (and to avoid doubt, in this paragraph 3.6.2, "dispose" includes sell, transfer, grant an option over or interest in, declare a trust over, surrender, allow to lapse or Encumber);
- 3.6.3 a Mareterram Group Entity enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$200,000 or any dual listed company structure, or makes an announcement about such a matter;
- 3.6.4 a Mareterram Group Entity incurs or commits to, or grants to another person a right the exercise of which would involve a Mareterram Group Entity incurring or committing to any capital expenditure or liability for one or more related items of greater than \$200,000 or makes an announcement about such a commitment;
- 3.6.5 a Mareterram Group Entity incurs, commits to or brings forward the time for incurring or committing, or grants to another person a right the exercise of which would involve a Mareterram Group Entity incurring or committing to, any capital expenditure or liability, or foregoes any revenue, for one or more related items or amounts of greater than \$200,000; or
- 3.6.6 discloses (without having disclosed to ASX prior to the date of this announcement) the existence of any matter described in paragraphs 3.6.1 to 3.6.5 above, or announces an intention or proposal to do anything described in paragraphs 3.6.1 to 3.6.5 above.

No prescribed occurrences

- 3.7 None of the following events occur between the Announcement Date and the end of the Offer Period (each inclusive):
- 3.7.1 any Mareterram Group Entity converts all or any of its shares into a larger or smaller number of Shares;
 - 3.7.2 any Mareterram Group Entity resolves to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
 - 3.7.3 any Mareterram Group Entity:
 - 3.7.3.1 enters into a buy-back agreement; or
 - 3.7.3.2 resolves to approve the terms of a buy-back agreement under the Corporations Act;
 - 3.7.4 any Mareterram Group Entity issues shares or other securities or grants an option over its securities (or agrees to make such an issue or grant such an option) other than shares issued on the exercise of options or vesting of Performance Rights on issue as at the date of this Agreement;
 - 3.7.5 any Mareterram Group Entity issues, or agrees to issue, securities or other instruments convertible into shares or debt securities;
 - 3.7.6 any Mareterram Group Entity disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - 3.7.7 any Mareterram Group Entity grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
 - 3.7.8 any Mareterram Group Entity resolves to be wound up;
 - 3.7.9 a liquidator or provisional liquidator of any Mareterram Group Entity is appointed;
 - 3.7.10 a court makes an order for the winding up of any Mareterram Group Entity;
 - 3.7.11 an administrator of any Mareterram Group Entity is appointed under the Corporations Act;
 - 3.7.12 any Mareterram Group Entity executes a deed of company arrangement; or
 - 3.7.13 a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any Mareterram Group Entity.

No material failings in filings

- 3.8 Sea Harvest does not become aware, between the Announcement Date and the end of the Offer Period (each inclusive), that:
- 3.8.1 Mareterram has failed to file any material document required by applicable law or the Listing Rules to be filed as and when required; or
 - 3.8.2 any material document filed by or on behalf of Mareterram with ASIC or ASX contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

Mareterram approvals

- 3.9 Between the Announcement Date and the end of the Offer Period (each inclusive), all material approvals, licences, permits, consents, notifications, declarations or other authorisations required for the lawful operation of the business (including the occupation or use of any land and the conduct of any enterprise on or in connection with any land) conducted by any Mareterram Group Entity remain in force (including by renewal) and there is no notice or indication of intention to revoke, suspend, cancel, restrict, modify or not renew such approvals, licences, permits, consents, notifications, declarations or other authorisations which would be reasonably likely to materially adversely impact the operation of the business conducted by any Mareterram Group Entity.
- 3.10 Between the Announcement Date and the end of the Offer Period (each inclusive), Mareterram (or its subsidiary) makes written applications for and receives the prior written consent of the Minister for Transport (or his delegate) for the deemed assignment of the Carnarvon Boat Harbour Leases in consequence of or in connection with the Offer, or an amendment to the terms of the Carnarvon Boat Harbour Leases such that such consent is not required, and in each such case, with no amendment to the terms and conditions attaching to the Carnarvon Boat Harbour Leases being made which would be reasonably likely to materially adversely impact the business conducted by any Mareterram Group Entity.
- 3.11 Between the Announcement Date and the end of the Offer Period (each inclusive), no member or Representative of the Mareterram Group or Sea Harvest Group receives any correspondence from a Government Agency that any of the Fishing Licences or Carnarvon Boat Harbour Leases will be revoked, cancelled, suspended or not renewed, or the terms or conditions of any such Fishing Licence or Carnarvon Boat Harbour Lease will be amended so that they are different from the existing terms of such Fishing Licence or Carnarvon Boat Harbour Lease, including as a result of the Offer (or any transactions contemplated by the Offer), which amendment would be reasonably likely to materially adversely impact the business conducted by any Mareterram Group Entity.
- 3.12 Between the Announcement Date and the end of the Offer Period (each inclusive), the Minister for Transport not requiring any Mareterram Group Entity to take any additional action in relation to contamination at Carnarvon Boat Harbour as a result of the deemed assignment of the Carnarvon Boat Harbour Leases referred to in sub-paragraph 3.11 above which would be reasonably likely to give rise to a material liability or expenditure by any Mareterram Group Entity.
- 3.13 Between the Announcement Date and the end of the Offer Period (each inclusive), no member or Representative of the Mareterram Group or the Sea Harvest Group receives any correspondence or notification from a Government Agency that Mareterram (or its subsidiary, as applicable, or any current or proposed Representative of the Mareterram Group) is not

considered to be a fit and proper person for the purpose of the *Fish Resources Management Act 1994* (WA).

No material adverse change

3.14 Between the Announcement Date and the end of the Offer Period (each inclusive), no event, change or condition occurs, is announced or becomes known to Sea Harvest (whether or not it becomes public) where that event, change or condition has or has resulted in, or would reasonably be expected to have or result in:

3.14.1 without limiting the generality of sub-paragraph 3.14.2 below, the Mareterram Group's consolidated net asset value falling below \$20.5 million, calculated on the same basis as the balance sheet for the Mareterram Group as at 31 December 2015; or

3.14.2 a material change or deterioration in the business, financial or trading position, profits or prospects of the Mareterram Group (taken as a whole).

Rights under certain agreements or instruments

3.15 Between the Announcement Date and the end of the Offer Period (each inclusive), no person exercising or purporting to exercise, stating an intention to exercise (whether or not that intention is stated to be a final or determined decision of that person), or asserting a right to exercise, any rights under any provision of any agreement or other instrument to which any Mareterram Group Entity is a party or by or to which any Mareterram Group Entity or any of its assets or business may be bound or be subject, which results, or which could be reasonably expected to result in:

3.15.1 any moneys borrowed by any Mareterram Group Entity in excess of \$200,000 being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument (including, but not limited to, the Facilities with NAB);

3.15.2 any such agreement or other such instrument being terminated or modified or any action being taken or arising under such agreement or instrument;

3.15.3 all or substantially all of the assets of any Mareterram Group Entity being sold, transferred or offered for sale or transfer, including under any pre-emptive right or similar provisions; or

3.15.4 the business of any Mareterram Group Entity with any other person being materially adversely affected.

3.16 Between the Announcement Date and the end of the Offer Period (each inclusive):

3.16.1 a Mareterram Group Entity receives written confirmation from each of N.V. Mydibel S.A, Top Hat Fine Foods Pty Ltd, Bayview Seafoods Pty Ltd and Rand Transport 1986 Pty Ltd that they are aware of the proposed transaction and intend to continue the current relationship with the Mareterram Group Entity as at the date of this Agreement; and

3.16.2 none of N.V. Mydibel S.A, Top Hat Fine Foods Pty Ltd, Bayview Seafoods Pty Ltd and Rand Transport 1986 Pty Ltd terminate (or state an intention to terminate or otherwise modify) the supply arrangements in place with the Mareterram

Group as at the date of this Agreement where such termination or modification materially adversely impacts the business conducted by any Mareterram Group Entity.

Transfer of options

- 3.17 Between the Announcement Date and the end of the Offer Period (each inclusive), no Mareterram option holder is in breach of any provisions of an option transfer agreement executed in accordance with clause 9.

Litigation

- 3.18 Between the Announcement Date and the end of the Offer Period (each inclusive), no person commences any bona fide litigation against any Mareterram Group Entity (whether in aggregate or for any single litigation) which may reasonably result in a judgement against any Mareterram Group Entity of more than \$200,000 (individually or in aggregate).

Conduct of Mareterram Group

- 3.19 Between the Announcement Date and the end of the Offer Period (each inclusive), no Mareterram Group Entity shall (without the prior written consent of Sea Harvest):
- 3.19.1 declare, or distribute any dividend, bonus or other share of its profits or assets;
 - 3.19.2 issue or grant options over, or agree to issue or grant options over, or otherwise make any commitments regarding any shares or other securities, or alter its capital structure or the rights attached to any of its shares or other securities, or issue or agree to issue any convertible securities;
 - 3.19.3 make any changes in its constitution or pass any special resolution;
 - 3.19.4 give or agree to give any Encumbrance over any of its assets otherwise than in the ordinary course of business, except for a Permitted Encumbrance;
 - 3.19.5 borrow or agree to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
 - 3.19.6 release, discharge or modify any substantial obligation to it of any person, firm or corporation or agrees to do so;
 - 3.19.7 accept as a settlement or compromise of any matter an amount that is at least \$200,000 less than the amount claimed by the relevant Mareterram Group Entity;
 - 3.19.8 appoint any additional director to its board of directors (whether to fill a casual vacancy or otherwise);
 - 3.19.9 enter or agree to enter into, terminate or agree to terminate, any Material Contract;
 - 3.19.10 enter or agree to enter into any contract of service except for the employment of a person below manager level in the ordinary course of business, or vary or agree to vary any existing contract of service with any director or manager, or pay or agree to pay any benefit (including a retirement benefit), bonus or allowance to any director, manager or other employee, or make or agree to make any

substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law);

- 3.19.11 conduct its business otherwise than in the ordinary course;
- 3.19.12 threaten (or have commenced against it) any claims or proceedings in any court or tribunal which may result in damages or compensation payable greater than \$200,000 in aggregate;
- 3.19.13 execute a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation;
- 3.19.14 create or agree to create any Encumbrance over the whole, or a substantial part, of its business or property, except for a Permitted Encumbrance;
- 3.19.15 increase the total remuneration for its employees by greater than a 2% overall increase in total remuneration costs incurred by the Mareterram Group as a whole as at the Announcement Date or otherwise vary the employment arrangements with any of its employees;
- 3.19.16 increase the remuneration of any of its non-executive directors or the senior executives or otherwise vary the employment arrangements with any of the senior executives or its arrangements with any of its non-executive directors;
- 3.19.17 accelerates the rights of any of its non-executive directors, senior executives or employees to compensation or benefits of any kind, except as permitted by this Agreement;
- 3.19.18 pays any of its non-executive directors, senior executives or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the Announcement Date);
- 3.19.19 waives any material third party default; or
- 3.19.20 make any change to its accounting practices or policies, other than to comply with generally accepted Australian accounting standards and any domestically accepted international accounting standards, and except for the adoption of hedge accounting.

Independent Expert

- 3.20 The Independent Expert is of the opinion that the Takeover Bid is fair and reasonable to Shareholders (and does not later change that opinion between the Announcement Date and the end of the Offer Period (each inclusive)).

NAB consent

- 3.21 NAB provides written confirmation to Mareterram that it will not:
 - 3.21.1 change pricing or any other term of the Financing Agreement; or

3.21.2 cancel a facility or declare any outstanding amount due and payable,

in either case, in consequence of or in connection with the Offer (or completion of any of the transactions contemplated by the Offer).

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SCHEDULE 2: TIMETABLE

Event	Date*
Announcement of Takeover Bid	8 April 2016
Sea Harvest provides an advanced draft Bidder's Statement to Mareterram	12 May 2016
Mareterram provides an advanced draft Target's Statement to Sea Harvest	12 May 2016
Lodgement Date <i>Date Sea Harvest lodges Bidder's Statement with ASIC and serves it on Mareterram</i> <i>Date Mareterram lodges Target's Statement with ASIC and serves it on Sea Harvest</i>	19 May 2016
Register Date	7 June 2016
Offer Date	7 June 2016
Sea Harvest and Mareterram despatch Bidder's Statement and Target's Statement to Shareholders	7 June 2016
Offer Period ends	7 July 2016

*Dates are indicative only

SCHEDULE 3: ANNOUNCEMENT

RECOMMENDED PROPORTIONAL TAKEOVER OFFER BY SEA HARVEST

- **Sea Harvest proposes to make a proportional cash takeover offer at \$0.35 per share to all existing Mareterram shareholders for 50% of their shares in Mareterram**
- **Mareterram's Independent Directors¹ unanimously recommend the Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is fair and reasonable to shareholders**
- **Mareterram's directors and four major shareholders intend to accept the offer in the absence of a Superior Proposal**
- **Mareterram and its shareholders will benefit from the closer relationship with Sea Harvest**
- **Sea Harvest strongly supports and endorses Mareterram's current directors, management and strategy**

The Board of Mareterram Limited (**ASX: MTM**) (**Mareterram** or the **Company**) is pleased to announce the Company has entered into a Bid Implementation Agreement (**BIA**) with its major shareholder Sea Harvest Holdings Proprietary Limited (**Sea Harvest**) pursuant to which Sea Harvest (or a member of the Sea Harvest group) will make a conditional proportional off-market cash offer to acquire 1 out of every 2 shares held by Mareterram shareholders (other than Sea Harvest and its related entities) for \$0.35 cash per share (**Offer**). A copy of the BIA is attached to this announcement.

Sea Harvest (through a wholly-owned subsidiary) is the largest shareholder in Mareterram, currently holding voting power of 19.9%. Sea Harvest's Offer is conditional upon (amongst other things) achieving a 50.1% shareholding. If all of Mareterram's shareholders choose to accept the Offer, Sea Harvest's ownership of Mareterram shares will increase up to a maximum of approximately 59.6% for a total cash consideration of approximately \$19.7 million.

David Lock, CEO and Managing Director of Mareterram commented: "This is an outstanding result for Mareterram and its shareholders. To be more closely aligned with a high quality company with the fishing industry expertise and experience of Sea Harvest is an exciting and significant development for our growing company. This transaction reinforces our strategic direction and will help us deliver our strategy to drive long term value creation for all Mareterram shareholders".

Mr Felix Ratheb, Chief Executive Officer of Sea Harvest (and non-executive director of Mareterram) stated: "This proposed Offer for Mareterram's shares demonstrates our confidence in Mareterram and is a strong endorsement of its high quality people and strategic direction. Sea Harvest will continue to support Mareterram's Board and management and their strategy. We believe by increasing Sea Harvest's shareholding we can better partner and assist Mareterram in achieving its goals, especially in relation to its growth and diversification objectives."

Under the terms of the BIA Sea Harvest has the right to appoint Mr Fred Robertson as a non-executive director to the Board (in addition to Mr Ratheb) upon acquiring a relevant interest in 50.1% of Mareterram shares and the Offer being declared unconditional. .

¹ All capitalised terms used in this announcement have the same meaning as in the BIA, unless otherwise defined. As Non-Executive Director Mr Felix Ratheb is also the Chief Executive Officer of Sea Harvest, the Board has established an Independent Board committee comprising Messrs Peter Hutchinson, David Lock, James Clement and Mark Pitts to consider and respond to the Offer (**Independent Directors**).

Chairman of Mareterram Mr Peter Hutchinson said: "The Company looks forward to welcoming Mr Robertson to the Board as a Non Executive Director (subject to completion of the Offer) and his much anticipated contribution given his significant international business experience, particularly in his role as Chairman of Sea Harvest and its holding company Brimstone. Mr Robertson was clearly impressed and saw opportunity during his most recent trip to Western Australia and the Company's prawn trawling operations in Carnarvon".

A brief profile of Mr Robertson follows: Executive chairman and co-founder of Brimstone, Mr Robertson is a leading figure in the South African business community, having gained experience on the national and international business stage through his directorships of Remgro Limited, AON Re Africa (Proprietary) Limited and Old Mutual Emerging Markets Limited. He is also non-executive chairman of Sea Harvest, Lion of Africa Insurance Company Limited, Lion of Africa Life Assurance Company Limited and House of Monatic (Proprietary) Limited.

Transaction Rationale and Benefits

The transaction has a number of benefits for Mareterram and its shareholders, including:

- **Price is a premium** - Mareterram shareholders who accept the Offer will receive cash of \$0.35 per share for the shares accepted. The Offer price represents:
 - a 75% premium over the offer price of \$0.20 per Mareterram share under the Company's recent re-compliance prospectus dated 12 November 2015;
 - a 19.7% premium over the 30 day volume weighted average price of \$0.2924 per Mareterram share up to and including 4 April 2016, the last trading day prior to the Company entering into the trading halt ahead of this announcement; and
 - a 9.37% premium over the closing price of \$0.32 per Mareterram share on 4 April 2016.
- **Continued participation in Mareterram for accepting shareholders** – the structure of the Offer means that Mareterram shareholders who accept the Offer will still retain half of their current holding, and accordingly, can continue to participate in the Company's future growth.
- **Global supply chain** – With a 52 year history in global markets, Sea Harvest sells its products to the US, Europe and Asia (and to customers not currently serviced by Mareterram). It has long term relationships with established customers and access to international supply chain logistics. Mareterram will be better able to leverage those Sea Harvest relationships to sell its own products and to penetrate new markets, as well as better service Mareterram's existing customers.
- **Support for Mareterram's growth strategy** - Sea Harvest has stated it strongly endorses Mareterram's current Board and management, their growth strategy and vision of a diversified agribusiness. This will provide Mareterram access to a broader range of growth opportunities and valuable expertise in identifying and assessing acquisitions.
- **Improve product and distribution diversity** – Mareterram distributes Sea Harvest hake products in Australia under an existing supply arrangement. Closer alignment between Sea Harvest and Mareterram provides Mareterram the opportunity to increase the volume and range of Sea Harvest products it sells and to diversify its distribution channels into the marketplace.
- **Funding support** – An increased shareholding by Sea Harvest assists in underpinning Mareterram's future capital requirements to fund its strategic objectives. Sea Harvest is controlled by Brimstone Investment Corporation Limited (**Brimstone**), an investment holding company listed on the Johannesburg Stock Exchange. Brimstone's strategy is to develop long term partnerships with, and invest alongside, strong management teams running cash generative businesses.

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- **Expertise and operational synergies** – Sea Harvest is one of the largest vertically integrated fishing companies in South Africa. Established in 1964 and employing over 2,400 people, it owns 18 deep-sea fishing trawlers, processes approximately 40,000 tonnes of fish and has considerable expertise in the fishing industry. Mareterram will work with Sea Harvest to better access the people, systems and expertise of Sea Harvest to achieve synergies in a number of areas, including purchasing power, maintenance and support of vessels, engineering, sales and marketing, IT, risk management, fishing practices, OH&S and quality control.

Mareterram Director Recommendations

The Independent Directors unanimously recommend Mareterram shareholders accept the Offer in the absence of a Superior Proposal and subject to the Independent Expert concluding the Offer is fair and reasonable to shareholders.

The Independent Directors believe it is an attractive offer for shareholders and note the premium over recent trading and volume weighted average prices that the Offer price represents.

Shareholder and Director Support

The two largest shareholders of Mareterram (other than Sea Harvest) are Craig Mostyn & Co Pty Ltd (**Craig Mostyn**) (who holds 20 million shares representing a 14.83% interest) and Orange Sun Development Corporation Pty Ltd (**Orange Sun**) (who holds 10 million shares representing a 7.42% interest). Both these shareholders have indicated they intend to accept the Offer, in the absence of a Superior Proposal. Wolf Capital Pty Ltd (**Wolf**) and Oresusa Pty Ltd (**Oresusa**) who each hold 5 million shares representing a 3.71% interest have also separately indicated they intend to accept the Offer, in the absence of a Superior Proposal.

In addition, all the directors of Mareterram have indicated they intend to accept the Offer in relation to all shares owned or controlled by them, in the absence of a Superior Proposal.

The indications of an intention to accept the Offer, in the absence of a Superior Proposal, which have been received by the Company from major shareholders and the directors relate to an aggregate total of 23,375,000 shares, representing 17.33% of the total issued capital of the Company.

Acceptance of the Offer by Craig Mostyn, Orange Sun and Mr Hutchinson, will be as soon as is reasonably practicable on the later of the date of satisfaction of the escrow restrictions described below and 21 days after the Offer opens, in the absence of a Superior Proposal. Acceptance of the Offer by the remaining directors and Wolf and Oresusa will be as soon as is reasonably practicable on the date which is 21 days after the Offer opens, in the absence of a Superior Proposal.

The 20 million Mareterram shares held by Craig Mostyn, the 10 million Mareterram shares held by Orange Sun, and 3,406,250 of the 5,000,000 Mareterram shares controlled by Mr Hutchinson are subject to voluntary escrow agreements. These shareholders will be permitted to accept the Offer in respect of their escrowed Mareterram shares if holders of at least half of the shares (excluding the escrowed shares) have accepted the Offer and all conditions of the Offer have been satisfied or waived. Alternatively, if a bid acceptance facility is established, these shareholders may tender their escrowed shares into the facility if holders of at least half of the shares (excluding the escrowed shares) have accepted the Offer or tendered (and not withdrawn) their shares into the facility.

The BIA

A copy of the BIA is attached to this announcement. Key terms of the BIA are set out below:

- the Offer is subject to the satisfaction or waiver of the conditions set out in Schedule 1 of the BIA, including but not limited to:
 - Sea Harvest obtaining approval from the Financial Surveillance Department within The South African Reserve Bank for remittance of foreign currency out of South Africa for the

purpose of satisfying any consideration payable to shareholders who accept the Offer pursuant to section B.2(B)(ii) of the rules under the Exchange Control Regulations;

- 50.1% minimum acceptance;
 - Mareterram does not make any material acquisitions, disposals or new commitments;
 - no prescribed occurrence occurs in relation to Mareterram;
 - there being no material adverse change in respect of Mareterram;
 - there being no regulatory action;
 - all material approvals and licences required to conduct the Mareterram Group business and the Carnarvon Boat Harbour leases remain in force;
 - supply arrangements with key suppliers, including Mydibel, Top Hat, Bayview and Rand Transport remain in force; and
 - the independent expert concluding that the Offer is fair and reasonable to shareholders.
- Mareterram has agreed to customary exclusivity arrangements including “no shop” and “no talk” restrictions, notification and matching rights until the end of the Offer period, subject to a customary fiduciary exception to allow it to consider competing proposals;
 - Sea Harvest will enter into an agreement with Mr Hutchinson to acquire 50% of the 5,000,000 options controlled by him for \$0.15 per option (being the difference between the Offer price per share of \$0.35 and the exercise price of the options of \$0.20 per option) subject to the Offer being declared unconditional or all of the conditions being satisfied; and
 - the Offer will extend to shares that are issued during the Offer period due to the vesting of Performance Rights. 3,125,000 of the 6,250,000 Performance Rights held by Mr Lock and 1,562,500 of the 3,125,000 Performance Rights held by Mr Clement will vest subject to the Offer being or being declared unconditional (with Messrs’ Lock and Clement able to accept the Offer for 50% of the shares arising from the vesting of the Performance Rights). The balance of the Performance Rights remain in place.

Indicative timing

The indicative timetable for the Offer is set out below:

Event	Target Date
Lodgement of Bidder’s and Target’s Statements with ASIC and ASX	19 May 2016
Expected dispatch of Bidder’s and Target’s Statements	7 June 2016
Expected opening of the Offer	7 June 2016

Advisers

Euroz Securities Limited is acting as corporate adviser to Mareterram and Gilbert + Tobin is acting as legal adviser to Mareterram.

The Standard Bank of South Africa Limited is acting as Investment Bank to Sea Harvest and DLA Piper Australia is acting as legal adviser to Sea Harvest.

Nedbank Limited is acting as corporate adviser to Brimstone.

SCHEDULE 4: WARRANTIES

Part 1: PARTY WARRANTIES

1. Each Party represents and warrants to the other that:
 - 1.1 it is duly incorporated under the laws of the place of its incorporation;
 - 1.2 it has the power and authority to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
 - 1.3 this Agreement has been duly executed and is a legal, valid and binding agreement, enforceable against it in accordance with its terms;
 - 1.4 the execution and performance by it of this Agreement and each transaction contemplated by this Agreement does not and will not violate in any respect a provision of:
 - 1.4.1 a law, judgement, ruling, order or decree binding on it;
 - 1.4.2 its constitution; or
 - 1.4.3 any other document or agreement that is binding on its assets;
 - 1.5 no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or deregistration or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets, and no regulatory action of any nature has been taken, which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this Agreement; and
 - 1.6 it is not aware of any act, omission, event or fact that would result in one or more of the Bid Conditions being triggered, except as disclosed by the Party to the other Party in writing prior to the date of this Agreement.

Part 2: MARETERRAM'S WARRANTIES

2. Mareterram represents and warrants to Sea Harvest that:
 - 2.1 it has exercised due care and diligence in compiling and making available the Mareterram Diligence Materials for the purpose of responding to Sea Harvest's due diligence requests, and has not intentionally omitted any material fact or document in responding to such diligence requests;
 - 2.2 so far as Mareterram is aware, all information which has been disclosed by Mareterram under its continuous disclosure obligations under the Corporations Act and the Listing Rules was materially true and correct at the time it was disclosed (except as subsequently disclosed), and Mareterram has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and there is no material information that Mareterram is withholding pursuant to Listing Rule 3.1A, other than as disclosed to Sea Harvest by Mareterram in writing prior to the date of this Agreement;
 - 2.3 the Fishing Licences, fishing vessels, the leasehold interest in the Carnarvon Boat Harbour Leases and other material assets used or held by each Mareterram Group Entity in connection with its business are legally and beneficially owned by the relevant Mareterram Group Entity subject to the NAB Security Interests;

- 2.4 the Accounts and historical financial information contained in the Prospectus:
- 2.4.1 have been prepared in accordance with applicable laws and generally accepted accounting standards, principles and practices in force at the date on which they were prepared;
 - 2.4.2 each give a true and fair view of the financial position of the Mareterram Group Entities as at the Accounts Date in respect of the Accounts and 30 June 2015 in respect of the Prospectus ("**Relevant Date**") and of the income, expenses and profit or loss of the Mareterram Group Entities for the period ended on the Relevant Date; and
 - 2.4.3 are not affected by any extraordinary, unusual or non-recurring items (other than as disclosed therein);
- 2.5 all Taxes for which any Mareterram Group Entity is liable and which have fallen due for payment or for which any Mareterram Group Entity will be liable and which have fallen due for payment before the Completion Date, have been or will be duly paid to the appropriate Taxation Authority before the Completion Date;
- 2.6 all notices, computations and returns which are required to have been submitted to a Taxation Authority for Taxation purposes by each Mareterram Group Entity have been properly and duly so submitted by the due date and all such documents submitted to a Taxation Authority are true, accurate and complete in all material respects and are not the subject of any dispute with a Taxation Authority;
- 2.7 all material records which each Mareterram Group Entity is required to keep for Taxation purposes have been duly kept and are available for inspection at the premises of each Mareterram Group Entity (respectively);
- 2.8 there are no circumstances existing or alleged which require early repayment of any amounts outstanding under the Facilities or which constitute an event of default under, or a breach of the terms of, any of the Facilities;
- 2.9 so far as the Mareterram is aware, Mareterram and the Mareterram Group have:
- 2.9.1 complied in all material respects with all regulations applicable to them and orders of Government Agencies having jurisdiction over them where such non-compliance would, or would reasonably be likely to have a material adverse effect on Mareterram;
 - 2.9.2 all material licences and permits necessary for them to conduct their respective businesses as presently being conducted (including, for the avoidance of doubt, the Fishing Licences) and nothing has occurred which is reasonably likely to have the effect of such licences or permits being revoked or altered in any way, or not being renewed or being capable of being renewed on reasonably acceptable terms where such revocation, alteration or non-renewal would, or would reasonably be likely to have a material adverse effect on the Mareterram Group; and
 - 2.9.3 all leases, contractual licences and rights necessary for them to conduct their respective businesses as presently being conducted (including, for the avoidance of doubt, the Carnarvon Boat Harbour Leases, Processing Facility Licence and Accommodation Facilities Licence), such leases being valid and in full force and effect as at the date of this Agreement and nothing has occurred which is

reasonably likely to have the effect of such leases, contractual licences or rights being terminated or altered in any way, or not being renewed or being capable of being renewed on reasonably acceptable terms where such revocation, alteration or non-renewal would, or would reasonably be likely to have a material adverse effect on the Mareterram Group;

- 2.10 Mareterram's issued securities as at the date of this Agreement consist of (i) 134,847,695 Shares, (ii) 5,000,000 Options and (iii) 9,375,000 Performance Rights, and those securities comprise the whole of the issued and outstanding share capital of Mareterram and it has not issued or agreed to issue any other securities or instruments which are still outstanding and which may convert into or be exchangeable for or entitle the holder to any Shares;
- 2.11 Mareterram has obtained irrevocable instructions from each of the Voluntary Escrow Shareholders to remove the Holding Lock with respect to its Voluntary Escrow Shares in the event that Shareholders holding at least half of the Shares (that are not Voluntary Escrow Shares) that are the subject of the Takeover Bid have accepted the Offer and the Takeover Bid is unconditional or all the Bid Conditions have been satisfied or waived ("**Release Event**"); and
- 2.12 all the assets and undertaking of the Mareterram Group Entities of an insurable nature are and have at all material times been insured in amounts representing their full replacement or reinstatement value against fire and other risks normally insured against by persons carrying on similar types of business as the Mareterram Group Entities and as required by various agreements to which the Mareterram Group Entities are subject.

Executed as an Agreement.

Executed by **SEA HARVEST HOLDINGS**)
PROPRIETARY LIMITED in accordance)
with its constituent documents and place of)
incorporation:

Signature 

Name (block capitals) **FELIX RATHES**
Authorised Signatory

Signature 

Name (block capitals) **JOHN PAUL DE FREITAS**
Authorised Signatory

For personal use only

For personal use only

Executed by **MARETERRAM LIMITED**)
ACN 009 248 720 in accordance with section)
127 of the Corporations Act:)
)

Signature 

Name (block capitals) DAVID LOCK
Secretary/Director

Signature 

Name (block capitals) RICHARD DUNCAN
Secretary/Director