

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

You should read this document in its entirety. If you are in any doubt as to how to deal with it, you should consult your Broker, legal, financial or other professional adviser as soon as possible.



# BIDDER'S STATEMENT

The Independent Directors of Mareterram  
unanimously **recommend** you

**ACCEPT**

the Offer by

**Sea Harvest International  
Proprietary Limited**

to acquire **50%** of your ordinary shares in

**Mareterram Limited**

ACN 009 248 720

for \$0.35 cash for each Mareterram Share

in the absence of a Superior Proposal

The date of the Offer is 8 June 2016 and the Offer will

close on 8 July 2016 unless extended or withdrawn



Legal adviser to the Sea Harvest Group

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If you are in any doubt as to how to deal with this document, you should consult your Broker, legal, financial or other professional adviser as soon as possible.

A number of defined terms are used in this Bidder's Statement. These terms are defined in section 10.

**KEY DATES**

Announcement Date	8 April 2016
Bidder's Statement lodged with Mareterram, ASIC and ASX	23 May 2016
Date of Offer	8 June 2016
Offer closes (unless extended or withdrawn)	5:00pm (AWST) 8 July 2016

These dates may vary as permitted under the Corporations Act.

**SUMMARY OF THE OFFER**

Sea Harvest is offering to acquire 50% of your Mareterram Shares (but no more or less) by way of a proportional off-market takeover bid under Chapter 6 of the Corporations Act. The Offer consideration is \$0.35 cash for each Mareterram Share acquired by Sea Harvest pursuant to the Offer.

**HOW DO I ACCEPT THE OFFER?**

- (a) You may only accept the Offer for 50% of your Mareterram Shares (rounded down to the nearest whole number of shares) but for no more or less;<sup>1</sup> and
- (b) Acceptances must be received before the end of the Offer Period,

in either case as follows:

**For Issuer Sponsored Holdings of Mareterram Shares**

*(Securityholder Reference Number beginning with "I")*

To accept the Offer, complete the enclosed Issuer Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope, or to an address on the Issuer Acceptance Form, so that it is received before 5:00pm (AWST) on the last day of the Offer Period.

**For CHESSE Holdings of Mareterram Shares**

*(Holder Identification Number beginning with 'X')*

To accept the Offer, either contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf, or complete the enclosed CHESSE Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope, or to an address on the CHESSE Acceptance Form, so that it is received before 5:00pm (AWST) on the last day of the Offer Period.

<sup>1</sup> If accepting the Offer would leave you with less than a Marketable Parcel of Mareterram Shares, the Offer will extend to all of your Mareterram Shares subject to the modification to section 618(2) of the Corporations Act made by ASIC under Class Order [CO 13/521]. See section 9.1(d) for further details.

## WHAT SHOULD I DO SHOULD I NOT WISH TO ACCEPT THE OFFER?

If you do not wish to accept the Offer, you are not required to take any further action.

### DISCLAIMER, IMPORTANT INFORMATION AND NOTICES

**(a) Bidder's Statement**

This Bidder's Statement is given by Sea Harvest under Part 6.5 of the Corporations Act and relates to the Offer. This Bidder's Statement is dated 23 May 2016, and includes an Offer dated 8 June 2016 to acquire 50% of your Mareterram Shares.

**(b) Sea Harvest**

Sea Harvest International Proprietary Limited (registration number 2012/130812/07), a South African proprietary limited company, is a wholly owned subsidiary of Sea Harvest Holdings Proprietary Limited. Unless otherwise specified, in this document Sea Harvest International Proprietary Limited is referred to as Sea Harvest and Sea Harvest Holdings Proprietary Limited is referred to as Sea Harvest Holdings. Sea Harvest Holdings is controlled by Brimstone, an investment holding company incorporated in South Africa and listed on JSE.

**(c) Australian Securities and Investments Commission**

A copy of this Bidder's Statement was lodged with ASIC on 23 May 2016 and sent to ASX on 23 May 2016. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Bidder's Statement.

**(d) Offers outside Australia**

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

**(e) Notice to foreign Mareterram Shareholders**

This Bidder's Statement and the Offer are subject to Australian disclosure requirements which may be different from those applicable in other jurisdictions. This Bidder's Statement and Offer do not constitute an offer in any place in which, or to any person whom, it would not be lawful to make such an offer.

**(f) Disclosure regarding forward looking statements**

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. As such statements relate to future matters, you should be aware that they are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Sea Harvest Group and Mareterram operate as well as general matters — such as general economic conditions, prevailing exchange rates, interest rates and conditions of the financial markets — that are outside the control of Sea Harvest and its directors. The forward looking statements do not constitute a representation that any such matter will be achieved in the amounts or by the dates indicated and are presented solely as a guide to assist you in assessing the Offer. The forward looking statements are based on information available to Sea Harvest at the date of this Bidder's Statement.

**(g) Investment decisions**

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You should therefore seek your own financial and taxation advice before deciding whether or not to accept the Offer.

**(h) Information on Mareterram**

All information in this Bidder's Statement relating to Mareterram has been prepared by Sea Harvest using information included in public documents filed by Mareterram or published by Mareterram on its website. None of the information in this Bidder's Statement relating to Mareterram has been commented on or verified by Mareterram or its directors or independently verified by Sea Harvest or its directors for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, Sea Harvest does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Mareterram in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of Mareterram to provide a Target's Statement to Mareterram Shareholders in response to this Bidder's Statement, setting out certain material information concerning Mareterram.

**(i) Defined terms and interpretation**

Unless otherwise noted, capitalised terms and certain abbreviations used in this Bidder's Statement are defined in the Glossary in section 10. That section also sets out certain rules of interpretation that apply to this Bidder's Statement.

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## Letter from Sea Harvest

23 May 2016



Dear Mareterram Shareholder

### Proportional Bid for Mareterram by Sea Harvest – creating economic and strategic alignment

I am pleased to provide you with this Offer to acquire 1 out of every 2 of your Mareterram Shares (i.e. 50% of your Mareterram Shares) for \$0.35 cash for each Mareterram Share you hold.

The Sea Harvest Group is one of the largest vertically integrated fishing businesses in South Africa. Following Mareterram's re-capitalisation and re-compliance process, Sea Harvest is the largest shareholder in Mareterram with a 19.9% shareholding in Mareterram. The Sea Harvest Group is also an important and long-standing supplier to the Craig Mostyn food services division which was acquired by Mareterram Trading in December 2015.

With a 52 year history in fishing, the Sea Harvest Group has significant expertise in fishing, processing, engineering, refrigeration, sales and marketing, brands, distribution and warehousing and back office services. Both the Sea Harvest Group and Mareterram recognise the potential value to be added by having a strong and close relationship. Through this Offer, we are seeking to strengthen the relationship of our two companies and provide on-going benefits, including leveraging Sea Harvest's customer and supply networks, product range, extensive expertise and global customer base.

The Sea Harvest Group's strategy is to invest in well managed, sustainable, vertically integrated fishing and agri-businesses around the world. As the largest Mareterram Shareholder, Sea Harvest fully endorses Mareterram's current Board and management, its growth strategy and vision of establishing a diversified agri-business. The Sea Harvest Group will continue to support and assist the Mareterram Board to achieve its growth and diversification objectives, and optimise returns for all Mareterram Shareholders.

The Offer represents attractive value and a premium over historical trading prices. The structure of the Offer allows you to realise a portion of your investment in Mareterram at a premium whilst continuing to participate in Mareterram's future growth and to benefit from the closer relationship with Sea Harvest.

**The Independent Directors of Mareterram unanimously recommend that you accept the Offer in the absence of a Superior Proposal.**

I encourage you to consider the Offer. Further details in relation to the Offer, including the benefits it provides to Mareterram Shareholders, are provided in this Bidder's Statement, which you should read in full.

The Offer will open on 8 June 2016 and is scheduled to close at 5:00pm (AWST) on 8 July 2016, unless extended. To accept the Offer, please follow the instructions set out in section 9.4 and on the enclosed Acceptance Form.

If you require additional assistance, please contact the Company Secretary of Mareterram on +618 9435 9207 during normal business hours.

Yours sincerely



Fred Robertson D.Phil (Hon. Causa)

Chairman  
Sea Harvest Holdings Proprietary Limited

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## Contents

## Page

Letter from Sea Harvest .....	4
Frequently asked questions .....	6
1. Information on Sea Harvest .....	12
2. Information on Mareterram .....	15
3. Sea Harvest's intentions .....	17
4. Benefits of the Offer .....	19
5. Information on Mareterram securities .....	21
6. Funding .....	23
7. Taxation implications.....	25
8. Additional information.....	28
9. Terms of Offer .....	31
10. Glossary and interpretation .....	46
11. Approval of Bidder's Statement.....	53
Corporate Directory .....	54

## Frequently asked questions

The table below answers some key questions that you may have about the Offer and should be read in conjunction with the remainder of this Bidder's Statement. You are strongly encouraged to read the entire Bidder's Statement before deciding whether or not to accept the Offer.

Question	Answer
<b>What is the Offer?</b>	<p>Sea Harvest is making an Offer to acquire 50% of your Mareterram Shares (but no more or less).<sup>2</sup> The Offer consideration is \$0.35 cash for each Mareterram Share.</p> <p>A proportional takeover bid (such as the Offer) is a takeover bid for a specified proportion of the securities in a class of securities (as opposed to a full takeover bid for all of the securities in a class of securities). Under the Corporations Act, the specified proportion must be the same for all holders of securities in that class. The specified proportion for the Offer is 50% of the Mareterram Shares held by you.</p>
<b>How does a proportional takeover bid work in practice?</b>	<p>If you accept the Offer, you will receive \$0.35 cash per Mareterram Share, for 50% of your Mareterram Shares (rounded down to the nearest whole number of shares) and retain the remainder of your Mareterram Shares.</p> <p>For example, if you own 15,000 Mareterram Shares and accept the Offer, you will receive \$2,625 in cash and continue to own 7,500 Mareterram Shares.</p> <p>You may only accept the Offer for 50% of your Mareterram Shares, and not a greater or lesser proportion.</p> <p>The Acceptance Form includes details of the number of Mareterram Shares you can accept into the Offer based on your holding at the Register Date.</p>
<b>Who is Sea Harvest?</b>	<p>Sea Harvest is the largest Mareterram Shareholder. The Sea Harvest Group is one of the largest vertically integrated fishing businesses in South Africa. Established in 1964 and employing over 2,400 people, the Sea Harvest Group owns 18 fishing trawlers and processes approximately 40,000 tonnes of fish per annum. In addition to its factory freezer trawlers, the Sea Harvest Group has three factories in South Africa, two based on the Atlantic Ocean coast in Saldanha Bay and one on the Indian Ocean coast in Mossel Bay and has considerable expertise in the fishing industry.</p> <p>In addition to being one of the leading suppliers of Hake product in South Africa under the Sea Harvest brand, the Sea Harvest Group markets and sells products in over 22 different countries, predominantly in the developed world, with Australia representing the Sea Harvest Group's second largest market. The Sea Harvest Group's customer base includes large blue chip retailers around the world.</p> <p>Sea Harvest Holdings is controlled by Brimstone, a diversified investment holding company listed on JSE with investments in the food, healthcare, infrastructure, ICT and financial services sectors.</p>

<sup>2</sup> If accepting the Offer would leave you with less than a Marketable Parcel of Mareterram Shares, the Offer will extend to all of your Mareterram Shares subject to the modification to section 618(2) of the Corporations Act granted by ASIC under Class Order [CO 13/521]. See section 9.1(d) for further details.

	For more information on Sea Harvest and Brimstone, please see section 1.
<b>What is Sea Harvest's current interest in Mareterram Shares?</b>	Sea Harvest is the registered holder of 26,834,730 Mareterram Shares which represents 19.9% of the total number of Mareterram Shares on issue as at the date of this Bidder's Statement. Sea Harvest has voting power of 19.9% in Mareterram.
<b>Why should I accept the Offer?</b>	<p>Sea Harvest considers that you should accept the Offer because:</p> <ul style="list-style-type: none"> <li>• the Independent Directors of Mareterram unanimously recommend you accept the Offer in the absence of a Superior Proposal;</li> <li>• the Independent Expert has opined that the Offer is fair and reasonable to Mareterram Shareholders;</li> <li>• the Offer Price is attractive value and a premium to the offer price under Mareterram's recent re-compliance prospectus dated 12 November 2015 and trading prices prior to the Announcement Date;</li> <li>• the structure of the Offer allows Mareterram Shareholders to retain half of their current holding and continue participating in Mareterram's future growth;</li> <li>• it is anticipated that the Sea Harvest Group's expertise and skills will generate synergies and economies of scale for the benefit of Mareterram Shareholders;</li> <li>• Sea Harvest is aligned with the Mareterram Board's growth strategy and vision of a diversified agri-business; and</li> <li>• the Sea Harvest Group can assist in funding Mareterram's future capital requirements.</li> </ul>
<b>What is the Bidder's Statement?</b>	<p>You have received this Bidder's Statement because you are a Mareterram Shareholder.</p> <p>This Bidder's Statement was prepared by Sea Harvest for distribution to Mareterram Shareholders. This Bidder's Statement includes information about Sea Harvest and the Sea Harvest Group, and provides details of the Offer. You should read this document in full. Should you have any doubt as to how to deal with this document, you should consult your Broker, legal, financial or other professional adviser as soon as possible.</p>
<b>What is the Target's Statement?</b>	<p>The Target's Statement was prepared by Mareterram in response to the Offer and the Bidder's Statement. The Target's Statement sets out Mareterram's assessment of the Offer and accompanies this Bidder's Statement.</p> <p>The Target's Statement further includes an Independent Expert's report commissioned by the Independent Directors of Mareterram to opine on whether the Offer is fair and reasonable to Mareterram Shareholders.</p>
<b>What do the Independent Directors recommend?</b>	The Independent Directors of Mareterram unanimously recommend that you accept the Offer in the absence of a Superior Proposal.

<b>Does the Mareterram Board support the Offer?</b>	All the Directors of Mareterram have indicated they intend to accept the Offer (including in respect of Mareterram Shares issued during the Offer Period as a result of vested Performance Rights - see section 5.1), in the absence of a Superior Proposal.
<b>What is the Independent Expert's opinion of the Offer?</b>	The Independent Expert has opined that the Offer is fair and reasonable to Mareterram Shareholders.
<b>Which Mareterram shareholders have indicated that they intend to accept the Offer?</b>	<p>The two largest Mareterram Shareholders (after Sea Harvest) are Craig Mostyn (who holds 20 million Mareterram Shares representing a 14.83% interest) and Orange Sun (who holds 10 million Mareterram Shares representing a 7.42% interest). Both these Mareterram Shareholders have indicated to Mareterram that they intend to accept the Offer, in the absence of a Superior Proposal. These Mareterram Shares (as well as 3,406,250 of the 5,000,000 Mareterram Shares controlled by Peter Hutchinson) are subject to voluntary escrow arrangements which are described in section 5.1.</p> <p>Wolf Capital Pty Ltd and Oresusa Pty Ltd who each hold 5 million Mareterram Shares, representing a 3.71% interest each, have also separately indicated they intend to accept the Offer, in the absence of a Superior Proposal.</p> <p>The indications of an intention to accept the Offer, in the absence of a Superior Proposal, which have been received by Mareterram from major Mareterram Shareholders and the Directors relate to an aggregate total of 23,375,000 Mareterram Shares, representing 17.33% of the total issued capital of Mareterram.</p>
<b>How do I accept the Offer?</b>	To accept the Offer you should follow the instructions set out in section 9.4 and on the Acceptance Form. Your acceptance must be received before 5pm (AWST) on the last day of the Offer Period.
<b>What percentage will Sea Harvest own should all Mareterram Shareholders accept the Offer?</b>	Should all Mareterram Shareholders accept the Offer, Sea Harvest will own 59.6% of Mareterram.
<b>Are there any conditions to the Offer?</b>	<p>The Offer is subject to a number of conditions. These conditions are set out in full in section 9.8. Some of the more significant conditions which have not been satisfied or waived as at the date of this Bidder's Statement are as follows:</p> <ul style="list-style-type: none"> <li>• sufficient acceptances by Mareterram Shareholders resulting in Sea Harvest obtaining a minimum shareholding of 50.1% in Mareterram;</li> <li>• acceptances by Mareterram Shareholders holding at least 67% of the Mareterram Shares that are the subject of the Offer (and are not subject to voluntary escrow arrangements);</li> <li>• Sea Harvest obtaining approval from the Financial Surveillance Department within The South African Reserve Bank (<b>SARB</b>) for remittance of foreign currency out of South Africa for the purpose of satisfying any consideration payable to Mareterram Shareholders;</li> <li>• all material approvals and licences required to conduct the Mareterram</li> </ul>

	<p>Group business remain in force;</p> <ul style="list-style-type: none"> <li>• receipt of consent from the Minister of Transport (or his delegate) in respect of the deemed assignment of the Carnarvon Boat Harbour Leases; and</li> <li>• there being no material adverse change.</li> </ul> <p>The status of each of the conditions as at the date of this Bidder's Statement is discussed in section 8.</p>
<p><b>When will Sea Harvest announce the status of the conditions of the Offer?</b></p>	<p>As set out in section 9.11, Sea Harvest will give a Notice of Status of Conditions in accordance with section 630(3) of the Corporations Act.</p> <p>Sea Harvest is required to set out in this Notice of Status of Conditions:</p> <ul style="list-style-type: none"> <li>• whether the Offer is free of any or all of the conditions;</li> <li>• whether, so far as Sea Harvest knows, any of the conditions have been fulfilled on the date the notice is given; and</li> <li>• Sea Harvest's voting power in Mareterram.</li> </ul> <p>If a condition is fulfilled (so that the Offer becomes free of that condition) before the date on which the Notice of Status of Conditions is required to be given, Sea Harvest must, as soon as practicable, give ASX and Mareterram a notice that states that the particular condition has been fulfilled.</p>
<p><b>What happens if the conditions of the Offer are not satisfied or waived?</b></p>	<p>If the conditions are not satisfied or waived before the end of the Offer Period, then your acceptance of the Offer is void and you will retain ownership of the Mareterram Shares in respect of which you had accepted the Offer.</p>
<p><b>When does the Offer close?</b></p>	<p>The Offer closes at 5:00pm (AWST) on 8 July 2016 unless extended or withdrawn in accordance with the Corporations Act.</p>
<p><b>What should I do?</b></p>	<p>You should:</p> <ul style="list-style-type: none"> <li>• read this Bidder's Statement in full;</li> <li>• read the Target's Statement in full;</li> <li>• consult your Broker, legal, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer; and</li> <li>• if you wish to accept the Offer, follow the instructions set out in section 9.4 and on the enclosed Acceptance Form.</li> </ul>
<p><b>Can I accept the Offer for less than 50% of my Mareterram Shares?</b></p>	<p>No, you can only accept for the full 50% of Mareterram Shares you hold, rounded down to the nearest whole number of Mareterram Shares.</p>
<p><b>What happens if</b></p>	<p>The Offer is for 50% of your Mareterram Shares. However, if by accepting the</p>

<p><b>accepting the Offer would leave me with a less than a marketable parcel of Mareterram Shares?</b></p>	<p>Offer you will be left holding less than a Marketable Parcel, then Sea Harvest will buy all of your Mareterram Shares for \$0.35 cash each.<sup>3</sup> In other words, in these limited circumstances the Offer will extend to ALL of your Mareterram Shares.</p> <p>This rule regarding the Offer applying to all of your Mareterram Shares will not apply to a parcel of Mareterram Shares, whether held beneficially or otherwise, that has come into existence, or increased in size because of a transaction entered into (including the creation of one or more trusts), at any time after 10:00am on the Announcement Date. Subject to the provisions of a notice complying with the requirements in section 9.6(b), this also applies in relation to persons who hold Mareterram Shares as nominee or trustee for others (see section 9.6(b) for further details).</p>
<p><b>If I accept the Offer, can I sell the remainder of my Mareterram Shares on-market?</b></p>	<p>If you accept the Offer, you will retain 50% of your Mareterram Shares. You may sell these Mareterram Shares on-market. However, any purchaser of such Mareterram Shares will not have the ability to accept the Offer in respect of those Mareterram Shares.</p> <p>In accordance with 'ASX Guidance Note 18: Market Codes and Trading Procedures', there will be special ASX trading arrangements with respect to these remaining Mareterram Shares. In summary they are as follows:</p> <ul style="list-style-type: none"> <li>• purchasers of the remaining Mareterram Shares will not be entitled to accept the Offer and such Mareterram Shares will trade on the ASX on an "ex-Offer" basis; and</li> <li>• settlement of trades in "ex-Offer" Mareterram Shares will be deferred until after the end of the Offer Period.</li> </ul> <p>If you do not accept the Offer in respect of your Mareterram Shares and instead sell some or all of your Mareterram Shares, the purchaser of those Mareterram Shares may accept the Offer. In this circumstance, your Mareterram Shares will trade on a "cum-Offer" basis and in a normal (T+2) settlement process.</p>
<p><b>If I accept the Offer, when will I be paid?</b></p>	<p>If you accept the Offer and the Offer becomes unconditional, Sea Harvest will pay you the consideration under the Offer by the earlier of:</p> <ul style="list-style-type: none"> <li>• one month after the later of (i) receipt of your valid acceptance and necessary transfer documents and (ii) the date on which the Offer becomes unconditional; or</li> <li>• 21 days after the end of the Offer Period.</li> </ul>
<p><b>What if I am a foreign shareholder?</b></p>	<p>Foreign Mareterram Shareholders will be paid the same cash consideration as Australian resident Mareterram Shareholders under the Offer.</p>

<sup>3</sup> See sections 9.1 and 9.6 for further details.

<p><b>What happens if I accept the Offer?</b></p>	<p>Once you accept the Offer in respect of 50% of your Mareterram Shares, you will not be able to sell those Mareterram Shares or otherwise deal with the Rights attaching to those Mareterram Shares, and will not be able to accept any Superior Proposal which may emerge, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.</p> <p>You will be able to sell the remainder of your Mareterram Shares, but a transferee will not be able to accept the Offer in respect of them. Please see the answer to "If I accept the Offer, can I sell the remainder of my Mareterram Shares on-market?" above for more information about this.</p>
<p><b>What happens if I do not accept the Offer?</b></p>	<p>If you do not accept the Offer and you do not sell your Mareterram Shares on the ASX, you will retain all of your Mareterram Shares and will not receive any cash consideration.</p>
<p><b>Can I withdraw my acceptance?</b></p>	<p>You may not withdraw your acceptance unless a withdrawal right arises under the Corporations Act.</p>
<p><b>What are the tax implications of accepting the Offer?</b></p>	<p>A general description of the taxation treatment for certain Australian resident Mareterram Shareholders accepting the Offer is set out in section 7.</p> <p>The description in section 7 is a general description only and not advice. It does not take into account your particular circumstances or needs. Mareterram Shareholders should not rely on that description as advice for their own affairs.</p> <p>Sea Harvest recommends that you consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer for your Mareterram Shares.</p>
<p><b>What if I have further questions or require further information in relation to the Offer?</b></p>	<p>If you require additional assistance, please contact the Company Secretary of Mareterram on +618 9435 9207 during normal business hours.</p> <p>If you are in any doubt as to how to deal with this document, you should consult your Broker, legal, financial or other professional adviser as soon as possible.</p>

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# 1. Information on Sea Harvest

## 1.1 Overview of Sea Harvest

Sea Harvest is a wholly-owned subsidiary of Sea Harvest Holdings, a South African proprietary limited company. Established in 1964 in the fishing village of Saldanha Bay on the west coast of South Africa, the Sea Harvest Group has developed into one of the leading whitefish businesses in South Africa. The Sea Harvest Group's principal business is deep-sea trawling of the groundfish species called Hake (*Merluccius paradoxus* & *Merluccius capensis*), processing of the catch into frozen and chilled seafood and the marketing of these products both locally and internationally. The Sea Harvest Group currently operates 18 trawler vessels (14 fresh fish and four freezers) in South African territorial waters.

The Sea Harvest Group has rights to approximately 26% of the available annual demersal Hake allowable catch allocated by the South African Department of Agriculture, Forestry and Fisheries and operates three factories in Saldanha Bay and Mossel Bay, has offices in Cape Town, Durban and Johannesburg and employs approximately 2,400 people.

In addition to being one of the leading suppliers of Hake product in South Africa under the Sea Harvest brand, the Sea Harvest Group's products are sold in over 22 different countries, predominantly in the developed world, with Australia representing the Sea Harvest Group's second largest international market. Its customer base includes large blue chip retailers around the world.

With a 52 year history in fishing, the Sea Harvest Group has significant expertise in fishing, processing, engineering, refrigeration, sales and marketing, brands, distribution and warehousing and back office. It is anticipated that these skills will be leveraged by Mareterram in order to generate synergies and economies of scale for the benefit of all Mareterram Shareholders.

The Sea Harvest Group's strategy is to invest in well managed, sustainable, vertically integrated fishing and agri-businesses around the world. With populations increasing, and increasing demand for sustainably wild caught products, the Sea Harvest Group believes that capturing this space makes good commercial sense. Importantly, the Sea Harvest Group targets investments in sustainable fisheries, with the South African operation holding the gold standard Marine Stewardship Council (**MSC**) certification for sustainability. The Shark Bay Prawn Managed Fishery in which Mareterram Fisheries operates now too holds this MSC certification.

In the financial year ended 31 December 2015, Sea Harvest Holdings generated consolidated revenues of ZAR 1.37 billion (approximately \$119.6 million at the Exchange Rate) and an operating profit before interest of ZAR 130 million (approximately \$11.4 million at the Exchange Rate). Sea Harvest Holdings has consolidated total assets totalling ZAR 1.12 billion (approximately \$97.9 million at the Exchange Rate) and continuously invests in its assets, with the Sea Harvest Group investing in excess of \$30 million on vessels and factories in the last two years.

Sea Harvest Holdings' majority shareholder is Brimstone which holds an 85% interest in the company. In line with Brimstone's philosophy of aligning management and staff with other shareholders, the balance of the shares in Sea Harvest Holdings are held by management and staff.

Further information on Sea Harvest is available on its website at: [www.seaharvest.co.za](http://www.seaharvest.co.za).

## 1.2 Overview of Brimstone

Brimstone is a diversified investment holding company incorporated in South Africa and listed on the Johannesburg Stock Exchange (JSE: BRT and BRN). Brimstone holds investments in the food, healthcare, infrastructure, ICT and financial services sectors.

Founded in Cape Town in 1995, Brimstone seeks to achieve above average returns for its shareholders by investing in wealth creating businesses and entering into strategic alliances to which it contributes capital, innovative ideas, management expertise and a value driven corporate identity.

In the financial year ended 31 December 2015, Brimstone had gross assets totalling ZAR 7.7 billion (approximately \$674.3 million at the Exchange Rate) and an intrinsic net asset value of ZAR 4.23 billion (approximately \$370.4 million at the Exchange Rate).<sup>4</sup> Brimstone has been invested in the Sea Harvest Group since 1998 and took control of the Sea Harvest Group in 2009. Brimstone increased its shareholding in Sea Harvest Holdings to 85% in April 2016.

Further information on Brimstone is available on its website at: [www.brimstone.co.za](http://www.brimstone.co.za).

## 1.3 Sea Harvest's directors and officers

As at the date of this Bidder's Statement, the directors and officers of Sea Harvest Holdings are:

Sea Harvest Holdings' directors	Position
Fred Robertson	Non-executive Chairman
Felix Ratheb	Managing Director and Chief Executive Officer
John Paul de Freitas	Chief Financial Officer
Terence Brown	Operations Director
Konrad Geldenhuys	Sales and Marketing Director
Mary Lou Harry	Human Resources Director
Mike Norris	Non-executive Director
Louis Penzhorn	Non-executive Director
Tiloshani Moodley	Non-executive Director

As at the date of this Bidder's Statement, the directors of Sea Harvest are:

Sea Harvest's directors	Position
Felix Ratheb	Director
Konrad Geldenhuys	Director

<sup>4</sup> Information on how intrinsic net asset value is calculated is available in Brimstone's annual report for the year ended 31 December 2015, which is available online at: [http://www.brimstone.co.za/Assets/InvRelations/AnnualReports/Brimstone\\_IR\\_2015.pdf](http://www.brimstone.co.za/Assets/InvRelations/AnnualReports/Brimstone_IR_2015.pdf).

#### 1.4 Implementation Agreement

Sea Harvest Holdings has entered into the Implementation Agreement with Mareterram which sets out the terms upon which Sea Harvest Holdings (or a nominated member of the Sea Harvest Group) must make the Offer. Sea Harvest Holdings has nominated Sea Harvest to make the Offer. The Implementation Agreement contains customary exclusivity provisions (no talk, no shop, no due diligence and a notification of approaches provision). A copy of the Implementation Agreement was included with Mareterram's announcement to ASX on 8 April 2016.

#### 1.5 Option Deed

As set out in section 2.2, all of the Options on issue are held by Molonglo Pty Ltd (**Molonglo**), an entity controlled by Peter Hutchinson. Sea Harvest Holdings and Molonglo have entered into a put and call option deed (**Option Deed**) under which Molonglo will be granted a put option to require Sea Harvest (or its nominee) to purchase, and separately, Sea Harvest (or its nominee) will be granted a call option to require Molonglo to sell, 50% of these Options for \$0.15 per Option (being the difference between the Offer price of \$0.35 per Mareterram Share and the exercise price of the Options of \$0.20 per Option) subject to the Offer being declared unconditional or all of the conditions to the Offer having been satisfied and the Offer Period having expired. Subject to satisfaction of these conditions, the call and put options may be exercised at any time between 18 December 2016 and 23 December 2016. The put and call option deed has been entered into pursuant to clause 9.1 of the Implementation Agreement.

#### 1.6 Earn Out and Equity Participation Agreement

Sea Harvest Holdings and Sea Harvest Corporation have previously entered into the Earn Out and Equity Participation Agreement with Mareterram and Mareterram Trading which provides certain rights to the Sea Harvest Group. In particular, the Sea Harvest Group has the right to:

- an incentive payment of between \$500,000 and \$750,000, subject to the attainment of certain performance targets;
- to nominate a non-executive director to Mareterram's board of directors (which Sea Harvest has exercised by nominating Felix Ratheb to the Mareterram Board); and
- maintain its percentage shareholding in Mareterram (**Anti-Dilution Right**).

The Sea Harvest Group's Anti-Dilution Right lapses if (among other things) the Sea Harvest Group's voting power in Mareterram exceeds 25%. It is expected that the Anti-Dilution Right will lapse during the Offer Period (subject to acceptances of the Offer by Mareterram Shareholders). If the Offer does not complete (including as a result of an insufficient number of Mareterram Shareholders accepting the Offer), Sea Harvest Group's Anti-Dilution Right will continue.

#### 1.7 Supply and Distribution Agreement

Sea Harvest Corporation has entered into the Supply and Distribution Agreement with Mareterram Trading which grants Mareterram Trading a renewable exclusive right to market, sell and distribute certain fish products, including improved products of Sea Harvest Corporation, within Australia until 18 December 2017. The agreement requires Mareterram Trading to sell (and Sea Harvest Corporation commits to deliver) certain minimum tonnages of the products to preserve the exclusive right.

## 2. Information on Mareterram

### 2.1 Profile of Mareterram

Mareterram (ASX: MTM), formerly Style Limited (ASX: SYP), is an Australian public company which has been listed on the ASX since 7 April 2004. The Company's historical focus was on the research, development, manufacturing and marketing of flooring products. In December 2015, Mareterram completed an \$18 million capital raising and the acquisition of two businesses, namely a commercial fishing business in Shark Bay, Carnarvon, Western Australia owned by Nor-West Seafoods and the food services division of the Craig Mostyn Group. As a result, Mareterram is now focused on the Australian agri-business sector with commercial fishing and food distribution operations.

Mareterram (through its subsidiary Mareterram Fisheries) operates 10 prawn trawling vessels targeting two main species, being king and tiger prawns, with its fishing licences in Shark Bay, Carnarvon, Western Australia. The vessels also retain several material by-catches including coral and endeavour prawns, blue swimmer crab, scallops, squid and cuttlefish.

Mareterram (through its subsidiary Mareterram Trading) also operates a food services business that distributes both imported and domestic frozen seafood, imported potato products and a domestic range of convenience foods under several brand names including Sea Harvest, Mydibel, Top Hat, Cape Haddie and Royal Greenland.

For further information on Mareterram, please refer to the Mareterram website [www.mareterram.com.au](http://www.mareterram.com.au) and the re-compliance prospectus released by Mareterram in November 2015.

### 2.2 Mareterram's directors and officers

As at the date of this Bidder's Statement, the directors and officers of Mareterram, and their respective interests in Mareterram Shares, are:

Mareterram's director	Position	Number of Mareterram Shares held or controlled
Peter Hutchinson <sup>1</sup>	Non-Executive Chairman	5,000,000 Mareterram Shares
David Lock <sup>2</sup>	Managing Director	750,000 Mareterram Shares
James Clement <sup>2</sup>	Executive Director Chief Operating Officer	250,000 Mareterram Shares
Mark Pitts	Non-Executive Director	250,000 Mareterram Shares
Richard Duncan	Chief Financial Officer Company Secretary	Nil
Felix Ratheb <sup>3</sup>	Non-Executive Director	500,000 Mareterram Shares

#### Notes:

- <sup>1</sup> Peter Hutchinson also controls an entity which holds 5,000,000 unlisted options in Mareterram (**Options**).
- <sup>2</sup> David Lock and James Clement also hold 6,250,000 and 3,125,000 performance rights in respect of Mareterram respectively, being rights to acquire Mareterram Shares subject to the satisfaction of vesting conditions during the relevant performance period (**Performance Rights**).
- <sup>3</sup> Felix Ratheb is also the Managing Director and Chief Executive Officer of Sea Harvest Holdings and a Director of Sea Harvest.

### 2.3 Substantial shareholders

As at the date of this Bidder's Statement, there are 134,847,698 Mareterram Shares on issue.

As at the date of this Bidder's Statement, the following shareholders are substantial shareholders of Mareterram:

Shareholder	Number of Mareterram Shares	% of Mareterram Shares
Sea Harvest	26,834,730 Mareterram Shares	19.90%
Craig Mostyn	20,000,000 Mareterram Shares	14.83%
Orange Sun	10,000,000 Mareterram Shares	7.42%

### 2.4 Publicly available information

Mareterram is a listed disclosing entity for the purposes of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Specifically, as an ASX listed company, Mareterram is subject to the ASX Listing Rules, which (subject to certain exceptions) requires continuous disclosure of any information Mareterram has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

The ASX website lists all announcements issued by Mareterram. These documents are available in electronic form from [www.asx.com.au](http://www.asx.com.au).

Mareterram is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Mareterram may be obtained for a fee from, or inspected at, an office of ASIC.

For further information regarding Mareterram, please refer to Mareterram's Interim Half Year Financial Report which can be located on the ASX website at [www.asx.com.au](http://www.asx.com.au) using Mareterram's ASX code 'MTM' or Mareterram's website [www.mareterram.com.au](http://www.mareterram.com.au).

### 2.5 Disclaimer

The information in this section 2 concerning Mareterram has been prepared by Sea Harvest using publicly available information. Neither Sea Harvest nor any of its directors or advisers has independently verified that information (either directly with Mareterram or its directors or otherwise) and do not make any representation or warranty, express or implied, as to the accuracy, or completeness of such information, other than as required by the Corporations Act.

The information on Mareterram in this Bidder's Statement should not be considered comprehensive.

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### **3. Sea Harvest's intentions**

#### **3.1 Overview**

This section 3 sets out Sea Harvest's intentions in relation to the following:

- (a) the continuation of the businesses of Mareterram;
- (b) any major changes to the businesses of Mareterram and any redeployment of the fixed assets of Mareterram;
- (c) major changes to the board of Mareterram; and
- (d) the future employment of the present employees of Mareterram.

Sea Harvest is a wholly owned subsidiary of Sea Harvest Holdings. Accordingly, the intentions, views, understanding and beliefs of Sea Harvest as set out in this Bidder's Statement are the same as those of Sea Harvest Holdings and are both collectively referred to as the intentions of Sea Harvest in this section 3.

These intentions are based on the information concerning Mareterram, its businesses and the general business environment which is known to Sea Harvest at the time of preparation of this Bidder's Statement.

The statements set out in this section 3 are statements of current intention only and may vary as new information becomes available or circumstances change. Final decisions will only be reached in light of all material facts and circumstances. The statements in this section 3 should be read in this context.

#### **3.2 Sea Harvest's Intentions**

At the date of this Bidder's Statement, Sea Harvest has a Relevant Interest in 19.9% of Mareterram Shares. If all Mareterram Shareholders accept the Offer, Sea Harvest will hold up to a maximum of 83,184,964 Mareterram Shares, representing 59.6% of Mareterram, thereby becoming a controlling Mareterram Shareholder.

The statements set out in this section 3.2 are Sea Harvest's current intentions and apply irrespective of the outcome of the Offer. Following the Offer Period, Sea Harvest may acquire further Mareterram Shares or sell down its shareholding in Mareterram, subject to the Corporations Act.

##### **Mareterram's operating businesses and employees**

Sea Harvest has no intention to use its increased shareholding in Mareterram to make any major changes to the business of Mareterram, including in respect of the deployment of its fixed assets and the employment of present management and employees.

It is important to Sea Harvest that Mareterram continues with its current strategy of developing a vertically integrated agri-business. Sea Harvest fully supports Mareterram's board and management and its organic and acquisitive growth strategy.

Mareterram will therefore continue to operate as is, with Mareterram being anticipated to be able to better access the people, systems and expertise of the Sea Harvest Group 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.

With a 52 year history in fishing, the Sea Harvest Group has significant expertise in fishing, processing, engineering, refrigeration, sales and marketing, brands, distribution and warehousing and back office services. It is anticipated that these skills will be leveraged by Mareterram in order to generate synergies and economies of scale for the benefit of all Mareterram Shareholders.

#### **Mareterram Board composition**

If Sea Harvest acquires a Relevant Interest in 50.1% or more of Mareterram and the Offer is declared unconditional, it is intended that Fred Robertson, the current Chairman of Brimstone and Sea Harvest Holdings, will be appointed to Mareterram's board of directors as a non-executive director.

Fred Robertson is executive chairman and co-founder of Brimstone and 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. Fred is non-executive chairman of Sea Harvest Holdings, Lion of Africa Insurance Company Limited, Lion of Africa Life Assurance Company Limited and House of Monatic Proprietary Limited.

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## 4. Benefits of the Offer

In addition to Mareterram Shareholders benefiting from Mareterram's relationship with a global fishing business such as the Sea Harvest Group, the Offer has a number of benefits to Mareterram and Mareterram Shareholders.

**Price is a premium** - Mareterram Shareholders who accept the Offer will receive cash of \$0.35 per Mareterram Share for the Mareterram Shares accepted. The Offer Price represents:

- (a) a 75% premium over the offer price of \$0.20 per Mareterram Share under Mareterram's recent re-compliance prospectus dated 12 November 2015;
- (b) an 18.63% premium over the 30 day volume weighted average price (**VWAP**) of \$0.295 per Mareterram Share up to and including 4 April 2016,<sup>5</sup> the last trading day prior to Mareterram entering into the trading halt ahead of the execution of the Implementation Agreement; and
- (c) a 9.37% premium over the closing price of \$0.32 per Mareterram Share on 4 April 2016.

**Continued participation in Mareterram for accepting Mareterram 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 Mareterram's future growth.

**Expertise and operational synergies** – The Sea Harvest Group is one of the largest vertically integrated fishing businesses in South Africa. Established in 1964 and employing over 2,400 people, it owns 18 fishing trawlers, processes approximately 40,000 tonnes of fish and has considerable expertise in the fishing industry. It is intended that Mareterram will work with the Sea Harvest Group to better access the people, systems and expertise of the Sea Harvest Group 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. The Sea Harvest Group has significant expertise in fishing, processing, engineering, refrigeration, sales and marketing, brands, distribution and warehousing and back office services. It is anticipated that these skills will be leveraged by Mareterram in order to generate synergies and economies of scale for the benefit of all Mareterram Shareholders.

**Global supply chain** – With a 52 year history in global markets, Sea Harvest sells its products in the US, Europe and Asia (including to customers not currently serviced by Mareterram). It has long term relationships with established customers and access to international supply chain logistics. It is anticipated that 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.

**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.

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<sup>5</sup> The VWAP is calculated using the 30 ASX trading days up to and including 4 April 2016. The 30 day VWAP of \$0.2924 noted in Mareterram's announcement on 8 April 2016 was for the 30 trading days up to and including 4 April 2016, but excluding ASX trading days on which Mareterram Shares did not trade.

**Support for Mareterram's growth strategy** - Sea Harvest has stated that it fully endorses the current Mareterram Board and management, their growth strategy and vision of creating a diversified agri-business. This will provide Mareterram access to a broader range of growth opportunities and valuable expertise in identifying and assessing acquisitions.

**Funding support** – An increased shareholding in Mareterram by Sea Harvest assists in underpinning Mareterram's future capital requirements to fund its strategic objectives with substantial food interests, especially fishing interests. Sea Harvest is controlled by Brimstone, an investment holding company listed on JSE. Brimstone's strategy is to develop long term partnerships with, and invest alongside, strong management teams running cash generative businesses.

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## **5. Information on Mareterram securities**

### **5.1 Issued securities**

Sea Harvest understands that the total number of securities on issue in Mareterram as at the date of this Bidder's Statement is as follows:

- (a) 134,847,698 Mareterram Shares;
- (b) 5,000,000 Options held by an entity controlled by Peter Hutchinson; and
- (c) 9,375,000 Performance Rights held by David Lock and James Clement.

As discussed in section 1.5, Sea Harvest has entered into the Option Deed under which Molonglo will be granted a put option to require Sea Harvest (or its nominee) to purchase, and separately, Sea Harvest (or its nominee) will be granted a call option to require Molonglo to sell, 50% of the Options, subject to the Offer being declared unconditional or all of the conditions to the Offer (set out in section 9.8 below) having been satisfied and the Offer Period having expired. The other 50% of the Options will continue to be held by Molonglo.

The Offer will extend to Mareterram 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 David Lock and 1,562,500 of the 3,125,000 Performance Rights held by James 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 Mareterram Shares arising from the vesting of the Performance Rights). Messrs Lock and Clement have indicated that they intend to accept the Offer in respect of these Mareterram Shares, in the absence of a Superior Proposal. The balance of the Performance Rights will remain in place and be able to vest subject to the satisfaction of the relevant vesting conditions.

The 20,000,000 Mareterram Shares held by Craig Mostyn, 10,000,000 Mareterram Shares held by Orange Sun and 3,406,250 of the 5,000,000 Mareterram Shares controlled by Peter Hutchinson are subject to voluntary escrow agreements. Under the terms of the voluntary escrow agreements, these Mareterram Shareholders will be permitted to accept the Offer in respect of their escrowed Mareterram Shares if holders of at least half of the Mareterram Shares (excluding the escrowed shares) have accepted the Offer and all conditions of the Offer have been satisfied or waived. The remaining escrowed Mareterram Shares which are not acquired by Sea Harvest will continue to be subject to the terms and conditions of the voluntary escrow arrangements.

### **5.2 Relevant Interest in Mareterram securities and voting power**

As at the date of this Bidder's Statement:

- (a) Sea Harvest has a Relevant Interest in 26,834,730 Mareterram Shares, being 19.9% of Mareterram Shares; and
- (b) Sea Harvest has voting power in Mareterram of 19.9%.

### **5.3 Consideration provided for Mareterram securities during previous four months**

Sea Harvest and its Associates have not acquired any Mareterram Shares during the period of four months ending on the day immediately before the date of this Bidder's Statement.

Sea Harvest and its Associates have not disposed of any Mareterram Shares during the period of four months ending on the day immediately before the date of this Bidder's Statement.

#### **5.4 Inducing benefits given during previous four months**

Except as set out in this Bidder's Statement, neither Sea Harvest nor any of its Associates has, during the period of four months ending on the day immediately before the date this Bidder's Statement, given, offered or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to:

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

which benefit was not offered to all Mareterram Shareholders under the Offer.

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## 6. Funding

### 6.1 Total consideration

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

The maximum amount of cash that Sea Harvest will be required to pay under the Offer if acceptances are received for all Mareterram Shares on issue as at the date of this Bidder's Statement is approximately \$19.7 million (**Maximum Cash Consideration**).

The Maximum Cash Consideration is calculated on the basis:

- (a) of acceptances in respect of 54,006,484 Mareterram Shares (that is, 50% of all Mareterram Shares on issue at the date of this Bidder's Statement other than those held by Sea Harvest); and
- (b) that the holders of Performance Rights exercise their performance rights (once vested) and are issued Mareterram Shares and accept the Offer.

### 6.2 Sources of cash consideration

The consideration for the acquisition of Mareterram Shares under the Offer will be paid by Sea Harvest having been wholly funded pursuant to intra-group arrangements with Sea Harvest's ultimate parent entity, Brimstone. Brimstone has agreed to provide, and will procure that its subsidiaries will provide, Sea Harvest with the necessary funds to pay the Maximum Cash Consideration as well as the consideration payable pursuant to the Option Deed and any associated transaction costs incurred by Sea Harvest (**Total Funding Amount**). Further detail is provided below.

#### **Brimstone funding arrangements**

Brimstone will obtain funds equal to the Total Funding Amount through a combination of existing cash on hand, an existing overdraft facility with Nedbank Limited (**Nedbank**) and a subscription for preference shares in Newshelf 1063 Proprietary Limited (**Newshelf**), a wholly owned subsidiary of Brimstone, by Depfin Investments (Proprietary) Limited (**Depfin**), a wholly owned subsidiary of Nedbank (**Depfin Preference Share Facility**). In aggregate, the funds available from Brimstone's surplus cash and undrawn amounts under the existing overdraft facility and Depfin Preference Share Facility exceed the Total Funding Amount.

There are no conditions to drawdown under the existing overdraft facility. Drawdown under the Depfin Preference Share Facility is subject to satisfaction of certain conditions, including there being:

- (a) no material adverse change in the ability of Newshelf or Brimstone (as guarantor) to perform its obligations or the business, financial condition, operations or performance of Newshelf or Brimstone (as guarantor) more generally; and
- (b) no material adverse change (in the reasonable opinion of Depfin) in the risk profile of the contemplated subscription.

As at the date of this Bidder's Statement, Brimstone is not aware of any reason why any conditions precedent to drawdown from the Depfin Preference Share Facility will not be satisfied.

### Sea Harvest's internal funding arrangements

Brimstone will provide funds equal to the Total Funding Amount to Sea Harvest through:

- (a) the provision of an interest-free loan facility to its wholly owned subsidiary, Brimco Proprietary Limited (**Brimco**);
- (b) the subscription by Brimco of preference shares in Sea Harvest Holdings (**Brimco Preference Share Facility**); and
- (c) the provision of an interest-free loan facility by Sea Harvest Holdings to Sea Harvest.

Drawdown under the intra-group loan facilities and the Brimco Preference Share Facility is subject to satisfaction of certain conditions, including:

- (a) satisfaction or waiver of the 50.1% minimum acceptance bid condition (see section 9.8(c) below); and
- (b) delivery of the relevant drawdown or subscription notice (as applicable).

Under the intra-group loan facilities and Brimco Preference Share Facility, funds equal to the Total Funding Amount will be available to Sea Harvest from the commencement of the first day of the Offer Period until the date that is 30 business days after the last day of the Offer Period. There is no fixed date for repayment by Brimco or Sea Harvest of amounts outstanding under the loans.

As at the date of this Bidder's Statement, Brimstone is not aware of any reason why any conditions precedent to drawdowns from the intra-group loan facilities and the Brimco Preference Share Facility will not be satisfied.

On the basis of the arrangements described above in this section 6, Sea Harvest is of the opinion that it has a reasonable basis for forming, and it holds, the view that it will be able to pay the Maximum Cash Consideration required for the acquisition of Mareterram Shares pursuant to the Offer to satisfy its obligations under the Offer.

The Offer is not subject to any financing conditions.

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## 7. Taxation implications

### 7.1 Introduction

This section 7 provides a brief outline of certain Australian tax consequences which may arise where a Mareterram Shareholder decides to accept the Offer. Mareterram Shareholders are specifically informed that the outline contained in this section 7:

- (a) does not constitute tax advice by Sea Harvest or its advisers to any Mareterram Shareholder;
- (b) is an indicative guide based on the understanding of Sea Harvest of the possible Australian CGT, GST and stamp duty consequences arising to Mareterram Shareholders on the disposal of Mareterram Shares;
- (c) does not consider any broader Australian or foreign tax implications;
- (d) is prepared on the basis of the existing Australian tax laws and administrative practices applicable as at the date of this Bidder's Statement, which may be subject to change periodically (including with retrospective effect); and
- (e) should not be relied upon by a Mareterram Shareholder for any purpose (including in deciding whether the Mareterram Shareholder should accept the Offer).

The outline contained in this section 7 is not intended to be an authoritative or complete statement of the Australian tax law applicable to the specific circumstances of every Mareterram Shareholder. In particular, the comments in the outline are generally only relevant to those Mareterram Shareholders who hold their Mareterram Shares on capital account for Australian income tax purposes. The comments do not apply to Mareterram Shareholders who:

- (a) are in the business of trading or dealing in securities, or otherwise hold their Mareterram Shares on revenue account;
- (b) acquired their Mareterram Shares as a result of an employee share plan or employee share option plan;
- (c) are a bank, insurance company or tax exempt organisation;
- (d) are subject to the Australian Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their Mareterram Shares;
- (e) are non-resident Mareterram Shareholders who currently hold, or have held at any time, Mareterram Shares through a permanent establishment in Australia; or
- (f) are non-resident Mareterram Shareholders who were previously residents of Australia for tax purposes and chose to disregard a capital gain or loss on ceasing to be a resident of Australia.

### 7.2 Disposal for CGT purposes

A Mareterram Shareholder that accepts the Offer should be treated as having disposed of the relevant Mareterram Shares for Australian CGT purposes on the date that the contract to sell those Mareterram Shares comes into existence. This should be the date on which a Mareterram Shareholder accepts the Offer to dispose of the Mareterram Shares the subject of the Offer. The disposal of a Mareterram Share in this manner should constitute a disposal of a CGT asset and potentially trigger a taxable event under Australia's CGT regime. However, if a Mareterram

Shareholder does not ultimately dispose of the relevant Mareterram Shares (eg, if a condition of the Offer is not fulfilled) then no CGT event should happen in respect of those Mareterram Shares.

### **7.3 Australian resident Mareterram Shareholders**

A Mareterram Shareholder should realise a capital gain in connection with the disposal of a Mareterram Share equal to the amount by which the Offer consideration exceeds the cost base of the Mareterram Share. A Mareterram Shareholder should alternatively realise a capital loss equal to the amount by which the reduced cost base of the Mareterram Share exceeds the Offer consideration. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of any applicable loss recoupment tests.

The cost base and reduced cost base of a Mareterram Share should generally equal the amount that the Mareterram Shareholder paid, or is deemed to have paid, to acquire the Mareterram Share (including certain incidental costs associated with the acquisition, such as brokerage fees).

A Mareterram Shareholder who is an Australian tax resident individual, trust or complying superannuation fund may be entitled to reduce a capital gain arising on disposal of a Mareterram Share by the CGT discount, provided that the Mareterram Share was acquired at least 12 months prior to its disposal for Australian CGT purposes and certain other requirements are met.

The CGT discount is applied to the capital gain after any available capital losses are first offset against that capital gain.

The applicable CGT discount (after the application of any capital losses or net capital losses from previous income years) applies at the following rates:

- (a) 50% for an individual or trust; and
- (b) 33.33% for a complying superannuation fund.

The CGT discount is not available to any Mareterram Shareholders that are companies or non-residents.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains, subject to satisfying certain rules relating to the recoupment of carried forward losses.

### **7.4 Non-resident Mareterram Shareholders**

A Mareterram Shareholder who is not a resident of Australia for Australian income tax purposes should generally not have to pay Australian income tax in relation to any capital gain arising on the disposal of their Mareterram Shares, unless, broadly, both of the following requirements are satisfied:

- (a) the Mareterram Shareholder (together with any Associates) owned at least 10% of the Mareterram Shares issued by Mareterram either at the time the Mareterram Shares were disposed of for CGT purposes, or for at least 12 months during the 24 month period ending at that time; and
- (b) more than 50% of the market value of the assets of Mareterram (including assets held through certain downstream subsidiaries) is comprised by interests in Australian real property and/or certain rights in relation to Australian minerals.

If either element is absent, any capital gain made on the disposal of a Mareterram Share should not be subject to income tax in Australia.

If both elements are satisfied, any capital gain realised by a Mareterram Shareholder who is not a resident of Australia for Australian income tax purposes should be calculated in a similar manner to that discussed above in the context of Australian residents. However the CGT discount will not be available.

Mareterram Shareholders who are not residents of Australia for tax purposes should also take into account the tax consequences under the laws of their country of residence of the disposal of Mareterram Shares.

#### **7.5 Goods and services tax**

No GST is payable by Mareterram Shareholders in respect of a disposal of those Mareterram Shares under the Offer. Holders of Mareterram Shares who are not GST registered will be restricted from claiming input tax credits for GST incurred on costs in connection with the Offer (for example, GST included in advisory costs). Holders of Mareterram Shares who are GST registered may be entitled to input tax credits for GST incurred on costs relating to the Offer and should seek their own advice in respect of such entitlements.

#### **7.6 Stamp duty**

No stamp duty is payable by Mareterram Shareholders in connection with the Offer.

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## **8. Additional information**

### **8.1 ASIC modifications**

Sea Harvest has relied on ASIC modifications of sections 618 and 636(3) of the Corporations Act as set out in ASIC Class Order [CO 13/521]. The effect of the modifications is reflected in the terms of the Offer set out in section 9.

Also, ASIC has published various class orders providing for modifications and exemptions that generally apply to all persons including Sea Harvest, in relation to the operation of Chapter 6 of the Corporations Act.

### **8.2 Persons to whom the Offer is sent**

For the purposes of section 633(2) of the Corporations Act, the date for determining the persons to whom information is to be sent in items 6 and 12 of section 633(1) of the Corporations Act is the Register Date (being 5:00pm (AWST) on 31 May 2016).

### **8.3 No escalation agreements**

Neither Sea Harvest nor any Associate of Sea Harvest has entered into any escalation agreement in respect of Mareterram Shares that is prohibited by section 622 of the Corporations Act.

### **8.4 Consents**

This Bidder's Statement includes statements made by or based on statements made by the Sea Harvest Group. The Sea Harvest Group has consented to the inclusion of the statements it has made in the form and context in which they are included and, as at the date of this Bidder's Agreement, has not withdrawn its consent.

The following persons have given, and have not withdrawn before the date of this Bidder's Statement, their consent to be named in this Bidder's Statement in the form and context in which they are so named:

- Automic Registry Services as manager of the Register; and
- DLA Piper Australia as Australian legal adviser to Sea Harvest.

Each of the above persons:

- does not make, or purport to make, any statement in this Bidder's Statement; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement.

As permitted by ASIC Class Order [CO 13/521], this Bidder's Statement contains statements made in, or based on statements made in, documents lodged with ASIC or given to ASX (see, in particular, Mareterram's ASX announcement on 8 April 2016 and the Target Statement). The terms of the Class Order allow such statements to be included without the consent of the parties who made them. Mareterram Shareholders may, during the Offer Period, obtain a copy of these documents (free of charge) by requesting them in writing from Sea Harvest at Level 1, Block C, The Boulevard, Searle Street, Woodstock, Cape Town, South Africa 7925, marked for the attention of John Paul de Freitas.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72:

- For personal use only
- this Bidder's Statement may include or be accompanied by statements fairly representing a statement by an official person, or statements from a public official document or a published book, journal or comparable publication; and
  - this Bidder's Statement contains security price data sourced from IRESS without its consent.

#### **8.5 No other material information**

There is no other information that is material to the making of the decision by a holder of Mareterram Shares whether or not to accept the Offer and which is known to Sea Harvest, other than as set out or referred to elsewhere in this Bidder's Statement, or information which it would be unreasonable to require Sea Harvest to disclose because the information has previously been disclosed to holders of Mareterram Shares.

#### **8.6 Privacy**

Sea Harvest has collected your information from the register of Mareterram Shareholders for the purposes of making the Offer. Such information may include the name, contact details and shareholdings of Mareterram Shareholders and the names of persons appointed to act as proxy, attorney or corporate representative of Mareterram Shareholders. Without this information, Sea Harvest would be hindered in its ability to issue this Bidder's Statement. The Corporations Act requires the names and addresses of Mareterram Shareholders to be held in a public register. Your personal information of the type described above may be disclosed on a confidential basis to Sea Harvest and the broader Sea Harvest Group, affiliates, authorised securities brokers, and external service providers, and may be required to be disclosed to regulators, such as ASIC. Mareterram Shareholders have certain rights to access personal information that has been collected. Mareterram Shareholders should contact Mareterram's security registry (being Automic Registry Services) in the first instance, if they wish to access their personal information. The registered office of Sea Harvest is 1<sup>st</sup> Floor, Block C, The Boulevard, Searle Street, Woodstock, Cape Town, South Africa, 7925.

#### **8.7 Rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Bidder's Statement.

#### **8.8 Potential for waiver of conditions**

The Offer is subject to a number of conditions set out in section 9.8, including a two tiered minimum acceptance condition (see section 9.8(c)). If an event occurs which results (or would result) in the non-fulfilment of a condition, Sea Harvest might not make a decision as to whether it will either rely on that occurrence, or instead waive the condition in respect of that occurrence, until the date for giving notice as to the status of the conditions of the Offer under section 630(3) of the Corporations Act (see section 9.11).

If any of the conditions is not fulfilled, and Sea Harvest decides to rely on that non-fulfilment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period.

#### **8.9 SARB Approval**

The Offer is subject to receipt by Sea Harvest of approval from SARB for remittance of foreign currency out of South Africa for the purpose of satisfying any consideration payable to Mareterram Shareholders who accept the Offer (see section 9.8(b)(i)). Sea Harvest has filed the

necessary application, together with a detailed submission, with SARB before the date of this Bidder's Statement.

#### **8.10 Consent of the Minister for Transport**

The Offer is subject to receipt of 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 (see section 9.8(g)(ii)). Mareterram has requested the necessary consents from the Minister for Transport (or his delegate) and, as at the date of this Bidder's Statement, the relevant documentation is being finalised.

#### **8.11 Written confirmation from suppliers**

The Offer is subject to receipt of written confirmation by a Mareterram Group Entity 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 applicable Mareterram Group Entity (see section 9.8(i)(v)). These written confirmations were received prior to the date of this Bidder's Statement.

#### **8.12 Opinion of Independent Expert**

The Offer is subject to the Independent Expert opining that the Offer is fair and reasonable to Mareterram Shareholders (and not later changing that opinion during the Offer Period) (section 9.8(m)). The Independent Expert's opinion as at the date of this Bidder's Statement is that the Offer is fair and reasonable to Mareterram Shareholders, and as at the date of this Bidder's Statement, Sea Harvest is not aware of any events or circumstances which would result in the Independent Expert changing its opinion.

#### **8.13 NAB consent**

The Offer is subject to NAB providing written confirmation to Mareterram that it will not (i) change pricing or any other term of the Financing Agreement or (ii) cancel a facility or declare any outstanding amount due and payable, in either case, in consequence of or in connection with the Offer (see section 9.8(n)). This written confirmation was received prior to the date of this Bidder's Statement.

#### **8.14 Status and effect of other conditions**

This section 8.14 describes the status of the remaining conditions of the Offer.

In relation to the conditions in section 9.8(a) and 9.8(b)(ii), Sea Harvest is not aware, as at the date of this Bidder's Statement, of any decision, action or investigation, or additional approvals, which would result in the non-fulfilment of those conditions. Other than as set out in section 8.9 and 8.10, Sea Harvest has not identified, as at the date of this Bidder's Statement, any particular regulatory actions or approvals which could lead to those conditions being triggered or which would be relevant to the conditions in section 9.8(a) and 9.8(b)(ii). However, it should be noted that it is not feasible for Sea Harvest to identify in advance all such regulatory actions or related regulatory approvals as Sea Harvest has not had access to detailed information regarding Mareterram's operations and assets and whether they are subject to particular approvals or conditions.

As at the date of this Bidder's Statement, Sea Harvest is not aware of any events or circumstances which would result in the non-fulfilment of any of the conditions in sections 9.8(d) to 9.8(l).

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## 9. Terms of Offer

### 9.1 Offer

- (a) Sea Harvest offers to acquire from you, on the terms and conditions of this Offer, 50% of your Mareterram Shares (rounded down to the nearest whole number of shares) together with all Rights attaching to those Mareterram Shares. You may only accept this Offer for 50% of your Mareterram Shares and not a greater or lesser proportion.<sup>6</sup> For example, if you hold 12,500 Mareterram Shares you can only accept this Offer in respect of 6,250 Mareterram Shares.
- (b) This Offer extends to Mareterram Shares in respect of which you become registered or become entitled to be registered as the holder prior to the end of the Offer Period as a result of the conversion of, or the exercise of rights attached to, other securities convertible into Mareterram Shares that are on issue at the Register Date (including the Performance Rights and Options).
- (c) This Offer extends to any person who is able, during the Offer Period, to give good title to a parcel of Mareterram Shares that are not "tagged" and has not already accepted an Offer for those Mareterram Shares (see section 9.6(a)). If you accept this Offer in respect of 50% of your Mareterram Shares, you are not entitled to accept the Offer for your remaining Mareterram Shares (**Remaining Shares**), nor can a transferee of your Remaining Shares accept the Offer. Your Remaining Shares will effectively be "tagged" so that a transferee of the Remaining Shares will be prevented from accepting this Offer.
- (d) Subject to section 9.1(e) and despite paragraphs (a), (b) and (c) of this section 9.1, if accepting this Offer would leave you with less than a Marketable Parcel of Mareterram Shares, this Offer extends to the whole of that parcel and if you accept the Offer you will be deemed to have accepted for (and will receive consideration for) 100% of your Mareterram Shares, unless you or another person acquired a legal or equitable interest in the Mareterram Shares comprising the parcel after the Offer was announced to ASX on the Announcement Date. This section applies to persons who hold Mareterram Shares as nominee or trustee for others, provided that the holder provides a notice complying with section 9.6(b) in relation to each parcel of Mareterram Shares to which this provision is to apply.
- (e) Section 9.1(d) will not apply to a parcel of Mareterram Shares, whether held beneficially or otherwise, that has come into existence, or increased in size, because of a transaction entered into (including the creation of one or more trusts), at any time after 10:00am on the Announcement Date.
- (f) If necessary, if the number of your Mareterram Shares to which this Offer relates is not a whole number, the Offer will be rounded down to the nearest whole number.
- (g) Offers on terms and conditions identical to those contained in this Offer have been dispatched or will be dispatched to all holders of Mareterram Shares registered as such in the Register on the Register Date.
- (h) This Offer is dated 8 June 2016.

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<sup>6</sup> If accepting the Offer would leave you with a less than a Marketable Parcel of Mareterram Shares, the Offer will extend to all of your Mareterram Shares, subject to the modification to section 618(2) of the Corporations Act granted in ASIC Class Order [CO 13/521]. See sections 9.1(d) and 9.6 for further details.

## 9.2 Consideration and dividends

- (a) Subject to the terms of this Offer, the consideration offered by Sea Harvest for the acquisition of each of your Mareterram Shares to which this Offer relates is \$0.35 cash for each Mareterram Share.
- (b) Subject to sections 9.2 and 9.4(d) and the Corporations Act, Sea Harvest will provide the consideration due to you for your Mareterram Shares you have accepted into the Offer by the earlier of:
- (i) one month after the later of (i) receipt of your valid acceptance and necessary transfer documents and (ii) the date on which the Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.
- (c) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
- (i) if that document is given with your Acceptance Form, Sea Harvest will provide the consideration in accordance with section 9.2(b);
  - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, Sea Harvest will provide the consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
  - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, Sea Harvest will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period; or
  - (iv) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, Sea Harvest will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Sea Harvest will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (d) Payment of the cash amount to which you are entitled under the Offer will be made in Australian currency.
- (e) Sea Harvest will be entitled to all Rights declared, paid, made or which arise or accrue at or after the Announcement Date in respect of the Accepted Shares that it acquires pursuant to this Offer.
- (f) If any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date in respect of the Accepted Shares to the holders of the Accepted Shares, Sea Harvest will (provided that the same has not been paid to Sea Harvest) be entitled to reduce the consideration specified in section 9.2(a) and payable by it to the holders of the Accepted Shares by an amount equal to the value of such Rights.

- (g) If any non-cash Rights are issued or made or arise or accrue after the Announcement Date in respect of the Accepted Shares to the holders of the Accepted Shares, Sea Harvest will (provided the same has not been issued to Sea Harvest) be entitled to reduce the consideration specified in section 9.2(a) and payable by it to the holders of the Accepted Shares by an amount equal to the value (as reasonably assessed by the Chairman of ASX or his or her nominee) of such non-cash Rights.

### 9.3 Offer Period

- (a) Unless the Offer is extended or withdrawn in accordance with the requirements of the Corporations Act, this Offer will remain open for acceptance by you during the period commencing on the date of this Offer and ending at 5:00pm (AWST) on 8 July 2016.
- (b) If, within the last seven days of the Offer Period, this Offer is varied to improve the consideration offered or Sea Harvest's voting power increases to more than 50%, then the Offer Period will be automatically extended in accordance with section 624(2)(a) of the Corporations Act so that it ends 14 days after the relevant event.

### 9.4 How to accept this Sea Harvest Offer

- (a) You may accept this Offer only in respect of 50% of your Mareterram Shares (rounded down to the nearest whole number of shares) but for no more or less.<sup>7</sup>
- (b) Subject to section 9.6, to accept this Offer in respect of Mareterram Shares which, at the time of acceptance, are registered in your name in the issuer sponsored subregister operated by Mareterram (in which case your Mareterram Shares are not in a CHESS Holding and your Securityholder Reference Number will commence with "I"), you must complete and sign the Issuer Acceptance Form enclosed with this Offer (which forms part of this Offer) in accordance with the instructions on it and return it together with all other documents required by those instructions (if any) to:
- By mail:
- Sea Harvest c/- Automic Registry Services  
PO Box 223  
West Perth WA 6872
- so that it is received at the address specified above by no later than the end of the Offer Period. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use.
- (c) To accept this Offer in respect of Mareterram Shares which, at the time of acceptance, are held by you in a CHESS Holding (in which case your Holder Identification Number will commence with "X"), you must comply with the ASX Settlement Operating Rules. To accept this Offer in accordance with the ASX Settlement Operating Rules:
- (i) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (ii) if you are not the Controlling Participant, you may either:

<sup>7</sup> If accepting the Offer would leave you with a less than a Marketable Parcel of Mareterram Shares, the Offer will extend to all of your Mareterram Shares, subject to the modification to section 618(2) of the Corporations Act granted in ASIC Class Order [CO 13/521]. See sections 9.1(d) and 9.6 for further details.

- (A) instruct your Controlling Participant (normally your Broker), in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, such initiation to occur before the end of the Offer Period. If you choose to accept this Offer in this way, your Controlling Participant will be obliged by Rule 14.14.1 of the ASX Settlement Operating Rules to initiate the acceptance in accordance with your instructions (if specified) or otherwise by End of Day (as defined in the ASX Settlement Operating Rules) on the date that you instruct the Controlling Participant to accept this Offer or, if the Offer Period ends on the day you provide those instructions, before the end of the Offer Period; or
  - (B) otherwise, complete and sign the enclosed CHES Acceptance Form in accordance with the instructions on the CHES Acceptance Form and return it (using the enclosed reply paid envelope, which is valid if sent from within Australia) together with all other documents required by those instructions to the address indicated on the CHES Acceptance Form, and as such authorise Sea Harvest to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules. For return of the CHES Acceptance Form to be an effective acceptance of the Offer under this section 9.4(c)(ii)(B), it must be received by Sea Harvest in time for Sea Harvest to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period.
- (d) An acceptance of this Offer under section 9.4(b) or 9.4(c)(ii)(B) shall not be complete until the Acceptance Form, completed and signed in accordance with the instructions on it and all other documents required by those instructions, has been received at the address set out in section 9.4(b). Notwithstanding the foregoing provisions of this section 9.4, Sea Harvest may, in its absolute discretion, waive at any time prior to the end of the Offer Period all or any of the requirements specified in the Acceptance Form but payment of the consideration in accordance with this Offer will not be made until any irregularity has been resolved and such other documents as may be necessary to procure registration of the Mareterram Shares have been lodged with Sea Harvest.
- (e) The postage and transmission of the Acceptance Form and other documents is at your own risk.

#### **9.5 Validity of acceptances**

- (a) Subject to this section 9.5, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 9.4.
- (b) Sea Harvest will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Sea Harvest is not required to communicate with you prior to or after making this determination. The determination of Sea Harvest will be final and binding on all parties.

#### **9.6 Entitlement to Offer**

- (a) Subject to section 9.1(c), a person who:

- (i) is able during the Offer Period to give good title to a parcel of Mareterram Shares; and
- (ii) has not already accepted an Offer for those Mareterram Shares;

may, in accordance with section 653B(1) of the Corporations Act, accept this Offer as if an offer on terms identical with the Offer had been made to that person in relation to those Mareterram Shares.

- (b) If at any time during the Offer Period, and before you accept this Offer, your Mareterram Shares consist of one or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold Mareterram Shares on trust for, as nominee for, or on account of, another person or persons), then you may accept as if a separate offer in the form of this Offer had been made to you in relation to each of those parcels (including any parcel you hold in your own right). An acceptance by you of the Offer in respect of any such distinct portion of your Mareterram Shares will be ineffective unless:
  - (i) you have given Sea Harvest notice stating that your Mareterram Shares consist of separate and distinct parcels, such notice being:
    - (A) in the case of Mareterram Shares not in a CHES Holding, in writing; or
    - (B) in the case of Mareterram Shares in a CHES Holding, in an electronic form approved by the ASX Settlement Operating Rules; and
  - (ii) your acceptance specifies the number of Mareterram Shares in the distinct portions to which the acceptance relates; and
  - (iii) in circumstances where the parcel of Mareterram Shares is held by you as trustee or nominee for, or otherwise on account of, another person, your acceptance specifies:
    - (A) the date that other person acquired an equitable interest in the parcel or, if that date is not known, the date that other person is reasonably believed to have acquired an equitable interest in the parcel; and
    - (B) where the date that other person acquired an equitable interest in the parcel is the Announcement Date — whether the equitable interest was acquired before the time the Offer was announced to ASX on the Announcement Date.
- (c) Beneficial owners whose Mareterram Shares are registered in the name of a Broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in having this Offer accepted in respect of the Mareterram Shares which they beneficially own.

## 9.7 Effect of Acceptance

- (a) By:
  - (i) completing, signing and returning an Acceptance Form in accordance with section 9.4(b) or 9.4(c)(ii)(B); or

- (ii) causing this Offer to be accepted in accordance with the ASX Settlement Operating Rules if your Mareterram Shares are in a CHESS Holding,

you will, or will be deemed to, have:

- (iii) subject to section 650E of the Corporations Act and section 9.6 irrevocably accepted this Offer in respect of your Mareterram Shares to which this Offer relates (**Accepted Shares**);
- (iv) subject to the conditions of the Offer being fulfilled, agreed to transfer the Accepted Shares to Sea Harvest;
- (v) represented and warranted to Sea Harvest as a fundamental condition going to the root of the contract resulting from your acceptance of this Offer that, both at the time of acceptance of this Offer and at the time the transfer of the Accepted Shares to Sea Harvest is registered, all of the Accepted Shares are and will upon registration be fully paid up and free from all mortgages, charges, liens and other encumbrances of any kind and restrictions on transfer of any kind, and that you have full power and capacity (whether legal or equitable) to sell and transfer the Accepted Shares and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of the Accepted Shares;
- (vi) authorised Sea Harvest (by any of its directors, officers, servants or agents), if necessary, to complete on the Acceptance Form correct details of the Accepted Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make the Acceptance Form an effective acceptance of this Offer;
- (vii) irrevocably appointed Sea Harvest and each of its directors, secretaries and officers from time to time jointly and each of them severally as your true and lawful attorney, with effect from the date that the conditions of the Offer are fulfilled, with power to exercise all powers and rights which you could lawfully exercise as the registered holder of the Accepted Shares or in exercise of any right derived from the holding of the Accepted Shares, including, without limiting the generality of the foregoing, requesting Mareterram to register the Accepted Shares in the name of Sea Harvest, attending and voting at any meeting of Mareterram Shareholders, demanding a poll for any vote taken at or proposing or seconding any resolutions to be considered at any meeting of Mareterram Shareholders, requisitioning any meeting of Mareterram Shareholders, signing any forms, notices or instruments relating to the Accepted Shares and doing all things incidental or ancillary to any of the foregoing. You will, or will be deemed to, have acknowledged and agreed that in exercising such powers the attorney may act in the interests of Sea Harvest as the intended registered holder of the Accepted Shares. This appointment, being given for valuable consideration to secure the interest acquired in the Accepted Shares, is irrevocable and terminates upon registration of a transfer to Sea Harvest of the Accepted Shares;
- (viii) irrevocably authorised and directed Mareterram to pay to Sea Harvest or to account to Sea Harvest for all Rights in respect of the Accepted Shares, subject, however, to any such Rights received by Sea Harvest being accounted for by Sea Harvest to you in the event that this Offer is withdrawn or avoided;

- (ix) except where Rights have been paid or accounted for under section 9.7(a)(viii), irrevocably authorised Sea Harvest to deduct from the consideration payable in respect of the Accepted Shares, the value of any Rights paid to you in respect of the Accepted Shares which, where the Rights take a non-cash form, will be the value of those Rights as reasonably assessed by the Chairman of ASX or his or her nominee;
  - (x) if, at the time of acceptance of this Offer, the Accepted Shares are in a CHESS Holding, irrevocably authorised Sea Harvest to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 (and at a time permitted by ASX Settlement Operating Rule 14.17.1(b)) so as to transfer the Accepted Shares to Sea Harvest's Takeover Transferee Holding. Sea Harvest shall be so authorised even though at the time of such transfer it has not paid the consideration due to you under this Offer;
  - (xi) agreed to indemnify Sea Harvest in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of the Accepted Shares being registered by Mareterram without production of your Holder Identification Number for the Accepted Shares;
  - (xii) represented and warranted to Sea Harvest that, if you are the legal owner but not the beneficial owner of the Accepted Shares:
    - (A) the beneficial holder has not sent a separate acceptance of the Offer in respect of the Accepted Shares;
    - (B) the number of Mareterram Shares you have specified as being the entire holding of Mareterram Shares you hold on behalf of a particular beneficial holder is in fact the entire holding; and
    - (C) that you are irrevocably and unconditionally entitled to transfer the Accepted Shares, and to assign all of the beneficial interest therein to Sea Harvest; and
  - (xiii) agreed to execute all such documents, transfers and assurances that may be necessary or desirable to convey the Accepted Shares and any Rights in respect of the Accepted Shares to Sea Harvest.
- (b) If your Mareterram Shares are in a CHESS Holding and you complete, sign and return the Acceptance Form in accordance with section 9.4(c)(ii)(B) (which you are not bound, but are requested, to do), you will be deemed to have irrevocably authorised Sea Harvest and any of its directors, secretaries or officers to:
- (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of the Accepted Shares which are in a CHESS Holding, in accordance with Rule 14.14 of the ASX Settlement Operating Rules if you have not already done so; and
  - (ii) give any other instructions in relation to the Accepted Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

## 9.8 Conditions of this Sea Harvest Offer

This Offer and the contract resulting from acceptance of this Offer are subject to the fulfilment or waiver of the following conditions:

(a) **No regulatory action**

During the Condition Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Governmental Agency; and
- (ii) no action or investigation is commenced by any Governmental 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 Mareterram 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 Mareterram Shares.

(b) **Approvals by Public Authorities**

During the Condition Period:

- (i) Sea Harvest receives approval from SARB for remittance of foreign currency out of South Africa for the purpose of satisfying any consideration payable to Mareterram Shareholders who accept the Offer; and
- (ii) 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 Mareterram 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 (ii), 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.

(c) **Minimum acceptance condition**

- (i) At or before the end of the Offer Period, Sea Harvest has a Relevant Interest in at least 50.1% (by number) of the Mareterram Shares on issue at that time.
- (ii) At or before the end of the Offer Period, Mareterram Shareholders holding at least 67% (by number) of the Mareterram Shares that are not Voluntary Escrow Shares that are the subject of the Offer have accepted the Offer.

(d) **No material acquisitions, disposals etc**

Except for any proposed transaction publicly announced by Mareterram before the Announcement Date, none of the following events occur during the Condition Period without the prior written consent of Sea Harvest (such consent not to be unreasonably withheld):

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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
- (vi) discloses (without having disclosed to ASX prior to the Announcement Date) the existence of any matter described in paragraphs (i) to (v) above, or announces an intention or proposal to do anything described in paragraphs (i) to (v) above.

(e) **No Prescribed Occurrence**

No Prescribed Occurrence happens in the Condition Period.

(f) **No material failings in filings**

Sea Harvest does not become aware during the Condition Period that:

- (i) Mareterram has failed to file any material document required by applicable law or the Listing Rules to be filed as and when required; or
- (ii) 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.

(g) **Mareterram approvals**

- (i) During the Condition Period, 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.

- (ii) During the Condition Period, 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.
- (iii) During the Condition Period, 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.
- (iv) During the Condition Period, 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 (iii) above which would be reasonably likely to give rise to a material liability or expenditure by any Mareterram Group Entity.
- (v) During the Condition Period, 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).

(h) **No material adverse change**

During the Condition Period, 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:

- (i) without limiting the generality of sub-paragraph 9.8(h)(ii) 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
- (ii) a material change or deterioration in the business, financial or trading position, profits or prospects of the Mareterram Group (taken as a whole).

(i) **Rights under certain agreements or instruments**

During the Condition Period, 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:

- (i) 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);
- (ii) any such agreement or other such instrument being terminated or modified or any action being taken or arising under such agreement or instrument;
- (iii) all or substantially all of the assets of Mareterram, or any subsidiary of Mareterram being sold, transferred or offered for sale or transfer, including under any pre-emptive right or similar provisions; or
- (iv) the business of Mareterram, or any subsidiary of Mareterram with any other person being materially adversely affected.

During the Condition Period:

- (v) 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
- (vi) 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.

(j) **Transfer of options**

During the Condition Period, no Mareterram option holder is in breach of any provisions of an option transfer agreement executed in accordance with the provisions of the Implementation Agreement.

(k) **Litigation**

During the Condition Period, 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).

(l) **Conduct of Mareterram Group**

During the Condition Period, no Mareterram Group Entity shall (without the prior written consent of Sea Harvest):

- (i) declare, or distribute any dividend, bonus or other share of its profits or assets;
- (ii) issue or grant options over, or agree to issue or grant options over, or otherwise make any commitments regarding any Mareterram Shares or other securities, or alter its capital structure or the rights attached to any of its Mareterram Shares or other securities, or issue or agree to issue any convertible securities;
- (iii) make any changes in its constitution or pass any special resolution;
- (iv) 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;
- (v) borrow or agree to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) release, discharge or modify any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) 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;
- (viii) appoint any additional director to its board of directors (whether to fill a casual vacancy or otherwise);
- (ix) enter or agree to enter into, terminate or agree to terminate, any Material Contract;
- (x) 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);
- (xi) conduct its business otherwise than in the ordinary course;
- (xii) 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;
- (xiii) 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;

- (xiv) create or agree to create any Encumbrance over the whole, or a substantial part, of its business or property, except for a Permitted Encumbrance;
- (xv) 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;
- (xvi) 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;
- (xvii) accelerate the rights of any of its non-executive directors, senior executives or employees to compensation or benefits of any kind, except as permitted by the Implementation Agreement;
- (xviii) pay 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);
- (xix) waive any material third party default; or
- (xx) 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.

(m) **Independent Expert**

The Independent Expert is of the opinion that the Offer is fair and reasonable to Mareterram Shareholders (and does not later change that opinion during the Condition Period).

(n) **NAB consent**

NAB provides written confirmation to Mareterram that it will not:

- (i) change pricing or any other term of the Financing Agreement; or
- (ii) 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).

**9.9 Nature and benefit of conditions**

- (a) The Offer conditions in section 9.8 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period, prevent a contract to sell your Mareterram Shares pursuant to the terms of this Offer, but entitles Sea Harvest, by written notice to you, to rescind the contract resulting from your acceptance of the Offer.
- (b) Subject to the Corporations Act, Sea Harvest alone is entitled to the benefit of the conditions in section 9.8, or to rely on any non-fulfilment of them.

- (c) Each condition in section 9.8 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

#### **9.10 Freeing the Offer of conditions**

- (a) Sea Harvest may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions in section 9.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving notice to Mareterram and to ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given not less than seven days before the end of the Offer Period (or, in the case of the condition in section 9.8(e), not later than three Business Days after the end of the Offer Period).
- (b) If, at the end of the Offer Period (or in the case of the condition in section 9.8(e), at the end of the third Business Day after the end of the Offer Period), the conditions in section 9.8 have not been fulfilled and Sea Harvest has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

#### **9.11 Notice of status of conditions**

The date for giving the notice of the status of the conditions required by section 630(1) of the Corporations Act is 1 July 2016 (subject to extension in accordance with the Corporations Act if the Offer Period is extended).

#### **9.12 Withdrawal by Sea Harvest**

- (a) In accordance with section 652B of the Corporations Act, Sea Harvest may withdraw this Offer at any time with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent. Notice of any withdrawal will be given to ASX and Mareterram and Sea Harvest will comply with any other conditions imposed by ASIC.
- (b) If Sea Harvest withdraws this Offer, any contract resulting from its acceptance will automatically be void.

#### **9.13 Variation**

Sea Harvest may, at any time, and from time-to-time, vary this Offer in accordance with the Corporations Act.

#### **9.14 Other matters**

- (a) All costs and expenses of preparation of this Bidder's Statement and of the preparation and circulation of the Offer will be paid by Sea Harvest.
- (b) Any notices to be given by Sea Harvest to Mareterram under the Offer may be given to Mareterram by leaving them at, or sending them by pre-paid ordinary post to, the registered office of Mareterram or by sending them by facsimile transmission to Mareterram at its registered office.
- (c) Any notices to be given to Sea Harvest by you or by Mareterram under the Offer may be given to Sea Harvest by leaving them at or sending them by pre-paid ordinary post to Sea Harvest at the address referred to in the Corporate Directory.

- (d) Any notices to be given by Sea Harvest to you under the Offer may be given to you by sending them by pre-paid post or courier, or if your address is outside Australia, by pre-paid airmail or courier, to your address as shown in the Register.
- (e) This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Western Australia.

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## 10. Glossary and interpretation

### 10.1 Glossary

The following terms have the meanings set out below unless the context requires otherwise:

**Acceptance Form** means the acceptance form enclosed with this Bidder's Statement (and includes, to avoid doubt, both the Issuer Acceptance Form and the CHES Acceptance Form).

**Accepted Shares** has the meaning given to that term in 9.7(a)(iii).

**Announcement Date** means 8 April 2016.

**Anti-Dilution Right** has the meaning given to that term in section 1.6.

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

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to that term in section 12 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange it operates, as the context requires.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement.

**Bidder's Statement** means this document, being the bidder's statement of Sea Harvest under Part 6.5 of the Corporations Act relating to the Offer.

**Brimco** means Brimco Proprietary Limited, a corporation organised and existing under the laws of South Africa with registration number 1998/0001775/07.

**Brimco Preference Share Facility** has the meaning given in section 6.2.

**Brimstone** means Brimstone Investment Corporation Limited, an investment holding company listed on the JSE under the share codes BRT and BRN with registration number 1995/010442/06. Brimstone is the controlling shareholder of Sea Harvest Holdings.

**Broker** means a person who is a share broker and a participant in CHES.

**Business Day** means a day on which banks are open for general banking business in Perth (not being a Saturday, Sunday or public holiday in that place).

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

**CGT** means Australian capital gains tax.

**CHES** means the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities in Australia.

**CHES Holding** means a holding of Mareterram Shares on the CHES subregister of Mareterram.

**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 Mareterram 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

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.

**Condition Period** means the period beginning on the Announcement Date and ending at the end of the Offer Period (both inclusive).

**Controlling Participant** in relation to Mareterram Shares, has the same meaning as that in ASX Settlement Operating Rules.

**Corporations Act** means the Corporations Act 2001 (Cth) and any regulations made under that Act.

**Craig Mostyn** means Craig Mostyn & Co Pty Ltd ACN 000 047 745.

**Craig Mostyn Group** means Craig Mostyn and its subsidiaries.

**Depfin** means Depfin Investments (Proprietary) Limited, a wholly owned subsidiary of Nedbank.

**Depfin Preference Share Facility** has the meaning given in section 6.2.

**Earn Out and Equity Participation Agreement** means an earn out and equity participation agreement dated 14 August 2015 between Sea Harvest Holdings, a member of the Sea Harvest Group, Mareterram Trading and Mareterram.

**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 Rate** means the exchange rate of 11.4187 ZAR for 1 AUD at market open on 20 May 2016 as published by Bloomberg.

**Facilities** means the loan facilities granted pursuant to the Financing Agreement.

**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.

**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** means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Holder Identification Number** or **HIN** means the number used to identify a Mareterram Shareholder on the CHESS subregister of Mareterram.

**Implementation Agreement** means the takeover bid implementation agreement between Sea Harvest and Mareterram as attached to Mareterram's announcement dated 8 April 2016.

**Independent Directors** means the independent directors of Mareterram, being Peter Hutchinson, James Clement, David Lock and Mark Pitts.

**Independent Expert** means the independent expert to be engaged by Mareterram to express an opinion on whether the Offer is fair and reasonable to Mareterram Shareholders.

**Issuer Sponsored Holding** means a holding of Mareterram Shares on Mareterram's issuer sponsored subregister.

**JSE** means the Johannesburg Securities Exchange.

**Listing Rules** means the listing rules of ASX as amended or varied from time to time.

**Mareterram** means Mareterram Limited ACN 009 248 720.

**Mareterram Board** means the board of directors of Mareterram from time to time.

**Mareterram Fisheries** means Mareterram Fisheries Pty Ltd ACN 606 006 848, a wholly-owned subsidiary of Mareterram which operates the fishing division of the Mareterram Group (which was acquired from Nor-West Seafoods).

**Mareterram Group** means Mareterram and each of its Related Bodies Corporate.

**Mareterram Group Entity** means any member of the Mareterram Group.

**Mareterram Share** means a fully paid ordinary share in Mareterram.

**Mareterram Shareholder** means a person who is registered as the holder of Mareterram Shares in the Register.

**Mareterram Trading** means Mareterram Trading Pty Ltd ACN 607 380 389, a wholly-owned subsidiary of Mareterram which operates the food services division of the Mareterram Group (which was acquired from the Craig Mostyn Group).

**Marketable Parcel** means a holding of Mareterram with a value of not less than \$500 based on the "cum-Offer" ASX closing price of Mareterram Shares on the date that is the most recent trading day before the relevant acceptance of the Offer is received.

**Maximum Cash Consideration** has the meaning given to that term in section 6.1.

**Molonglo** means Molonglo Pty Ltd ACN 009 305 944 ATF The Peter Hutchinson Family Trust, an entity controlled by Peter Hutchinson.

**NAB** means National Australia Bank Limited ACN 004 044 937.

**Nedbank** means Nedbank Limited.

**Newshelf** means Newshelf 1063 Proprietary Limited, a wholly owned subsidiary of Brimstone.

**Nor-West Seafoods** means Nor-West Seafoods Pty Ltd ACN 610 843 153 and/or Tennereef Pty Ltd ACN 009 309 317, as the context requires.

**Offer** or **Sea Harvest Offer** means, the offer to acquire Mareterram Shares under the terms and conditions contained in this Bidder's Statement, as varied in accordance with the Corporations Act.

**Offer Period** means the period commencing on 8 June 2016 and ending on 8 July 2016 at 5:00pm (AWST) unless extended.

**Offer Price** means \$0.35 per Mareterram Share (in respect of those Mareterram Shares the subject of the Offer).

**Options** has the meaning given to that term in section 2.2.

**Option Deed** has the meaning given to that term in section 1.5.

**Orange Sun** means Orange Sun Development Corporation Pty Ltd ACN 008 765 982.

**Participant** has the meaning given in the ASX Settlement Operating Rules.

**Performance Rights** has the meaning given to that term in section 2.2.

**Permitted Encumbrance** means:

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- (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.

**Prescribed Occurrence** means the occurrence of any of the following:

- (a) any Mareterram Group Entity converts all or any of its Mareterram Shares into a larger or smaller number of Mareterram Shares;
- (b) any Mareterram Group Entity resolves to reduce its share capital in any way or reclassify, combine, split, redeem or repurchase (directly or indirectly) any of its Mareterram Shares;
- (c) any Mareterram Group Entity enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement;
- (d) any Mareterram Group Entity issues Mareterram 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 Mareterram Shares issued on the exercise of options or vesting of Performance Rights on issue as at 8 April 2016;
- (e) any Mareterram Group Entity issues, or agrees to issue, securities or other instruments convertible into Mareterram Shares or debt securities;
- (f) any Mareterram Group Entity disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) any Mareterram Group Entity grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
- (h) any Mareterram Group Entity resolves to be wound up;
- (i) a liquidator or provisional liquidator of any Mareterram Group Entity is appointed;
- (j) a court makes an order for the winding up of any Mareterram Group Entity;
- (k) an administrator of any Mareterram Group Entity is appointed;
- (l) any Mareterram Group Entity executes a deed of company arrangement; or
- (m) 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.

**Register** means the register of Mareterram Shareholders maintained by Mareterram in accordance with the Corporations Act.

**Register Date** means 5:00pm (AWST) on 31 May 2016.

**Related Body Corporate** has the meaning given in section 9 of the Corporations Act.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Remaining Shares** has the meaning given to that term in section 9.1(c).

**Rights** means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of the Mareterram Shares, whether directly or indirectly, including without limitation all rights to receive dividends (and any attaching franking credit), to receive or subscribe for Mareterram Shares, units, notes, options or other securities and to receive all other distributions or entitlements declared, paid, made or issued by Mareterram or any subsidiary of Mareterram after the Announcement Date.

**SARB** means the Financial Surveillance Department within The South African Reserve Bank.

**Sea Harvest** means Sea Harvest International Proprietary Limited, formerly SHC Retail Shops Proprietary Limited (a corporation organised and existing under the laws of South Africa with registration number 2012/130812/07), a wholly owned subsidiary of Sea Harvest Holdings.

**Sea Harvest Corporation** means Sea Harvest Corporation Proprietary Limited (a corporation organised and existing under the laws of South Africa with registration number 2008/124147/07), a wholly owned subsidiary of Sea Harvest Holdings.

**Sea Harvest Group** means Sea Harvest Holdings, its subsidiaries and associate companies.

**Sea Harvest Holdings** means Sea Harvest Holdings Proprietary Limited (a corporation organised and existing under the laws of South Africa with registration number 2008/001066/07).

**Securityholder Reference Number** or **SRN** means the number allocated by Mareterram to identify a Mareterram Shareholder on its issuer sponsored subregister.

**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 Mareterram Shareholders (as a whole) than the Offer, taking into account all the terms and conditions of the Competing Proposal.

**Supply and Distribution Agreement** means a supply and distribution agreement dated 4 August 2015 between Craig Mostyn and a member of the Sea Harvest Group, as amended by a letter of variation dated 2 October 2015 and novated to Mareterram Trading.

**T+2** means that settlement occurs on the second Trading Day after the date of the relevant transaction in accordance with ASX practice.

**Takeover Transfree Holding** has the same meaning as in the ASX Settlement Operating Rules.

**Target's Statement** means the target's statement to be prepared by Mareterram in response to this Bidder's Statement.

**Total Funding Amount** has the meaning given to that term in section 6.2.

**Trading Day** has the meaning given to it in the Listing Rules.

**Unacceptable Circumstances** means unacceptable circumstances within the meaning of section 657A of the Corporations Act.

**Voluntary Escrow Shareholders** means each of Molonglo, Craig Mostyn and Orange Sun.

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

**Voting Power** has the meaning given to it in section 610 of the Corporations Act.

## 10.2 Interpretation

- (a) Annexures to this Bidder's Statement form part of this Bidder's Statement.
- (b) Words and phrases to which a meaning is given by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules have that meaning in this Bidder's Statement unless that meaning is inconsistent with the context in which the word or phrase is used.
- (c) Headings are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (d) The singular includes the plural and vice versa and words importing any gender include the other gender, and references to persons include corporations.
- (e) References to sections are to sections of this Bidder's Statement.
- (f) References to paragraphs are references to paragraphs within the section in which the reference to the paragraph is made.
- (g) References to time are references to the time in Sydney, Australia on the relevant date, unless stated otherwise.
- (h) References to "dollars", "\$" or "cents" are to Australian currency, unless stated otherwise.

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## 11. Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution of the directors of Sea Harvest.

Dated 23 May 2016

Signed for and on behalf of Sea Harvest by:



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Felix Ratheb  
Director

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## Corporate Directory

### Sea Harvest

Level 1, Block C, The Boulevard  
Searle Street, Woodstock  
Cape Town, South Africa 7925

### Legal Adviser

DLA Piper Australia  
Level 31, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

### Share Registrar

Automic Registry Services  
7 Ventnor Ave  
West Perth WA 6005

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