

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

WELLARD LIMITED

ARBN

53 607 708 190

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Convertible Notes |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 7,350,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The conversion price is US\$0.21 per share (subject to adjustment to the conversion ratio).

The Convertible Notes have the terms and conditions detailed in the attached Deed Poll. |

+ See chapter 19 for defined terms.

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Each Convertible Note will rank pari passu with all other unsecured and unsubordinated indebtedness of the Company except indebtedness preferred solely by operation of law.

5 Issue price or consideration

US\$1 per Convertible Note.

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

Funds raised are to be used for working capital purposes.

Items 6(a) to 6(i) inclusive are not applicable.

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.

11 April 2017.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	425,000,000	Fully paid ordinary shares

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	7,350,000	Convertible Notes

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No plans to pay dividends at this stage.
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Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable.
12	Is the issue renounceable or non-renounceable?	Not applicable.
13	Ratio in which the +securities will be offered	Not applicable.
14	+Class of +securities to which the offer relates	Not applicable.
15	+Record date to determine entitlements	Not applicable.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable.
17	Policy for deciding entitlements in relation to fractions	Not applicable.
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable.
19	Closing date for receipt of acceptances or renunciations	Not applicable.
20	Names of any underwriters	Not applicable.
21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.

+ See chapter 19 for defined terms.

28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	+Issue date	Not applicable.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) +Securities described in Part 1
- (b) All other +securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought

39	+Class of +securities for which quotation is sought		
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 		
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>		
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:
(Company Secretary)

Date: 11 April 2017

Print name: Michael Silbert

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	400,000,000
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	0
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	400,000,000

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	60,000,000
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>25,000,000 shares issued under the Placement Agreement announced on 7 April 2017</p> <p>35,000,000 if all Convertible Notes are converted into fully paid ordinary shares</p>
“C”	60,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	60,000,000
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	60,000,000
Total [“A” x 0.15] – “C”	0 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
“E”	N/A

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	N/A
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>



Execution version

Convertible Note Deed Poll

Wellard Limited

ABN 53 607 708 190

Wellard Rural Exports Pty Ltd

ABN 31 109 866 328

Wellard Feeds Pty Ltd

ABN 52 009 248 195

Wellard Animal Processing Pty Ltd

ABN 96 118 342 859

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CONVERTIBLE NOTE DEED POLL

DATE 2017

MADE BY

- (1) **Wellard Limited** ABN 53 607 708 190 (**Company**); and
- (2) **Wellard Rural Exports Pty Ltd** ABN 31 109 866 328 (**WRE**)
Wellard Feeds Pty Ltd ABN 52 009 248 195 (**WF**)
Wellard Animal Processing Pty Ltd ABN 96 118 342 859 (**WAP**)
(each of WRE, WF and WAP being a **Guarantor**)

IN FAVOUR OF

Each person who is from time to time a Noteholder.

RECITAL

The Company intends to issue Convertible Notes to Noteholders on the terms and subject to the conditions of this Deed Poll.

THIS DEED POLL WITNESSES AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

Unless the context otherwise requires:

- (a) **Note Terms** means the terms and conditions of the Convertible Notes as set out in Schedule 1 to this Deed Poll; and

otherwise, terms used in this Deed Poll and not defined in this Deed Poll:

- (b) have the meaning given to them in the Note Terms; or
- (c) if not defined in the Note Terms, have the meaning given to them in the Subscription Deed. If the meaning of a term used in this Deed Poll and/or the Note Terms and incorporated by reference to the Subscription Deed is amended for the purposes of the Subscription Deed, the term will also be treated as having the amended meaning in this Deed Poll and the Note Terms.

1.2 **Rules for interpreting this Deed Poll**

Unless the contrary intention appears, this Deed Poll is to be interpreted in accordance with Condition 1 of the Note Terms as though references to "the Note Terms" in Condition 1 were replaced with references to "this Deed Poll".

1.3 **Deed components**

This Deed Poll, and any reference to the Deed Poll, includes any Schedule and Annexure to this Deed Poll and the Company is irrevocably bound by all obligations on it in this Deed Poll and any Schedule and Annexure to this Deed Poll.

2. **CONVERTIBLE NOTES**

2.1 **Creation of Convertible Notes**

The obligations of the Company under the Convertible Notes are constituted by, and specified in, this Deed Poll and the Note Terms. Convertible Notes are created by inscription in the Register. The Company undertakes unconditionally and irrevocably to comply with its obligations under this Deed Poll and the Note Terms.

2.2 **Interaction with the Note Terms**

The Convertible Notes are held subject to the Note Terms, which are binding on the Company, the Noteholders and any person claiming through or under them respectively. The Note Terms will have the same effect as if they were set out in this Deed Poll.

3. **NOTE CERTIFICATES**

3.1 **Entitlement to Note Certificates**

A person:

- (a) on becoming a Noteholder in accordance with the Subscription Deed and the Note Terms; or
- (b) on acquiring additional Convertible Notes in accordance with the Note Terms, and upon delivering to the Company the Note Certificate(s) for all the existing Convertible Notes held by that person,

is entitled without charge to up to one Note Certificate for the Convertible Notes registered in the Noteholder's name (unless the Company otherwise agrees to a greater number). For the avoidance of doubt, no more than one current Note Certificate can be issued for the same Convertible Note(s).

3.2 **Joint holders**

If two or more persons are entered into the Register as joint Noteholder of a Convertible Note, they are taken to hold the Convertible Note as joint tenants with rights of survivorship. However the Company is not bound to:

- (a) register more than four persons as joint holders of a Convertible Note; nor
- (b) issue more than one Note Certificate for a Convertible Note held jointly by two or more persons and delivery of a Note Certificate to one joint holder constitutes delivery to all joint holders.

3.3 **Form of Note Certificate**

A Note Certificate must be:

- (a) substantially in the form set out in Schedule 2 and must have the Note Terms endorsed on it; and
- (b) executed by or on behalf of the Company in accordance with its constitution for the time being or in such other manner as may be permitted by the Corporations Act.

3.4 **Lost and stolen Note Certificates**

- (a) Subject to the Corporations Act and the Note Terms, if a Note Certificate of a Noteholder is lost, stolen, defaced or destroyed, the Company will issue a duplicate

Note Certificate in its place on application in writing by the Noteholder accompanied by:

- (i) in the case of a defaced Note Certificate, delivery of the defaced Note Certificate to the Company; and
- (ii) if any Note Certificate is lost, stolen or destroyed then:
 - (A) a statutory declaration or any other evidence that the Company may reasonably require that the Note Certificate has been lost, stolen or destroyed and has not been pledged, mortgaged, charged or otherwise encumbered, sold or otherwise disposed of and, if lost, that proper searches for that Note Certificate have been made;
 - (B) an undertaking in writing that if the original Note Certificate is found or received by the Noteholder, it will be returned promptly to the Company;
 - (C) payment to the Company of reasonable out-of-pocket expenses of the Company for attending to the application; and
 - (D) any other matter or thing which the Company reasonably requires.
- (b) Any stamp, transaction or registration tax or duty payable on a new Note Certificate issued under clause 3.4(a) must be paid by the Noteholder.

4. REGISTER

4.1 Register requirements

The Company must establish and maintain a Register at the registered office of the Company (or such other place in an Australian city as the Company may determine on prior written notice to the Noteholders) and enter in it:

- (a) the name and address of each Noteholder;
- (b) the date on which each person was registered as a Noteholder; and
- (c) the number of Convertible Notes held by each Noteholder and the aggregate Face Value of all Convertible Notes held by each Noteholder;
- (d) the following information in relation to each Convertible Note:
 - (i) the Issue Date;
 - (ii) the Maturity Date;
 - (iii) the Face Value;
 - (iv) the Interest Rate; and
- (e) details of all transfers of Convertible Notes made in accordance with the Note Terms, including the date of registration of such transfers;
- (f) in relation to Convertible Notes no longer outstanding, particulars of their redemption or conversion into Shares;
- (g) the serial number of each Note Certificate issued and the date of its issue;

- (h) the date on which a person ceased to be a Noteholder; and
- (i) such other information as is required by any applicable law.

4.2 **Updates to Register**

The Company must enter in the Register each change to the information specified in clause 4.1.

4.3 **Inspection of Register**

A Noteholder may inspect the Register at all reasonable times during office hours and the Company must provide the Noteholder with a copy of it or any part of it if requested by the Noteholder.

4.4 **Register conclusive evidence**

Entries in the Register in relation to a Convertible Note constitute conclusive evidence that the person entered as the Noteholder is the owner of that Convertible Note, subject to correction for fraud or error. Except as required or permitted by law, the Company must treat the person entered on the Register as the absolute owner of that Convertible Note.

5. **RIGHTS AND OBLIGATIONS OF NOTEHOLDERS**

5.1 **Benefit and enforcement**

- (a) This Deed Poll is executed as a deed poll for the benefit of the Noteholders. Each Noteholder may enforce this Deed Poll, despite not being a party to this Deed Poll, even if the Noteholder does not exist at the time this Deed Poll is executed and delivered.
- (b) A Noteholder may enforce its rights under this Deed Poll independently from the Company, any other Noteholder and any other person.

5.2 **Noteholders bound**

The Convertible Notes are issued subject to and on the basis that each Noteholder and any person claiming through or under a Noteholder is taken to have notice of, and be bound by all the provisions of this Deed Poll.

5.3 **Direction to hold this Deed Poll**

Each Noteholder is deemed to have irrevocably nominated and authorised the Company to hold this Deed Poll with the Register on behalf of that Noteholder.

5.4 **Provision of this Deed Poll**

- (a) The Company acknowledges the right of each Noteholder to the production of this Deed Poll in accordance with this clause 5.4 and will procure that a copy of this Deed Poll is available for inspection by Noteholders during normal business hours at the registered office of the Company.
- (b) Within five Business Days of receipt by the Company of a request from a Noteholder to do so, the Company must provide to that Noteholder:
 - (i) a certified copy of this Deed Poll; or
 - (ii) the original of this Deed Poll to a court if the Company is satisfied that:

- (A) such document is required in connection with any legal proceeding, claim or action brought by such Noteholder in relation to its rights under a Convertible Note (the **Relevant Proceeding**);
- (B) the relevant Noteholder has taken reasonable steps to ensure that such document will not be lost, damaged or destroyed; and
- (C) such document will be returned to the Company on request and is capable of being made available in respect of any other legal proceeding, claim or action brought by another Noteholder in relation to such other Noteholder's rights under this Deed Poll.

5.5 Meeting Rules

The Meeting Rules relating to a meeting of Noteholders are set out in Schedule 4 to this Deed Poll.

6. DISCHARGE AND RELEASE

The Company is immediately discharged and released from its liabilities, obligations and undertakings under this Deed Poll in respect of any Convertible Note on the first to occur of the following:

- (a) the Convertible Note is converted (including cash settled) in accordance with the Note Terms;
- (b) the Convertible Note is redeemed in accordance with the Note Terms; or
- (c) the Convertible Note is bought-back or repurchased by the Company on terms to be agreed between the Company and the relevant Noteholder(s).

7. GOVERNING LAW AND JURISDICTION

- (a) This Deed Poll is governed by the laws of the State of Western Australia.
- (b) Each party irrevocably and unconditionally:
 - (i) submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them; and
 - (ii) waives any right it has to object to any legal process being brought in those courts including any claim that the process has been brought in an inconvenient forum or that those courts do not have jurisdiction.
- (c) To the full extent permitted by applicable law, the Company irrevocably waives any immunity from set off, suits, proceedings and execution to which it or any of its property may now or in the future be entitled under any applicable law.

8. NOTICES

8.1 How to give a notice

A notice, consent or other communication under these Note Terms is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either:

- (i) sent by pre-paid mail (by airmail, if the addressee is overseas) or delivered to that person's address; or
- (ii) sent by fax to that person's fax number and the machine from which it is sent produces a report that states that it was received in full without error; or
- (iii) sent in electronic form (such as email).

8.2 **When a notice is given**

A notice, consent or other communication that complies with this clause 8 is regarded as given and received:

- (a) if it is delivered or sent by fax:
 - (i) by 5.00 pm (local time in the place of receipt) on a Business Day – on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day – on the next Business Day;
- (b) if it is sent by mail:
 - (i) within Australia – four Business Days after posting; or
 - (ii) to or from a place outside Australia – seven Business Days after posting; and
- (c) if it is sent in electronic form:
 - (i) if it is transmitted by 5.00pm (local time in the place of receipt) on a Business Day – on that Business Day; or
 - (ii) if it is transmitted after 5.00pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day – on the next Business Day.

9. **GENERAL**

9.1 **Custody of deed poll**

The Company must hold the original executed counterpart of this Deed Poll at the registered office of the Company, or in any other place selected by the Company from time to time.

9.2 **Variation of rights**

The exercise of a right of a Noteholder partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this Deed Poll. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this Deed Poll.

9.3 **Operation of this Deed Poll**

- (a) Subject to paragraph (b), this Deed Poll, together with the Subscription Deed, contains the entire agreement about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

- (b) Any right that a person may have under this Deed Poll is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this Deed Poll which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this Deed Poll enforceable, unless this would materially change the intended effect of this Deed Poll.

9.4 **Severability**

Any provision in this Deed Poll which is invalid or unenforceable in any jurisdiction, is to be read down for the purposes of that jurisdiction, if possible, so as to be valid and enforceable, and is otherwise capable of being severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this Deed Poll or affecting the validity or enforceability of that provision in any other jurisdiction.

9.5 **Assignment or novation**

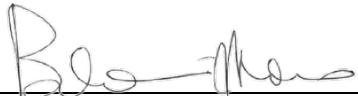
Subject to the Subscription Deed:

- (a) the Company may only assign or novate all or any of its rights, benefits and obligations under this Deed Poll by approval of an Ordinary Resolution; and
- (b) each Noteholder may only assign or novate all or any of its rights and benefits under this Deed Poll on the same terms and subject to the same conditions as apply to the transfer of a Convertible Note as set out in the Note Terms.

EXECUTED as a deed poll in favour of each person who is from time to time a Noteholder.

Company

EXECUTED by **WELLARD LIMITED** ABN 53 607 708 190 in accordance with section 127 of the *Corporations Act 2001* (Cth):



Signature of director

Mauro Balzarini - MANAGING DIRECTOR
Name

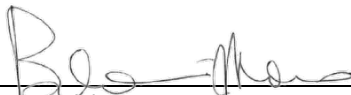


Signature of director/secretary

Michael Silbert - COMPANY SECRETARY
Name

Guarantors

EXECUTED by **WELLARD RURAL EXPORTS PTY LTD** ABN 31 109 866 328 in accordance with section 127 of the *Corporations Act 2001* (Cth):



Signature of director

Mauro Balzarini - DIRECTOR
Name



Signature of director/secretary

Michael Silbert - COMPANY SECRETARY
Name

EXECUTED by **WELLARD FEEDS PTY LTD** ABN 52 009 248 195 in accordance with section 127 of the *Corporations Act 2001* (Cth):



Signature of director

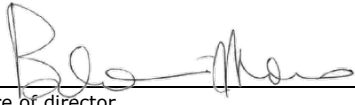
Mauro Balzarini - DIRECTOR
Name



Signature of director/secretary

Michael Silbert - COMPANY SECRETARY
Name

EXECUTED by **WELLARD ANIMAL
PROCESSING PTY LTD** ABN 96 118 342
859 in accordance with section 127 of the
Corporations Act 2001 (Cth):



Signature of director

Mauro Balzarini - DIRECTOR

Name



Signature of director/secretary

Michael Silbert - COMPANY SECRETARY

Name

Schedule 1

Note Terms

1. INTERPRETATION

1.1 Definitions

The following definitions apply in these Note Terms. Where a capitalised term is used in these Note Terms and is not defined in the Note Terms but is defined in the Subscription Deed, that term has the meaning given in the Subscription Deed, unless the context otherwise requires.

7-Day VWAP means, in respect of a relevant date, the average of the daily Volume Weighted Average Price of the Shares during the 7 Exchange Business Days ending immediately prior to that date (rounded to the nearest 0.1 cent).

15 -Day VWAP means, in respect of a relevant date, the average of the daily Volume Weighted Average Price of the Shares during the 15 Exchange Business Days ending immediately prior to that date (rounded to the nearest 0.1 cent).

Accounting Standard means the accounting standards, principles and practices applying by law or otherwise generally accepted and consistently applied in the relevant jurisdiction in which the Obligor is incorporated.

ASIC means the Australian Securities & Investments Commission.

ASX means the Australian Securities Exchange or ASX Limited (a company incorporated under the company laws of Australia with registration number ABN 98 008 624 091), as the context requires.

Authorised Signatory means:

- (a) in relation to a Noteholder, a director or secretary, or an officer whose title contains the word "director", "chief", "head", "president", "managing partner" or "manager" or equivalent title or a person performing the functions of any of them, or any other person appointed by the Noteholder as an Authorised Signatory for the purposes of the Convertible Notes; and
- (b) in relation to the Company, any one director, officer or manager of the Company notified to the Noteholders as authorised to sign documents on behalf of the Company for the purposes of the Convertible Notes.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia and Hong Kong.

CBA Facilities means the facilities provided by Commonwealth Bank of Australia under the facility agreement dated 9 December 2015 between, among others, Commonwealth Bank of Australia and the Company.

Company Redemption Notice means a notice substantially in the form set out in Schedule 7.

Condition means a condition of these Note Terms.

Conversion Date has the meaning given in Condition 9.1.

Conversion Notice means a notice which is substantially in the form set out in Schedule 3 of the Deed Poll.

Conversion Price means US\$0.21.

Conversion Right means, in respect of any Convertible Note, the right of the Noteholder to convert the Convertible Notes into Shares in accordance with these Conditions.

Conversion Shares means the Shares to be issued to a Noteholder upon conversion of Convertible Notes, calculated in accordance with Condition 9.5.

Convertible Note means an unsecured convertible note issued by the Company on the Note Terms from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Deed Poll means the Convertible Note Deed Poll dated in or around March 2017 made by the Company in favour of each person who is from time to time a Noteholder and to which these Note Terms are attached.

Default Interest Period means, for an Unpaid Amount, a period of one month (or any other period the relevant Noteholder selects) beginning on the day on which the amount falls due, or on the last day of another Default Interest Period for that amount.

Default Interest Rate means the Interest Rate plus 2% per annum.

Determined by an Expert means determined in good faith by an Expert acting as an expert.

Disclosed Materials means the documents listed in Schedule 8 which have been provided to the Noteholders.

Dividend means any dividend or distribution of any kind on the class of capital represented by the Shares, whether in cash or otherwise and however described:

- (a) including, without limitation, a Dividend in Shares;
- (b) excluding a bonus issue; and
- (c) including, without limitation, any other issue of shares or other securities credited as fully or partly paid by way of capitalisation of profits or reserves.

Dividend in Shares means any issue of Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves which is to be, or may at the election of the Shareholders be, issued instead of the whole or any part of a cash Dividend which the Shareholders concerned would or could otherwise have received.

Event of Default means an event so described in Condition 8.2.

Exchange Business Day means any day that is trading day on the Relevant Exchange other than a day on which the Relevant Exchange is scheduled to close prior to its regular weekday closing time.

Excluded Tax means:

- (a) any FATCA Deduction;
- (b) any Taxes imposed on, or calculated having regard to the assessable income of a Noteholder; and
- (c) any Taxes which would not be required to be deducted or withheld by the Company had a Noteholder provided the Company with any of its name, address, registration

number or similar details or any relevant tax exemption or similar details where the Company has provided a prior written request for those details and the Noteholder has not provided them.

Expert means, in relation to any matter to be Determined by an Expert, an independent investment bank and/or a firm of accountants which is, in either case, of international repute, appointed to act as an expert for the purposes of such matter in accordance with these Conditions.

External Administrator means an administrator, controller or managing controller (each as defined in the Corporations Act), trustee, provisional liquidator, liquidator, judicial manager, receiver or any other person (however described) holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Face Value means US\$1.00 per Convertible Note as adjusted under these Note Terms.

Fair Market Value means,

- (a) with respect to a cash Dividend or other cash amount the amount of such cash; and
- (b) with respect to any other property on any date, the fair market value of that property as Determined by an Expert,

provided, however, that in any such case:

- (c) where options, warrants or other rights are publicly traded in a market which is Determined by an Expert to have adequate liquidity, the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on such date (or, if later, the first such trading day such options, warrants or other rights are publicly traded) or such shorter period as such options, warrants or other rights are publicly traded;
- (d) any cash Dividend declared or paid in a currency other than Australian dollars shall be converted into Australian dollars at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid the cash Dividend in Australian dollars; and
- (e) any other amount or value in a currency other than Australian dollars shall be converted into Australian dollars at the Screen Rate on that date.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth) and the Commonwealth government's foreign investment policy.

FATCA means:

- (a) sections 1471-1474 of the US Internal Revenue Code of 1986 or any associated regulations or other official guidance;
- (b) any treaty, law, regulation, or other official guidance enacted in any other jurisdiction, or relating to any intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Services, the US Government or any governmental or taxation authority in any other jurisdiction.

FATCA Deduction means a deduction or withholding from a payment under a Transaction Document required by FATCA.

Financial Indebtedness means any present or future actual or contingent debt or other monetary liability in respect of money borrowed or raised or any financial accommodation having the commercial effect of a borrowing, including in respect of any:

- (a) bill, bond, debenture, note or other financial instrument (whether or not negotiable);
- (b) indemnity obligation to the issuer of a guarantee, indemnity, bank guarantee, bond, letter of credit or similar instrument issued for, at the request of or on behalf of, an Obligor;
- (c) consideration for the acquisition of an asset or service payable more than 90 days after, as applicable, the date of the acquisition or the date on which the service is invoiced;
- (d) lease or hire purchase entered into primarily as a method of raising finance or financing the acquisition of the asset leased or hired (including any sale and lease back transaction);
- (e) obligation to deliver goods or other property or provide services paid for in advance by any financier or in relation to another financing transaction;
- (f) redeemable shares where the holder has the right (conditional or not) to require redemption;
- (g) receivables sold (other than to the extent they are sold on a non-recourse basis);
- (h) hedge transaction (and when calculating the value of a hedge transaction, only the marked to market value (or, if any actual amount is due as a result of termination or close-out of that hedge transaction, that amount) shall be taken into account); or
- (i) Guarantee of any Financial Indebtedness described above.

Financial Statements means an income or financial performance statement, a balance sheet or financial position statement and a cashflow statement, together with all notes and reports attached or intended to be read with those statements and a directors' declaration.

Foreign Noteholder means a Noteholder who is a "foreign person" as defined in the FATA.

Government Agency means:

- (a) a government or government department or other body;
- (b) a governmental, semi-governmental or judicial person including a statutory corporation; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law.

Group means the Company and each of its Related Bodies Corporate, **Group Company** means each of them.

Guarantee means a guarantee, indemnity, letter of credit, legally binding letter of comfort or other obligation of any kind:

- (a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;
- (b) to indemnify any person against the consequences of default in the payment of; or
- (c) to be responsible for,

an obligation or monetary liability of another person or the assumption of any responsibility or obligation in respect of the solvency or financial condition of another person.

Insolvency Event means, in respect of a person, any of the following occurring:

- (a) it becomes insolvent within the meaning of section 95A, or is taken to have failed to comply with a statutory demand under section 459F(1), or must be presumed by a court to be insolvent under section 459C(2), or is the subject of a circumstance specified in section 461 (whether or not an application to court has been made under that section) or, if the person is a Part 5.7 body, is taken to be unable to pay its debts under section 585, of the Corporations Act;
- (b) except with the Noteholders consent (such consent to be given by way of Ordinary Resolution):
 - (i) it is the subject of a Liquidation, or an order or an application is made for its Liquidation; or
 - (ii) an effective resolution is passed, or a member's meeting summoned or convened to consider a resolution, for its Liquidation;
- (c) an External Administrator is appointed to it or any of its assets or a step is taken to do so;
- (d) if a registered corporation under the Corporations Act, a step is taken under section 601AA, 601AB or 601AC of the Corporations Act to cancel its registration;
- (e) by reason of financial difficulty, it enters into an arrangement or composition with all or a class of its creditors, or an assignment for all or a class of its creditors;
- (f) an analogous or equivalent event to any listed above occurs in any jurisdiction; or
- (g) it stops or suspends payment to all or a class of creditors generally.

Interest Payment Date means the last Business Day of each Interest Period.

Interest Period means:

- (a) the period from the applicable Issue Date to 30 June 2017;
- (b) subject to paragraph (c), each period of six months ending on a 30 June or a 31 December; and
- (c) the period of less than six months starting on 1 July or 1 January and ending on the earlier of the Maturity Date and the Conversion Date.

Interest Rate means 6% per annum.

Intesa Review Event means the shares of the Company ceasing to be at least 12.50% directly or indirectly owned by entities that are directly or indirectly controlled by Mauro Balzarini, Giovanna Boventi Faroni, Marite Balzarini, Roberto Balzarini and/or Valentina Balzarini.

Issue Date means, in respect of a Convertible Note, the issue date for that Convertible Note.

Liquidation means:

- (a) a winding up, dissolution, liquidation, provisional liquidation, administration, bankruptcy or other proceeding for which an External Administrator is appointed, or an analogous or equivalent event or proceeding in any jurisdiction; or
- (b) an arrangement, moratorium, assignment or composition with or for the benefit of creditors or any class or group of them.

Listing Rules means the listing rules of the ASX.

Maturity Date means, in respect of a Convertible Note, the date which is the third anniversary of the Issue Date of that Convertible Note.

Monthly WC Report means a monthly report containing all financial information reasonably required to evidence calculation of the financial covenant in Condition 7.2(i).

Note Certificate means a certificate issued by the Company, substantially in the form set out in Schedule 2 of the Deed Poll.

Noteholder means the registered holder of a Convertible Note.

NPAT means net profit after tax.

Obligor means the Company or each Guarantor.

Official List means the official list of the ASX.

Permitted Disposal means a sale or other disposal by an Obligor:

- (a) of stock-in-trade in the ordinary course of its ordinary business and on arm's length terms;
- (b) of currency of any country (unless that disposal is otherwise restricted by a Transaction Document);
- (c) on arm's length terms of vessels, plant or machinery no longer required for its business;
- (d) to another Obligor, if that asset was subject to a Security Interest before the disposal, where the asset will be the subject of a Security Interest after the disposal;
- (e) to the extent that a disposal occurs by the creation of a Security Interest under a Permitted Security Interest;
- (f) any other disposal where the value of assets disposed of by the Obligors under this paragraph does not exceed \$5,000,000 in aggregate (or its equivalent in another currency or currencies) in any financial year; or

- (g) to which the Noteholders have given their prior written consent by way of Ordinary Resolution.

Permitted Financial Accommodation means financial accommodation:

- (a) to any Group Company;
- (b) to allow its customers to acquire goods and services on extended terms in the ordinary course of business;
- (c) deposits made in ordinary course of business arrangements with a bank or financial institution; or
- (d) to which the Noteholders have given their prior written consent by way of Ordinary Resolution.

Permitted Financial Indebtedness means Financial Indebtedness:

- (a) Financial Indebtedness under the CBA Facilities (or any replacement or refinancing of the CBA Facilities, provided that the commitment does not exceed A\$50,000,000);
- (b) Financial Indebtedness incurred under the Transaction Documents;
- (c) Financial Indebtedness owed to trade creditors on account of services provided to an Obligor in the ordinary course of its ordinary business;
- (d) Financial Indebtedness under any lease or hire purchase contract which would, in accordance with Accounting Standards, be treated as a finance or capital lease, the principal amount of which (when aggregated with the principal amount of any other such lease or hire purchase contract incurred by the Obligors) does not exceed US\$5,000,000 (or its equivalent in another currency or currencies);
- (e) any indemnity or counter-indemnity in respect of any bond, guarantee or letter of credit which is issued by a bank or financial institution at the request of an Obligor issued to a third party in the ordinary course of an Obligor's business or at the request of the Company issued to a third party in the ordinary course of a Group Company's business;
- (f) any credit card or debtor factoring facility provided by AMEX in an amount not exceeding US\$10,000,000 (or its equivalent in another currency or currencies) provided that no amount is outstanding under the facility for more than 90 days;
- (g) (other than WRE) Financial Indebtedness, including any Guarantee of a Financial Indebtedness, incurred in connection with any Ship Loan (not exceeding the amounts (or if applicable, aggregate amounts) referred to in the definition of Ship Loans);
- (h) Financial Indebtedness in connection with the trust receipts and letters of credit for bunker fuel purchase agreements in an amount not exceeding US\$5,000,000 (or its equivalent in another currency or currencies) outstanding at any one time;
- (i) Financial Indebtedness up to \$15,000,000 (or its equivalent in another currency or currencies) in aggregate for the acquisition and development of pre-export quarantine facilities in Australia;
- (j) Financial Indebtedness which is subordinated to the Convertible Notes on terms satisfactory to the Noteholders as approved by way of Ordinary Resolution;

- (k)
 - (i) Financial Indebtedness provided by an Obligor (other than Guarantees provided by WRE) to another Group Company; and
 - (ii) Guarantees provided by WRE to another Group Company which, in respect of Financial Indebtedness together with that referred to in paragraph (l)(ii)(B) below, does not exceed \$10,000,000 (or its equivalent in another currency or currencies) in aggregate;
- (l) subject to paragraph (g) above, the provision of a Guarantee, or assumption of liability, by:
 - (i) an Obligor (other than WRE), in respect of any Financial Indebtedness of another Group Company; or
 - (ii) WRE, in respect of any Financial Indebtedness of another Group Company:
 - (A) in respect of Financial Indebtedness permitted under paragraph (a) of this definition; or
 - (B) which (other than under (A)), together with Financial Indebtedness referred to in paragraph (k)(ii) above, does not exceed \$10,000,000 (or its equivalent in another currency or currencies) in aggregate;
- (m) Financial Indebtedness or any Guarantee to which the Noteholders consent in writing by way of Ordinary Resolution (unless the consent was conditional and any of the conditions are not complied with);
- (n) any other Financial Indebtedness up to an amount outstanding at any one time of \$5,000,000 (or its equivalent in another currency or currencies) in aggregate with Financial Indebtedness permitted under this paragraph (disregarding Financial Indebtedness permitted under other paragraphs of this definition).

Permitted Security Interest means:

- (a) any Security Interest granted to Commonwealth Bank of Australia in connection with the CBA Facilities (or any Security Interest in respect of any facility which replaces or refinances the CBA Facilities and is Permitted Financial Indebtedness pursuant to paragraph (a) of that definition);
- (b) a Security Interest consented to by the Noteholders by way of Ordinary Resolution (unless the consent was conditional and any of the conditions are not complied with);
- (c) a deemed security interest under section 12(3) of the PPSA which does not secure payment or performance of an obligation (or any equivalent under the Personal Property Securities Act 1999 (New Zealand) to a PPS Lease (as that term is defined in the PPSA) or any equivalent legislation in any other jurisdiction);
- (d) a turnover trust or suspense account under a Guarantee which constitutes Permitted Financial Indebtedness or under a subordination arrangement in respect of Permitted Financial Indebtedness;
- (e) any title retention arrangement which is entered into in the ordinary course of an Obligor's ordinary business, as long as the obligation it secures is discharged when due or contested in good faith by appropriate proceedings and properly provisioned;

- (f) any Security Interest, including any sale-and-leaseback, granted in respect of a Ship Loan in favour of the financier of that Ship Loan, provided that the secured property in respect of that Ship Loan is limited to the relevant ship and ship related assets, including insurances and requisition compensation, earnings, accounts, contracts of affreightment, swap claims and contractual rights in respect of the ship and the shares in the Singaporean Group Company that owns the ship;
- (g) any cash backing provided in connection with any bond, Guarantee or letter of credit described in paragraph (e) of the definition of Permitted Financial Indebtedness in an amount not exceeding at any one time \$3,000,000 (or its equivalent in another currency or currencies) in aggregate with other cash backing permitted under this paragraph;
- (h) a lien or charge arising by operation of law in the ordinary course of ordinary business (unless the lien or charge secures overdue debts where the overdue debts are not being contested in good faith by appropriate proceedings and are properly provisioned for);
- (i) any other Security Interest where the value of the secured property does not exceed A\$2,500,000 (or its equivalent in another currency or currencies) in aggregate with the value of the secured property under other Security Interests of the Obligors permitted by this paragraph (and not others) at any one time; and
- (j) any Security Interest on any asset acquired by an Obligor after the date of this document which was not created in contemplation of the acquisition but only for a period of six months from the date of acquisition and to the extent that the principal amount secured by that Security Interest has not been incurred or increased in contemplation of, or since, the acquisition.

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

Redemption Amount means in respect of each Convertible Note, the amount equal to:

- (a) Face Value; plus
- (b) all accrued but unpaid interest on the Convertible Note up to and including the Redemption Date.

Redemption Date means in respect of a Convertible Note:

- (a) in the event of a redemption by a Noteholder, the date set out in the Redemption Notice given by the Noteholder to the Company; or
- (b) in the event of a redemption by the Company, the date set out in the Company Redemption Notice given by the Company to the Noteholder; or
- (c) in the event of a mandatory redemption, the Maturity Date.

Redemption Notice means a notice substantially in the form set out in Schedule 6 of the Deed Poll.

Register means the register, including any branch register, of holders of Convertible Notes established and maintained by the Company.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Exchange means the ASX.

Rights means, in respect of any securities or assets, any options, warrants or other rights (other than Share-Related Securities) which by their terms of issue carry a right to subscribe for, purchase or otherwise acquire such securities or assets.

Screen Rate means, on any day, and, in respect of the translation or conversion of one currency into another currency, the rate of exchange between such currencies appearing on the relevant Reuters page on that day, or, if that page is not available or that rate of exchange does not appear on that page on that day, the rate of exchange between such currencies appearing on such other screen or information service, or determined in such other manner, as the Company shall determine, with the prior written approval of the Convertible Note holders.

Securities has the meaning given in the Corporations Act.

Security Interest means:

- (a) a security interest that is subject to the PPSA excluding a security interest arising under section 12(3) of the PPSA which does not in substance secure payment or performance of an obligation;
- (b) any other mortgage, pledge, lien, charge, assignment by way of security, hypothecation, title retention arrangement or preferential right in property; or
- (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.

Share means an issued fully paid ordinary share in the capital of the Company.

Shareholder means the person in whose name a Share is registered in the register of members maintained by or on behalf of the Company.

Share-Related Securities means any Securities issued by the Company (excluding the Convertible Notes) which by their terms of issue:

- (a) carry a right to subscribe for, purchase or otherwise acquire Shares or any other Securities which by their terms of issue might be redesignated as Shares; or
- (b) might be redesignated as Shares or be redesignated so as to carry a right to subscribe for, purchase or otherwise acquire Shares,

(including options to subscribe for Shares, warrants to acquire Shares and shares or other Securities that convert or may convert, or may be converted (whether by the Company or the holder) into Shares).

Ship Loan means:

- (a) Drover: the loan facility (via sale and leaseback) of up to US\$46,500,000 for the financing of the MV Ocean Drover dated 9 December 2014 between Ruchira Ships Limited and Wellard Ships Pte. Ltd.;
- (b) Swagman: the loan facility of up to US\$17,100,000 provided by Norddeutsche Landesbank Gironzentrale to Wellard Ships Pte. Ltd. for the financing of the MV Ocean Swagman;
- (c) Outback: the loan facility of up to US \$27,771,500 provided by Norddeutsche Landesbank Gironzentrale to Wellard Ships Pte. Ltd. for the financing of the MV Ocean Outback;

- (d) Shearer: the loan facility and/or option to purchase of up to US \$64,000,000 granted to Wellard Ships Pte. Ltd. by Intesa SanPaolo S.P.A. for the financing of the MV Ocean Shearer, including any export credit insurance agreement with Sinosure (a Chinese export credit insurance agency) (or any other person who provides similar services) to provide cover in respect of the entire acquisition and financing costs for the MV Ocean Shearer;
- (e) Ute: the loan facility (via a sale and leaseback) of up to US \$27,000,000 granted to Niuyang Express Pte Ltd for the financing of the MV Ute (formerly known as the MV Niuyang Express) dated 25 August 2014 in favour of Ruchira Ships Limited;
- (f) Kelpie: the loan facility of up to €\$56,000,000 plus US\$6,000,000 to be granted to Wellard Ships Pte Ltd or another Singaporean Group Company for the financing of the MV Kelpie;
- (g) any other ship loan or financing entered into by a Group Company after the date of this document to which the Noteholders consent in writing by way of Ordinary Resolution (acting reasonably); and
- (h) any financing to which a Singaporean Group Company is a party (including where the relevant Singaporean Group Company is different from the original Singaporean Group Company party) which refinances or replaces any of the above, provided that any of the amounts stated above (if more than one is refinanced or replaced, calculated on an aggregate basis) are not exceeded.

Subordination Deed Poll means a deed poll substantially in the form attached as Schedule 9, or any other form agreed by the Company and the Noteholders (by Ordinary Resolution).

Subscription Deed means the Convertible Note Subscription Deed dated on or about the date of the Deed Poll between the Company and the subscribers named therein.

Subsidiary has the meaning given in Section 9 of the Corporations Act.

Tax means a tax, levy, duty, charge, deduction or withholding, however it is described, that is imposed by law or by a Government Agency, together with any related interest, penalty, fine or other charge.

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Transaction Document.

Tranche means Convertible Notes which are issued on the same Issue Date and on the same Conditions.

Transaction Documents means, in relation to a Convertible Note holder:

- (a) this Deed Poll;
- (b) the Subscription Deed; and
- (c) the Convertible Notes.

Transfer Form means a form which is substantially in the form set out Schedule 5 of the Deed Poll.

Unpaid Amount means, in respect of a Convertible Note, an amount which is not paid on the day on which it is due and payable or within any applicable grace period under these Note Terms.

Volume Weighted Average Price means, in respect of a Share on any Exchange Business Day, the volume-weighted price of a Share (expressed in Australian dollars) appearing on or derived from the Relevant Exchange (or such other source as shall be Determined by an Expert) on such Exchange Business Day, provided that:

- (a) if on any such Exchange Business Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Exchange Business Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Exchange Business Day on which the same can be so determined; and
- (b) if any Dividend or other entitlement in respect of the Shares is announced on or prior to the relevant Conversion Date in circumstances where the record date in respect of such Dividend or other entitlement shall be on or after the relevant Conversion Date and if on any such Exchange Business Day the price as determined as provided above is based on a price ex-Dividend or ex-any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of any such Dividend or other cash entitlement as at the date of announcement of such Dividend or entitlement per Share (excluding, in the case of a dividend in cash, any associated tax credit and less the tax, if any, falling to be deducted on payment thereof to a resident of Australia).

1.2 **Rules for interpreting these Note Terms**

- (a) Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting these Note Terms, except where the context makes it clear that a rule is not intended to apply.
- (b) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including these Note Terms) or agreement, or a provision of a document (including these Note Terms) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to any document or agreement includes a successor in title, permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person;
 - (v) a schedule means a schedule to the Deed Poll (to which these Note Terms are annexed), unless the context requires otherwise; and
 - (vi) anything (including a right, obligation or concept) includes each part of it.
- (c) A singular word includes the plural, and vice versa.
- (d) A word which suggests one gender includes the other genders.
- (e) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.

- (f) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (g) An Event of Default continues until either:
 - (i) remedied; or
 - (ii) waived by the Noteholders by way of Ordinary Resolution in accordance with these Note Terms.
- (h) Unless specified otherwise, a reference to **dollars, \$** or **cents** is to an amount in United States currency.

1.3 **Non Business Days**

If the day on or by which a person must do something under these Note Terms is not a Business Day:

- (a) if the act involves the payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

2. **GENERAL TERMS OF ISSUE**

2.1 **General terms**

Each Convertible Note:

- (a) has a face value equal to the Face Value;
- (b) bears interest in accordance with Condition 4;
- (c) is convertible into Shares in accordance with Condition 9;
- (d) is redeemable in accordance with Condition 8;
- (e) is transferrable in accordance with Condition 11;
- (f) is unsecured; and
- (g) constitutes a separate and individual acknowledgement of indebtedness of the Company to the Noteholder in respect of the Redemption Amount for the Convertible Note and entitles its holder to the rights set out in, and is otherwise subject to, these Note Terms.

Other than the Issue Date of the Tranche 1 Notes and the Tranche 2 Notes, Tranche 1 Notes and Tranche 2 Notes have the same terms, and are treated as a single series.

2.2 **Title**

Title to the Convertible Notes is to be evidenced by, and transfer of the Convertible Notes may only be effected through, registration in a Register maintained by the Company.

2.3 **Property in Convertible Notes**

- (a) The property in the Convertible Notes in respect of which any Note Certificate is issued is to be regarded, for all purposes, as located where the Register is located.

- (b) The holding of a Convertible Note does not confer on the relevant Noteholder any proprietary interest in any asset or cash flow of the Company.

3. **STATUS OF NOTES**

3.1 **Ranking**

Upon their issue, the Convertible Notes will constitute direct, general, unconditional and unsubordinated obligations of the Company which rank *pari passu* among themselves and with all other unsecured and unsubordinated indebtedness of the Company, except indebtedness preferred solely by operation of law.

3.2 **No rights to participate as Shareholder**

The Convertible Notes do not confer on any Noteholder any entitlement to:

- (a) vote at any general meeting of Shareholders of the Company;
- (b) receive dividends; or
- (c) participate in any issue of Securities or Share-related Securities,

other than upon conversion of the Convertible Notes into Shares in accordance with these Note Terms.

3.3 **Information rights**

The Company must provide each Noteholder with all information and notices sent by the Company to its Shareholders at the same time as those notices and information are provided to Shareholders.

4. **INTEREST**

4.1 **Interest Rate**

The Company must pay interest on each Convertible Note at the Interest Rate. Interest on each Convertible Note will:

- (a) accrue daily on the Face Value of the Convertible Note, on a compounded basis;
- (b) be computed from and including the Issue Date until but excluding the earlier of:
 - (i) the Redemption Date;
 - (ii) the Conversion Date; and
 - (iii) the Maturity Date;
- (c) be calculated on the actual number of days elapsed on the basis of a 365 day year; and
- (d) subject to Conditions 4.2 and 4.3, be due and payable on the Interest Payment Date.

4.2 **Default Interest Rate**

- (a) The Company must pay interest on each amount that is not paid when due, from (and including) the day on which it falls due to (but excluding) the day on which it is paid in full, at the Default Interest Rate (**Default Interest**). The Default Interest must be paid on demand.

- (b) Interest on an Unpaid Amount accrues each day in a Default Interest Period at the Default Interest Rate, and is capitalised (if not paid) on the last day of that Default Interest Period.
- (c) This Condition does not affect the Company's obligation to pay each amount under these Note Terms when it is due.

4.3 **Payment of interest on redemption or conversion**

- (a) Where a Convertible Note is redeemed on a date other than an Interest Payment Date, any interest which accrues between the last Interest Payment Date and the Redemption Date will form part of the Redemption Amount and will be paid to the Noteholder in accordance with Condition 8.
- (b) Where a Convertible Note is converted on a date other than an Interest Payment Date, any interest on that Convertible Note which accrues between the last Interest Payment Date and the Conversion Date will be paid by the Company in cash on the Conversion Date.

5. **GUARANTEE**

5.1 **Guarantee and indemnity**

Each Guarantor irrevocably and unconditionally:

- (a) guarantees to each Noteholder punctual performance by the Company of all the Company's payment obligations under any Transaction Document;
- (b) undertakes with each Noteholder that whenever the Company does not pay any amount when due under or in connection with any Transaction Document (or anything which would have been due if the Transaction Document or the amount was enforceable, valid and not illegal), that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) indemnifies each Noteholder immediately on demand against any cost, loss or liability suffered by that Noteholder if any obligation guaranteed by it (or anything which would have been an obligation guaranteed by it if not unenforceable, invalid or illegal) is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Noteholder would otherwise have been entitled to recover.

Each of paragraphs (a), (b) and (c) is a separate obligation. None is limited by reference to the other.

5.2 **Continuing guarantee**

This guarantee, undertaking and indemnity is a continuing guarantee, undertaking and indemnity and will extend to the ultimate balance of sums payable by the Company under the Transaction Documents, regardless of any intermediate payment or discharge in whole or in part.

5.3 **Reinstatement**

If any payment to or any discharge given by a Noteholder (whether in respect of the obligations of the Company or any security for those obligations or otherwise) is avoided or reduced for any reason (including, without limitation, as a result of insolvency, breach of fiduciary or statutory duties or any similar event) in whole or in part, then:

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Noteholder shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

5.4 **Waiver of defences**

The obligations of each Guarantor under this Condition 5 will not be affected by an act, omission, matter or thing which, but for this Condition 5, would reduce, release or prejudice any of its obligations under this Condition 5 (without limitation and whether or not known to it or any Noteholder) including:

- (a) any time, waiver or other concession or consent granted to, or composition with, any Obligor or other person;
- (b) the release or resignation of any other Obligor or any other person;
- (c) any composition or arrangement with any creditor of any Obligor or other person;
- (d) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, execute, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (f) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Transaction Document or any other document or security;
- (g) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security;
- (h) any set off, combination of accounts or counterclaim;
- (i) any insolvency or similar proceedings; or
- (j) these Note Terms or any other Transaction Document not being executed by or binding against any other Obligor or any other party.

References in Condition 5.1 to obligations of an Obligor or amounts due will include what would have been obligations or amounts due but for any of the above, as well as obligations and amounts due which result from any of the above.

5.5 **Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Noteholder (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Condition 5. This waiver applies irrespective of any law or any provision of a Transaction Document to the contrary.

5.6 **Appropriations**

Until all amounts which may be or become payable by the Obligor under or in connection with the Transaction Documents have been irrevocably paid in full, a Noteholder (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received or recovered (by set off or otherwise) by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it reasonably sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this Condition 5.

5.7 **Deferral of Obligor's rights**

Until all amounts which may be or become payable by the Obligor under or in connection with the Transaction Documents have been irrevocably paid in full and unless the Noteholders otherwise direct by way of an Ordinary Resolution, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Transaction Documents:

- (a) to be indemnified by any other Obligor;
- (b) to claim any contribution from any other guarantor or provider of security for the Obligor's obligations under the Transaction Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Noteholder under the Transaction Documents or of any other guarantee or security taken pursuant to, or in connection with, the Transaction Documents by any Noteholder;
- (d) to bring legal or other proceedings for an order requiring any other Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a Guarantee under Condition 5.1;
- (e) to exercise any right of set-off against any other Obligor;
- (f) to claim or prove as a creditor of any other Obligor in competition with any Noteholder; and/or
- (g) in any form of administration of any other Obligor (including liquidation, winding up, bankruptcy, voluntary administration, dissolution or receivership or any analogous process) prove for or claim, or exercise any vote or other rights in respect of, any indebtedness of any nature owed to it by that other Obligor.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Noteholders by the Obligor under or in connection with the Transaction Documents to be repaid in full on trust for the Noteholders and shall promptly pay or transfer the same to the Noteholders or as the Noteholders may direct.

6. **OBLIGOR WARRANTIES**

- (a) Each Obligor hereby represents and warrants to each Noteholder that (other than as disclosed in (i) any documents in the dataroom set up by or on behalf of the Company to which access is provided to the Subscribers prior to execution of this

document or (ii) the Disclosed Materials or (iii) otherwise disclosed in writing to, and accepted in writing by, the Subscribers prior to execution of this document):

- (i) **(status)** It is duly incorporated and validly exists under the laws of the place of its incorporation.
- (ii) **(power)** It has full legal capacity and power to enter into and perform this document and to carry out the transactions contemplated by it and, other than any authorisation or consent referred to in clause 2 of the Subscription Deed, has obtained all necessary consents and authorisations to enable it to do so.
- (iii) **(corporate authority)** It has taken all corporate action that is necessary to authorise its entry into this document and to carry out the transactions contemplated by it.
- (iv) **(Authorisations)** It holds each Authorisation (and is complying with any conditions to which any Authorisation is subject) that is necessary to:
 - (A) enable it to properly execute this document and to carry out the transactions contemplated by it; and
 - (B) ensure that this document is legal, valid, binding and admissible in evidence.
- (v) **(documents effective)** This document constitutes legal, valid and binding obligations of it, enforceable against it in accordance with their terms, subject to equitable principles and insolvency laws generally affecting creditors' rights and subject to applicable stamping and registration.
- (vi) **(no contravention)** The entry into, delivery and performance by it of this document does not:
 - (A) conflict with or contravene section 208 or section 260A of the Corporations Act;
 - (B) conflict with or contravene any other law or a judgment, ruling, order, document or agreement applying to it or its assets in any material respect, its constituent documents or any Authorisation including the relevant provisions of the Corporations Act and the Listing Rules in respect of the issue and conversion of the Convertible Notes; or
 - (C) result in a default, acceleration of date of payment, cancellation event, prepayment event or similar event (however described) under any agreement relating to any Financial Indebtedness except a review event under the Intesa Facility which may arise if shares in the Company cease to be at least 19.90% directly or indirectly owned by entities that are directly or indirectly controlled by Mauro Balzarini, his wife or children.
- (vii) **(no legal proceedings)** No litigation, arbitration, mediation, conciliation or administrative proceeding is taking place or pending or to the best of the Obligor's knowledge, is threatened whose outcome is likely to have a material adverse effect on the ability of the Obligor to perform its obligations to complete the transaction under this document.
- (viii) **(not trustee)** It is not entering into this document as trustee of any trust or settlement.

- (ix) **(solvency)** It is not affected by an Insolvency Event.
 - (x) **(no Event of Default)** No event has occurred which constitutes an Event of Default.
 - (xi) **(ranking)** Its payment obligations under the Transaction Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except those mandatorily preferred by law applying to companies generally.
 - (xii) **(no misleading information):** Except as noted in Schedule 8, the Disclosed Materials are true and correct in all material respects, and not misleading (whether by omission or otherwise) in any material respect, as at the date at which the individual documents were prepared.
- (b) Each Obligor repeats each representation and warranty in this Condition 6 with reference to the facts and circumstances at the time on the Tranche 1 Issue Date, Tranche 2 Issue Date and each Interest Payment Date.

7. OBLIGOR COVENANTS

7.1 Information and notices

Each Obligor hereby covenants with each Noteholder that, so long as any of the Convertible Notes held by such Noteholder remain outstanding, it will:

- (a) **(Books of account)** At all times keep proper and adequate books and records in accordance with the Accounting Standards;
- (b) **(Annual Financial Statements)** Send to the Noteholders as soon as practicable after their date of publication and in any event not more than 90 days after the end of each financial year, a copy of the annual audited consolidated Financial Statements for the Group;
- (c) **(Half-yearly Financial Statements)** Send to the Noteholders as soon as practicable after their date of publication and in any event not more than 60 days after the end of each financial year, a copy of the half-yearly un-audited consolidated Financial Statements for the Group;
- (d) **(Monthly WC Report)** Send to the Noteholders as soon as practicable after the end of each calendar month and in any event not more than 15 days after the end of each calendar month, a copy of the Monthly WC Report;
- (e) **(Authorised Signatories)** Notify the Noteholders of any change in an Obligor's Authorised Signatories, such notice to be signed by a director or company secretary of the Obligor accompanied by specimen signatures of any new Authorised Signatories and any other information or documents required by a Noteholder to verify the identity of any new Authorised Signatories;
- (f) **(Information)** So far as permitted by applicable law and subject to any applicable confidentiality restrictions, at all times promptly give to each Noteholder such information as it shall reasonably require from time to time about the assets, financial condition or state of affairs of an Obligor including details of any Permitted Financial Indebtedness;
- (g) **(Event of Default)** Give notice in writing to the Noteholders promptly upon becoming aware of any Event of Default occurring and (if applicable) the steps taken or proposed to be taken to remedy it;

- (h) **(Incorrect representation or warranty)** Notify the Noteholders on becoming aware of any representation or warranty made or taken to be made by it or on its behalf under a Transaction Document becoming untrue, incorrect or misleading (whether by omission or otherwise) in any material respect when so made or taken to be made;
- (i) **(Change in business or internal management)** Notify the Noteholders on becoming aware of any material change in its business or the nature of its business from that which prevailed at the date of this document; and
- (j) **(Litigation)** Notify the Noteholders on becoming aware of any litigation or administrative, arbitration or other proceeding or action (including any action by a Government Agency) which is current or pending or, to its knowledge, likely or threatened, which has or is likely to have a material adverse effect or involves a claim or claims against it for amounts in aggregate exceeding A\$5,000,000 or its equivalent.

7.2 General undertakings

The undertakings in this Condition 7.2 remain in force from the date of this issue of the Convertible Notes for so long as any amount is outstanding under the Convertible Notes.

- (a) **(Negative pledge)** An Obligor shall not create or permit to exist any Security Interest over any of its assets, other than a Permitted Security Interest.
- (b) **(Financial Indebtedness)** An Obligor shall not incur Financial Indebtedness other than Permitted Financial Indebtedness.
- (c) **(Permitted Financial Accommodation)** An Obligor shall not make any financial accommodation having the commercial effect of a loan available to any person other than Permitted Financial Accommodation.
- (d) **(Disposals)** An Obligor shall not dispose of any asset or attempt to agree to do so, other than a Permitted Disposal.
- (e) **(Arm's length transactions)** no Obligor may enter into any transaction (including any acquisition) other than on arm's length terms (or better for the Obligor), except where the only parties are Group Companies.
- (f) **(Merger)** An Obligor shall not merge or consolidate with another entity.
- (g) **(Carry on business)** An Obligor must carry on its business in a proper and efficient manner and not do anything to change materially the nature of its business from that conducted at the date of this document.
- (h) **(Dividends)** The Company may not pay any Dividends (including any bonus issue of cash but not including any bonus issue of shares) except where:
 - (i) the NPAT of the Group for the 12 month period ended on the most recent 30 June or 31 December is at least A\$20,000,000;
 - (ii) the Dividend (in aggregate with other Dividends permitted under this Condition) does not exceed 40% of that NPAT; and
 - (iii) no Event of Default has occurred and is continuing or would occur as a result of paying the Dividend.
- (i) **(WRE subordination of Financial Indebtedness owing to Group Companies):**

- (i) WRE must not, at any time while any Event of Default is continuing, repay any Financial Indebtedness owing by it to:
 - (A) any other Obligor; or
 - (B) any other Group Company; and
 - (ii) no Obligor may, at any time while any Event of Default is continuing, accept, demand or take other action to enforce, the repayment of any Financial Indebtedness owing to it by WRE.
- (j) **(WAP subordination of Financial Indebtedness owing to the Company or WF):**
- (i) WAP must not, at any time while any Event of Default is continuing, repay any Financial Indebtedness owing by it to the Company or WF; and
 - (ii) neither the Company nor WF may, at any time while any Event of Default is continuing, accept, demand or take other action to enforce, the repayment of any Financial Indebtedness owing to it by WAP.

7.3 Financial covenant

- (a) **(Compliance):** WRE must ensure that at all times the Working Capital Ratio is at least 1.20:1.00, calculated by reference to the Accounting Standards and based on the then most recent Financial Statements, Monthly Balance Sheet and other financial information in respect of the Obligors, as provided to the Noteholders in accordance with this document.
- (b) **(Testing)** Without prejudice to the requirement that the financial covenant under Condition 7.3(a) is met at all times, the Noteholders will test the covenant in Condition 7.3(a) as at the last day of each calendar month (**Calculation Date**).
- (c) **(Equity cure):**
 - (i) Subject to paragraphs (ii) and (iii) below, a breach of the covenant in Condition 7.3(a) may be cured if, within 30 days after the earlier of WRE or the Company becoming aware of the breach and receipt by the Company or WRE of a notice from a Noteholder identifying the breach, WRE receives equity or a loan from the Company in an amount (**Cure Amount**) such that the financial covenant in Condition 7.3(a) would have been satisfied at the relevant Calculation Date if that Cure Amount had been included in paragraph C of Available Working Capital.
 - (ii) WRE may, within 5 Business Days after demonstrating that the financial covenant under Condition 7.3(a) is met as at any subsequent Calculation Date, repay all or any part of a Cure Amount to the extent that such repayment would not have caused the financial covenant test as at that most recent Calculation Date to have failed (on the basis that it was tested without the repaid Cure Amount).
 - (iii) Only six cures under this Condition 7.3(c) are permitted. No consecutive cures are permitted under this Condition 7.3(c).
- (d) **(Defined terms):** In this Condition 7.3:

Available Working Capital means, at any date, the aggregate of A, B, C and D on that date where:

A means the aggregate of all amounts exclusive of GST invoiced by WRE that remain unpaid where such amounts have not remained unpaid for a period of more than 90 days after the due date;

B means the value of inventory of WRE;

C means available cash of WRE including, to the extent applicable, any Cure Amount; and

D means A\$3,500,000, on the conditions that:

- (i) WAP owns BRM; and
- (ii) WAP has no outstanding Financial Indebtedness other than:
 - (A) under the Transaction Documents;
 - (B) a Guarantee of the Permitted Financial Indebtedness under paragraph (a) of that definition; and
 - (C) any Financial Indebtedness owing to another Obligor.

BRM means the Beaufort River Meats abattoir and meat processing business based in Kojonup Western Australia.

Senior Debt means the aggregate of the amount outstanding under the Financial Indebtedness referred to at paragraph (a) of the definition of Permitted Financial Indebtedness and all other Financial Indebtedness of WRE (if any) which ranks senior to Convertible Notes.

Working Capital Ratio means, in respect of WRE on any date without double counting, the ratio of:

- (i) the aggregate of the Available Working Capital less the sum of trade creditors in respect of inventory and Senior Debt; to
- (ii) the aggregate of the amount outstanding under the Transaction Documents and all other Financial Indebtedness of WRE (other than Senior Debt and any Financial Indebtedness owing by WRE to an Obligor or a Group Company who has who has entered into a Subordination Deed Poll and a certified copy of that Subordination Deed Poll has been provided to the Noteholders).

8. REDEMPTION

8.1 Redemption by Noteholders

(a) If an Event of Default occurs and while it is continuing:

- (i) any Noteholder holding at least 20% of the Convertible Notes; or
- (ii) the Noteholders (by way of Ordinary Resolution),

may require the Company to redeem some or all of the Convertible Notes held by that Noteholder or the Noteholders (as applicable) on the Redemption Date by delivering to the Company an executed Redemption Notice.

- (b) On the Redemption Date specified in any Redemption Notice given under Condition 8.1(a), the Company must pay to the Noteholder the Redemption Amount for such number of Convertible Notes being redeemed in accordance with and subject to Condition 12.

8.2 Events of Default

Each of the following are Events of Default:

- (a) **(Non-payment)**: an Obligor fails to pay any amount of principal or interest in respect of the Convertible Notes on the due date for payment thereof (or, if the relevant Noteholder is satisfied that the sole reason for the failure is a technical or administrative difficulty within the banking system being used to effect payment, within three Business Days after the date due for payment);
- (b) **(Breach of financial covenant)**: an Obligor fails to comply with the undertaking at Condition 7.3 and it is not cured in accordance with Condition 7.3(c);
- (c) **(Breach of other obligations)**: an Obligor defaults in the performance or observance of any of its other obligations under or in respect of the Transaction Documents and, if the failure is capable of remedy within 15 Business Days, it continues unremedied for 15 Business Days (or such longer period agreed by the Noteholders by way of Ordinary Resolution) after the earlier of:
 - (i) receipt by the Company of a notice from the Noteholders (resolved to be given by way of Ordinary Resolution) identifying the failure to comply; or
 - (ii) an Obligor becoming aware of the failure to comply;
- (d) **(Incorrect representation or warranty)**: a statement, representation or warranty made or taken to be made by an Obligor in a Transaction Document is found to have been incorrect or misleading in a material respect when made or taken to be made and if the circumstances causing it to be incorrect or misleading are capable of remedy within 15 Business Days, it remains incorrect or misleading in a material respect 15 Business Days (or such longer period agreed by the Noteholders by way of Ordinary Resolution) after the earlier of:
 - (i) receipt by the Company of a notice from the Noteholders (resolved to be given by way of Ordinary Resolution) identifying the incorrect or misleading representation or warranty; or
 - (ii) an Obligor becoming aware of the circumstances causing the statement, representation or warranty to be incorrect or misleading;
- (e) **(Cross-default)**: any Financial Indebtedness (including any Guarantee) of an Obligor in an amount exceeding A\$5,000,000 or its equivalent:
 - (i) is not paid when due or (as the case may be) within any applicable grace period; or
 - (ii) becomes due and payable prior to its stated maturity, expiry or repayment date as a result of an event of default or review event (provided no Event of Default occurs under this clause before that due date for payment);
- (f) **(Unsatisfied judgment)**: one or more judgment(s) or order(s) for the payment of an amount in excess of A\$5,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against an Obligor and continue(s) unsatisfied and unstayed for a period of 30 Business Days after the date(s) thereof or, if later, the date therein specified for payment;

- (g) **(Security enforced)**: any Security Interest over the undertaking, assets or revenues of an Obligor is enforced or becomes enforceable or any such Security Interests are enforced or become enforceable against one or more Obligors;
- (h) **(Insolvency Event)**: an Insolvency Event occurs with respect to an Obligor;
- (i) **(Vitiating of a Transaction Document)**:
 - (i) it becomes impossible or unlawful for an Obligor to perform an obligation under a Transaction Document;
 - (ii) all or a provision of any Transaction Document is or becomes or is claimed by a party other than a Noteholder to be wholly or partly invalid, void, voidable or unenforceable in any material respect; or
 - (iii) an Obligor repudiates a Transaction Document or evidences an intention to repudiate a Transaction Document;
- (j) **(Change of ownership)**: any Guarantor ceases to be a wholly-owned Subsidiary of the Company;
- (k) **(ASX)**: the Company ceases to be listed on the Official List of the ASX or its shares are suspended from official quotation on the ASX for a period of more than 7 consecutive trading days (excluding voluntary trading halts);
- (l) **(Business stopped or changed)**: an Obligor stops or threatens to stop carrying on its business or a material part of it or substantially changes the nature of its business without the consent of the Noteholders;
- (m) **(Compulsory acquisition)** a Government Agency compulsorily acquires all or part (other than an immaterial part) of an Obligor's assets, orders the sale or divestiture of those assets and the relevant Obligor does not, or the relevant Obligors do not, receive adequate compensation; and
- (n) **(Enforcement proceedings)**: execution or distress takes place or is attempted or an order to execute a judgment (however described) is made against an Obligor or any of its assets in an amount exceeding A\$5,000,000 or its equivalent, or against one or more Obligors or their assets in an aggregate amount exceeding A\$5,000,000 or its equivalent, and is not stayed or withdrawn within 15 Business Days.

8.3 Redemption by the Company

- (a) At any time between:
 - (i) the later of:
 - (A) the date that is 18 months after the Tranche 1 Issue Date; and
 - (B) the date that Condition 9.2 ceases to apply; and
 - (ii) the Maturity Date,

if the 7-Day VWAP (ending immediately prior to the date of the Company Redemption Notice) is at least A\$0.38, the Company may give notice of its intention to redeem all or some of the Convertible Notes held by a Noteholder by delivering a Company Redemption Notice to that Noteholder.

- (b) The Company may elect to exercise its right to redeem in accordance with Condition 8.3(a) on multiple occasions.
- (c) The Company Redemption Notice must specify:
 - (i) the number of Convertible Notes held by the relevant Noteholder the subject of the Company Redemption Notice, which, if not all, must be a minimum of 1,000,000 Convertible Notes; and
 - (ii) the proposed date on which the Company intends to redeem such Convertible Notes, which must be not less than 30 days and no more than 60 days after the date of the Company Redemption Notice.
- (d) A Company Redemption Notice given in accordance with this Condition 8.3 is irrevocable.
- (e) On the Redemption Date specified in the Company Redemption Notice, the Company must pay to the Noteholder the Redemption Amount for such number of Convertible Notes being redeemed in accordance with and subject to Condition 12.

8.4 **Mandatory redemption on Maturity Date**

On the Maturity Date, the Company must redeem all Convertible Notes held by Noteholders that have not otherwise been redeemed or converted by paying the Redemption Amount to each Noteholder in accordance with and subject to Condition 12.

8.5 **Cancellation after redemption**

All Convertible Notes redeemed in accordance with these Note Terms will automatically be cancelled and may not be re-issued.

9. **CONVERSION**

9.1 **Conversion by Noteholders**

- (a) Subject to Conditions 9.2, 9.3 and 9.4, a Noteholder may convert some (subject to a minimum of 1,000,000 Convertible Notes, or if less, the balance held by that Noteholder) or all of the Convertible Notes held by the Noteholder into Shares at any time, prior to the Maturity Date, by delivering to the Company an executed Conversion Notice specifying:
 - (i) the number of Convertible Notes to be converted; and
 - (ii) the date on which the Convertible Notes will be converted into Shares (**Conversion Date**), which must be:
 - (A) at least 30 days but not more than 60 days after the date of the Conversion Notice; and
 - (B) on or before the Maturity Date.
- (b) A Noteholder may elect to exercise its conversion right in accordance with Condition 9.1(a) on multiple occasions.

9.2 **Condition to conversion – Intesa Review Event**

- (a) Any right of a Noteholder to convert any Convertible Notes and be issued Conversion Shares is conditional on the issue of the Conversion Shares not resulting in an Intesa Review Event.

- (b) This Condition 9.2 ceases to apply on the earlier of:
 - (i) the date the Intesa Facility (or any replacement or refinancing of it) ceases to include a review event, mandatory prepayment event or event of default which is triggered on an Intesa Review Event; and
 - (ii) the date falling 18 months after the Tranche 1 Issue Date.

9.3 **Condition to conversion – Foreign Noteholder**

- (a) Any right of a Foreign Noteholder to convert any Convertible Notes and be issued Conversion Shares is conditional on:
 - (i) the conversion of those Convertible Notes and the issue of Conversion Shares not falling within the scope of the FATA; or
 - (ii) if conversion of those Convertible Notes and the issues of Conversion Shares would fall within the scope of the FATA:
 - (A) that Foreign Noteholder receiving a written notice issued by or on behalf of the Treasurer of the Commonwealth of Australia stating that there are no objections under FATA to the conversion and issue of the applicable Conversion Shares, the notice being unconditional or subject only to conditions which are acceptable to the Foreign Noteholder;
 - (B) the expiry of the period provided for under the FATA during which the Treasurer may make orders prohibiting the conversion and issue of the applicable Conversion Shares, without any such order being made.
- (b) The Company will provide to a Foreign Noteholder any information reasonably requested by that Foreign Noteholder to allow that Foreign Noteholder to satisfy the conditions under Condition 9.3(a). The Foreign Noteholder will bear any costs incurred in connection with satisfying the conditions under Condition 9.3(a).
- (c) If a Foreign Noteholder gives a Conversion Notice, it is deemed to represent and warrant in favour of the Company, on the date of the Conversion Notice and on the applicable Conversion Date (by reference to the facts then existing), that:
 - (i) the conditions in Condition 9.3(a) are satisfied; and
 - (ii) it has complied with all applicable laws in its country of residence in respect of the issue of the Conversion Shares.

9.4 **Conversion**

If a Noteholder exercises its conversion right under Condition 9.1, the Company must comply with the Conversion Notice by, at the Company's election either:

- (a) cash settling up to 100% of the Conversion Shares that would be issued in respect of the Convertible Notes specified in the Conversion Notice, based on a 15-Day VWAP price (ending on the day that is 10 Business Days prior to the Conversion Date) for those Conversion Shares. If the Company elects to cash settle any Conversion Shares, it must notify the Noteholder at least 5 Business Days before the Conversion Date and pay the Noteholder, in Australian dollars, the amount equal to that 15-Day VWAP multiplied by the number of Conversion Shares it elects to cash settle; and/or

- (b) converting the number of Convertible Notes specified in the Conversion Notice (less any Convertible Notes cash settled in accordance with Condition 9.4(a) above) into Conversion Shares in accordance with Condition 9.5.

For the avoidance of any doubt, the Company has a right (but not an obligation) to cash settle Convertible Notes under Condition 9.4(a). The right to cash settle under Condition 9.4(a):

- (i) ceases to apply on the date the Intesa Facility (or any replacement or refinancing of it) ceases to include a review event, mandatory prepayment event or event of default which is triggered on an Intesa Review Event; and
- (ii) only applies to the extent that the issue of Conversion Shares under the relevant Conversion Notice would result in the shares of the Company ceasing to be at least 13.50% directly or indirectly owned by entities that are directly or indirectly controlled by Mauro Balzarini, Giovanna Boventi Faroni, Marite Balzarini, Roberto Balzarini and/or Valentina Balzarini.

9.5 **Calculation of Conversion Shares**

The number of Conversion Shares that will be issued to the Noteholder on exercise of its conversion right under Condition 9.1 will be calculated in accordance with the following formula:

$$\text{Conversion Shares} = \frac{\text{Redemption Amount for applicable Convertible Note}}{\text{Conversion Price}}$$

9.6 **Fractions of Share**

Fractions of a Share will not be issued on conversion. However, if more than one Convertible Note is to be converted at any one time by the same Noteholder such that the Shares to be issued upon conversion thereof are to be registered in the same name, the number of Shares which shall be issued upon conversion thereof shall be calculated on the basis of the aggregate Face Value of the Convertible Notes so to be converted.

9.7 **No Shares set aside**

Conversion Rights are not exercisable in respect of any specific Shares and no Shares have been or will be charged, placed in custody or otherwise set aside to secure or satisfy the obligations of the Company in respect of the Conversion Rights.

9.8 **Issue of Conversion Shares**

On the Conversion Date, the Company must:

- (a) issue the Conversion Shares to the Noteholder free from any Security Interest;
- (b) issue to the Noteholder a holding statement for its Conversion Shares; and
- (c) apply for quotation of the Conversion Shares on ASX, and must use all reasonable endeavours to ensure within 3 Business Days approval has been given for quotation conditional only on the usual conditions required by ASX.

9.9 **Ranking of Shares**

Shares issued on the conversion of Convertible Notes will rank in all respects equally with all other Shares on issue other than where the Conversion Shares are issued after a record date for a dividend that remains unpaid.

9.10 **Nominee**

A Noteholder may provide a notice by no later than 5 Business Days prior to the Conversion Date that it wishes to nominate another person or entity to accept the issuance of Conversion Shares. Following the delivery of any such notice by a Noteholder, the Company must issue the Conversion Shares that are required to be issued to the Noteholder to that nominee.

9.11 **Cancellation after conversion**

All Convertible Notes converted in accordance with this Deed Poll will automatically be cancelled and may not be re-issued.

10. **ADJUSTMENT OF CONVERSION PRICE**

10.1 **Reconstruction**

(a) If there is a reconstruction (including, consolidation, subdivision, reduction or return) of the issued capital of the Company, the basis for conversion of the Convertible Notes set out in the conversion rate described in Condition 9.5 of these Note Terms will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the Shareholders (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Convertible Notes will remain unchanged.

(b) The adjustments in this Condition 10.1 of these Note Terms will, subject to the Listing Rules, be determined by the Company.

10.2 **Notice of adjustment of the Conversion Price**

The Company must give written notice to Noteholders of any adjustment to the Conversion Price as soon as practicable after the determination thereof.

10.3 **Cumulative adjustment**

Each adjustment to the Conversion Price must be made for every Convertible Note every time the relevant rule in Condition 10.1 applies.

11. **TRANSFER OF CONVERTIBLE NOTES**

11.1 **Transfer**

A Noteholder may not transfer or dispose of all or any of the Convertible Notes that it holds unless, in relation to such transfer or disposal:

- (a) it complies with these Note Terms;
- (b) it complies with the terms of the Subscription Deed;
- (c) it executes a Transfer Form in respect of the Convertible Notes to be transferred;
- (d) if not all the Convertible Notes held by a Noteholder, the transfer is a minimum of 1,000,000 Convertible Notes; and

- (e) the transfer is to a person who is a sophisticated investor (under section 708(8) of the Corporations Act) or a professional investor (under section 708(11) of the Corporations Act).

11.2 **Consent of the Company**

- (a) Subject to paragraph (b), a Noteholder must obtain the prior consent of the Company to the proposed transfer (which consent must not be unreasonably withheld or delayed or made subject to unreasonable conditions, and which consent will be taken to have been given 5 Business Days after the Noteholder has requested it unless consent is expressly refused by the Company within that time).
- (b) A Noteholder does not require consent of the Company to transfer any Convertible Notes:
 - (i) to a related body corporate of that Noteholder; or
 - (ii) if an Event of Default is continuing, to any person; or

11.3 **Transfer Form**

The Transfer Form must be:

- (a) lodged at the registered office of the Company together with proof of payment of any required stamp duty, taxes or other governmental charges payable on the transfer;
- (b) accompanied by such evidence as the Company may require to prove the title and identity of the transferor and the transferee and the right of entitlement of the transferee to receive a transfer of the relevant Convertible Note(s); and
- (c) duly executed and in compliance with all applicable laws.

11.4 **Recording Transfers**

The Company must promptly upon being satisfied with the Transfer Form, the information lodged with it, the identity of the transferor and the transferee and the due compliance with the terms of these Note Terms and the Subscription Deed and such reasonable regulations as the Company may determine from time to time, accept the application contained in the Transfer Form by making an entry in the Register recording the transfer of the relevant Convertible Note(s).

11.5 **Registration**

On the entry being made in the Register, the Company and the Noteholder must recognise the transferee as the registered owner of the relevant Convertible Note(s) and as being entitled to all rights vested in Noteholders under these Note Terms. The transferor will for all purposes be, and will be deemed to be, the registered owner of the relevant Convertible Note(s) until an entry is made in the Register recording the transfer, the name and address of the transferee and the other matters required to be entered into the Register by the Company from time to time.

11.6 **Transmission**

Subject to Condition 11.1, a person becoming entitled to a Convertible Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Convertible Note of

that Noteholder or, if so entitled, become registered as the Noteholder of the Convertible Note.

11.7 No registration fee

Transfers must be entered in the Register without charge, provided all taxes or other governmental charges (if any) imposed in relation to the transfer have been paid.

11.8 Person registered

A person registered as a Noteholder must be treated by the Company as the absolute owner of the Convertible Notes registered in their name. Neither the Company nor the Noteholder, except as ordered by a court or as required by law, is obliged to take notice of any claim to a Convertible Note by a person other than its registered Noteholder in accordance with the Register. Entry in the Register of the name and address of a Noteholder and the number of Convertible Notes held by that Noteholder is conclusive evidence of title subject to rectification for fraud or manifest error.

11.9 Interest payment after transfer

Transfer Forms received more than 5 Business Days before an Interest Payment Date will be registered before the Interest Payment Date for the purpose of determining the entitlement of the transferee to payment of interest on the Interest Payment Date.

11.10 No increased costs

If a Noteholder transfers or otherwise disposes of any of its rights or obligations under the Transaction Documents and, as a result of circumstances existing at the date the transfer or disposal occurs, an Obligor would be obliged to make a payment to the new noteholder as a result of Condition 12.3, then the new noteholder is only entitled to receive payments under Condition 12.3 to the same extent as the existing Noteholder if the transfer or disposal had not occurred.

12. PAYMENTS

12.1 Manner of payment to Noteholders

Any money payable in cash in respect of a Convertible Note (including a payment of any interest), must be paid in United States currency (or, if specified, Australian currency) by:

- (a) electronic bank transfer of cleared funds into the bank account nominated by the Noteholder in writing from time to time (or by cheque mailed to the registered address of the Noteholder if the Noteholder has failed to provide details of a registered account); or
- (b) any method requested by the Noteholder and approved by the Company.

For the purpose of making payments to any Noteholder any fraction of a cent will be disregarded.

12.2 No set-off, counterclaim or deductions

The Company agrees to make all payments in respect of a Convertible Note in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes (other than Excluded Taxes), unless such withholding or deduction is required by law.

12.3 **Deductions and withholding**

If at any time an applicable law obliges the Company to make a deduction or withholding in respect of Taxes from a payment to the Noteholder under these Note Terms, the Company:

- (a) must notify the Noteholder of the obligation promptly after the Company becomes aware of it;
- (b) must ensure that the deduction or withholding does not exceed the minimum amount required by law;
- (c) must pay to the relevant Government Agency on time the full amount of the deduction or withholding and promptly deliver to the Noteholder a copy of any receipt, certificate or other proof of payment; and
- (d) unless the Tax is an Excluded Tax, must indemnify the Noteholder against the deduction or withholding by paying to the Noteholder, at the time that the payment to the Noteholder is due, an additional amount that ensures that, after the deduction or withholding is made, the Noteholder receives a net sum equal to the sum that it would have received if the deduction or withholding had not been made.

12.4 **No Claims for consequential loss**

To the full extent permitted by law, a party is not liable (whether in negligence or otherwise) to another party for any Loss or Claim to the extent that it is for indirect or consequential loss (including loss of profit of any nature whatsoever, loss of expected savings, loss of opportunity, loss or reduction of goodwill and damage to reputation), in connection with any right or remedy conferred on that party by law, or any liability of the a party to the other party as a result of, or in connection with this document.

13. **RESTRICTION ON NEW CLASSES OF SHARES**

For so long as any Conversion Right remains exercisable, the Company shall not create or permit there to be in issue any class of shares in its equity share capital carrying any rights which are more favourable than the rights attaching to the Shares with respect to voting, dividends or liquidation.

14. **FRUSTRATION OF CONVERSION RIGHT**

For so long as any Conversion Right remains exercisable, the Company shall not take any action which would have the effect that exercise of the Conversion Right would require Shares to be issued in circumstances not permitted by applicable law.

15. **DETERMINED BY AN EXPERT**

In relation to any matter required by these Conditions to be Determined by an Expert, the Company shall promptly appoint an Expert with the prior written approval of the Noteholders approved by way of Ordinary Resolution. If when any matter is required by these Conditions to be Determined by an Expert, the Company shall within a reasonable time fail to appoint an Expert the Noteholders shall be entitled (but not obliged) to make such appointment.

16. **NOTICES**

Notices to the Company or a Noteholder, as the case may be, are valid if sent in accordance with the requirements contained in the Deed Poll and the Subscription Deed or as otherwise agreed between the Company and that Noteholder.

17. **GOVERNING LAW AND JURISDICTION**

17.1 **Governing law**

The Convertible Notes and these Note Terms are governed by the laws of the State of Western Australia.

17.2 **Jurisdiction**

The Company and each Noteholder each submits to the non-exclusive jurisdiction of the courts of the State of Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with matters concerning a Convertible Note or the Note Terms.

18. **AMENDMENT**

18.1 **Amendment without consent**

Subject to complying with the Corporations Act and all other applicable laws, the Company may amend these Note Terms without the consent of any Noteholder if the Company (acting reasonably) determines that the amendment is:

- (a) of a formal, minor or technical nature;
- (b) made to correct a manifest error;
- (c) made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Company, is not materially prejudicial to the interests of the Noteholders; or
- (d) necessary and appropriate to comply with the provisions of any statute or the requirements of any statutory authority,

and is only applicable to Convertible Notes issued by the Company after the date of amendment.

18.2 **Amendment with consent**

Without limiting Condition 18.1, the Company may amend these Note Terms with the approval of the Noteholders by way of Ordinary Resolution of the Convertible Notes.

18.3 **Meaning of amend**

In this Condition 18, **amend** includes modify, cancel, alter or add to, and **amendment** has a corresponding meaning.

18.4 **Notice of amendments**

Any amendments of the Note Terms made in accordance with this Condition 18 must be promptly notified to the affected Noteholders.

Schedule 2

Note Certificate

Certificate Number: *[insert]*

Issued on *[insert date]*

Total principal amount: $\$[insert]$

Total number of Convertible Notes: *[insert number]*

Face Value of each Convertible Note: $\$[insert]$

Wellard Limited (Company)

ABN 53 607 708 190

(Incorporated in Western Australia under the *Corporations Act 2001* (Cth))

Unsecured Convertible Notes

This is to certify that *[insert name of Noteholder]* [ABN/ACN/ARBN] *[insert number]* is the registered holder of *[insert number]* of US\$1.00 unsecured convertible notes issued by the Company (**Convertible Notes**). The Convertible Notes are issued with the benefit of the rights and subject to the restrictions contained in the Note Terms attached to the Convertible Note Deed Poll dated *[insert date]* 2017 (**Note Terms**).

The Convertible Notes are convertible by the Noteholder into Shares in accordance with the Note Terms. The Convertible Notes bear interest in accordance with the Note Terms. The Convertible Notes are redeemable in accordance with the Note Terms.

The Convertible Notes are transferable in accordance with the Note Terms. This certificate must be surrendered before any transfer is registered or any new certificate is issued in exchange.

For value received, the Company promises to pay to the Noteholder the amounts payable in accordance with, and otherwise comply with the obligations contained in, the Note Terms.

The Convertible Notes are governed by the laws of Western Australia.

EXECUTED by **WELLARD LIMITED** ABN
53 607 708 190:

Signature of director

Signature of director/secretary

Name

Name

Schedule 3

Noteholder Conversion Notice

To: The Directors
Wellard Limited ABN 53 607 708 190 (**Company**)
1A Pakenham Street, Fremantle, WA 6160

[*Insert name of Noteholder*] (**Noteholder**) is the registered holder of [*insert number*] unsecured convertible notes (**Convertible Notes**) issued by the Company on [*insert date*] pursuant to the Note Terms attached to the Convertible Note Deed Poll dated [*insert date*] 2017 (**Convertible Note Terms**).

The Noteholder hereby gives notice that the Noteholder wishes to convert [*insert number*] of its Convertible Notes into fully paid ordinary shares in the capital of the Company (**Shares**) in accordance with Condition 9.1 of the Note Terms, completion of the conversion to occur on [*specify date*] or such later date in accordance with the Note Terms.

The Noteholder authorises the Company to register it as the holder of the Shares in accordance with the Note Terms and agrees to be bound by the constitution of the Company.

Any payment of any cash amounts payable as a result of this Conversion Notice will be made to the bank account specified below:

Account no:

BSB:

Account name:

Bank:

Each expression in this Noteholder Conversion Notice which is not defined in this notice has the meaning given to that expression in the Note Terms, unless the context requires otherwise.

This Notice and the Convertible Notes to which it relates are governed by the laws of Western Australia.

Dated:

EXECUTED by [**Name of Noteholder**]:

Signature of director

Signature of director/secretary

Name

Name

Schedule 4

Meeting Rules

1. CONVENING A MEETING

1.1 Who can convene a meeting?

A meeting can be convened by the Company or any Noteholder, in each case whenever it thinks fit.

1.2 Venue

A meeting may be held at two or more venues using any technology that gives the Noteholders as a whole a reasonable opportunity to participate.

2. NOTICE OF MEETING

2.1 Period of notice

Unless otherwise agreed in writing by each Noteholder, at least 3 days' notice (but not more than 30 days' notice) of a meeting must be given to:

- (a) each Noteholder (or in the case of a Convertible Note registered as being owned jointly, the person whose name appears first in the Register); and
- (b) if the notice is not given by the Company, the Company.

2.2 Contents of notice

The notice must:

- (a) specify the date, time and place of the meeting;
- (b) specify the resolutions to be proposed; and
- (c) explain how Noteholders may appoint Proxies and state that Proxies may be appointed until 48 hours before the meeting but not after that time.

2.3 Effect of failure to give notice

Subject to the provision below relating to accidental omission or non-receipt of notice, any failure to give notice to any person entitled to such notice will invalidate the proceedings at any meeting.

The accidental omission to give notice of a meeting to, or the non-receipt of notice by, any person entitled to receive notice does not invalidate any act, matter or thing done or resolution passed at the meeting.

2.4 Notices to be given in accordance with Note Terms

Condition 16 of the Note Terms applies to these provisions as if it was fully set out in these provisions.

2.5 Calculation of period of notice

If a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the meeting is to be held, are not to be counted in calculating that period.

Noteholders who are registered as Noteholders less than 7 days before a meeting will not receive notice of that meeting.

3. **CHAIRMAN**

3.1 **Nomination of chairman**

The Company must nominate in writing a person as the chairman of a meeting.

The chairman of a meeting may, but need not, be a Noteholder.

3.2 **Absence of chairman**

If a meeting is held and:

- (a) a chairman has not been nominated; or
- (b) the person nominated as chairman is not present within 15 minutes after the time appointed for the holding of the meeting, or is unable or unwilling to act,

the Noteholders or Proxies present may appoint a chairman.

3.3 **Chairman of adjourned meeting**

The chairman of an adjourned meeting need not be the same person who was the chairman of the meeting from which the adjournment took place.

4. **QUORUM**

4.1 **Number for a quorum**

At any meeting, any of one or more Noteholders present in person or by Proxy form a quorum for the purposes of passing the resolutions shown in the table below only if they alone or together hold (or in the case of Proxies, represent Noteholders who hold) the number of Convertible Notes representing at least the proportion of the Convertible Notes shown in the table below.

Type of resolution	Required proportion for any quorum of a meeting except for a meeting previously adjourned because of lack of quorum	Required proportion for any quorum of a meeting previously adjourned because of lack of quorum
Extraordinary Resolution	75%	75%
Ordinary Resolution	50%	50%

In determining how many Noteholders are present, each individual attending as a Proxy is to be counted, except that:

- (a) where a Noteholder has appointed more than one Proxy, only one is to be counted; and
- (b) where an individual is attending both as a Noteholder and as a Proxy, that individual is to be counted only once.

4.2 **Requirement for a quorum**

An item of business (other than the choosing of a chairman) may not be transacted at a meeting unless a quorum is present when the meeting proceeds to consider it. If a quorum is present at the time the first item of business is transacted, it is taken to be present when the meeting proceeds to consider each subsequent item of business unless the chairman of the meeting (on the chairman's own motion or at the request of a Noteholder or Proxy who is present) declares otherwise.

4.3 **If quorum not present**

If within 30 minutes after the time appointed for a meeting a quorum is not present, the meeting:

- (a) if convened on the requisition of Noteholders, is dissolved; and
- (b) in any other case, is adjourned until a date, time and place the chairman appoints. The date of the adjourned meeting must be no earlier than 7 days, and no later than 30 days after, the date of the meeting from which the adjournment took place.

4.4 **If quorum not present at adjourned meeting**

If a quorum is not present within 30 minutes after the time appointed for any adjourned meeting, the chairman may dissolve the meeting.

If the meeting is not dissolved in accordance with this provision, the chairman may with the consent of (and must if directed by) any meeting adjourn the meeting to a new date, time or place. Only business which might validly (but for the lack of required quorum) have been transacted at the original meeting may be transacted at the adjourned meeting.

5. **ADJOURNMENT OF A MEETING**

5.1 **When a meeting may be adjourned**

The chairman of a meeting may with the consent of (and must if directed by) any meeting adjourn the meeting or any business, motion, question, resolution, debate or discussion being considered or remaining to be considered by the meeting either to a later time at the same meeting or to an adjourned meeting at any time and any place.

5.2 **Business at adjourned meeting**

Only unfinished business is to be transacted at a meeting resumed after an adjournment.

5.3 **Notice of adjourned meeting**

It is not necessary to give notice of an adjournment unless the meeting is adjourned because of a lack of a quorum. In that case, unless otherwise agreed in writing by each Noteholder, the Company must give 2 days' notice of the adjourned meeting to each person entitled to receive notice of a meeting under these provisions. The notice must state the quorum required at the adjourned meeting but need not contain any further information.

6. **VOTING**

6.1 **Voting on a show of hands**

Every resolution put to a vote at a meeting must be decided on a show of hands unless a poll is properly demanded and the demand is not withdrawn.

A declaration by the chairman that a resolution has been carried, or carried by a particular majority, or lost or not carried by any particular majority, is conclusive evidence of the fact. Neither the chairman nor the minutes need state, and it is not necessary to prove, the number or proportion of the votes recorded in favour of or against the resolution.

6.2 **When is a poll properly demanded**

A poll may be demanded by:

- (a) the chairman;
- (b) the Company; or
- (c) one or more persons who alone or together hold (or represent Noteholders who hold) Convertible Notes representing at least 10% of the total number of outstanding Convertible Notes.

The poll may be demanded before a vote is taken or before or immediately after the voting results on a show of hands are declared.

6.3 **Poll**

If a poll is properly demanded, it must be taken in the manner and at the date and time directed by the chairman. The result of the poll is a resolution of the meeting at which the poll was demanded.

A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately.

A demand for a poll may be withdrawn. The demand for a poll does not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll was demanded.

6.4 **Equality of votes chairman's casting vote**

If there is an equality of votes either on a show of hands or on a poll, the chairman of the meeting has a casting vote in addition to any votes to which the chairman is entitled as a Noteholder or Proxy.

6.5 **Entitlement to vote**

A Noteholder (or, in the case of a Convertible Note registered as being owned jointly, the person whose name appears first in the Register) may be present and vote in person at any meeting in respect of the Convertible Note or be represented by Proxy.

Except where these provisions otherwise provide, at any meeting:

- (a) on a show of hands, each Noteholder present in person and each other person present as a Proxy has one vote; and

- (b) on a poll each Noteholder or Proxy present has one vote in respect of each Convertible Note which is registered in that person's name or in respect of which that person is a Proxy.

Without affecting the obligations of the Proxies named in any Form of Proxy, any person entitled to more than one vote need not use all votes (or cast all the votes) to which it is entitled in the same way.

6.6 **Entitlement to attend**

The Company, the Noteholders and their respective financial and legal advisers may attend and speak at any meeting. For the avoidance of doubt, any financial and legal advisers may not vote.

6.7 **Objections to right to vote**

A challenge to a right to vote at a meeting of Noteholders:

- (a) may only be made at the meeting; and
- (b) must be determined by the chairman, whose decision is final.

7. **PROXIES**

7.1 **Appointment of Proxy**

A Noteholder entitled to attend and vote at a meeting may appoint a Proxy to attend and act on that Noteholder's behalf in connection with any meeting by a Form of Proxy signed by the Noteholder. If the Noteholder is a corporation, the Form of Proxy must be executed in accordance with the Corporations Act.

7.2 **Validity of Forms of Proxy**

Forms of Proxy are valid for so long as the Convertible Notes to which they relate are registered in the name of the appointor but not otherwise.

7.3 **Who may be a Proxy?**

A Proxy:

- (a) need not be a Noteholder; and
- (b) may be an attorney, officer, employee, contractor, agent, representative of, or otherwise connected with, the Noteholder.

7.4 **Form of Proxy must be lodged with Company**

A Form of Proxy will not be treated as valid unless it is (together with any power of attorney or other authority under which it is signed, or a copy of that power or authority certified in the manner as the Company may require) received by the Company (or a person appointed to act on behalf of the Company as specified in the notice of meeting) at the office specified in the notice of meeting no later than 48 hours before the meeting at which the Form of Proxy is to be used.

7.5 **Revocation and amendment**

Any vote given in accordance with the terms of a Form of Proxy is valid even if, before the Proxy votes, the relevant Noteholder:

- (a) revokes or amends the Form of Proxy or any instructions in relation to it; or
- (b) transfers the Convertible Notes in respect of which the proxy was given,

unless notice of that revocation, amendment or transfer is received from the Noteholder who signed that Form of Proxy by the Company (or a person appointed to act on behalf of the Company specified in the notice of meeting) at the office specified in the notice of meeting no later than 24 hours before the meeting at which the Form of Proxy is used.

8. **SINGLE NOTEHOLDER**

If there is only one Noteholder, the Noteholder may pass a resolution by recording it and signing the record.

9. **CIRCULATING RESOLUTIONS**

The Noteholders may without a meeting being held:

- (a) pass an Ordinary Resolution, if within one month after the Notification Date, Noteholders representing more than 50% of the total number of outstanding Convertible Notes as at the Notification Date sign a document stating that they are in favour of the resolution set out in the document; or
- (b) pass an Extraordinary Resolution, if within one month after the Notification Date, Noteholders representing at least 75% of the total number of outstanding Convertible Notes as at the Notification Date sign a document containing a statement that they are in favour of the resolution set out in the document.

Separate copies of a document may be used for signing by Noteholders if the wording of the resolution and statement is identical in each copy.

The resolution is passed when the last Noteholder signs it.

The accidental omission to give a copy of a Circulating Resolution to, or the non-receipt of a copy by, any Noteholder does not invalidate the Circulating Resolution.

10. **MATTERS REQUIRING AN EXTRAORDINARY RESOLUTION**

The following matters require an Extraordinary Resolution of Noteholders of the Convertible Notes then on issue:

- (a) the authorisation of any person to do anything necessary to give effect to an Extraordinary Resolution;
- (b) the exercise of any right, power or discretion under the Deed Poll or the Conditions that expressly requires an Extraordinary Resolution or the approval by Noteholders; and
- (c) the appointment of any committee (which need not consist of Noteholders) to represent the interests of the Noteholders and conferring on the committee of any rights, powers or discretions which the Noteholders may exercise by an Extraordinary Resolution.

11. **MATTERS REQUIRING AN ORDINARY RESOLUTION**

Without limiting paragraph 10 above, the Noteholders have the power exercisable by Ordinary Resolution to do anything for which an Extraordinary Resolution is not required.

12. **EFFECT AND NOTICE OF RESOLUTION**

12.1 **Resolutions are binding**

A resolution passed at a meeting duly convened and held (or by a Circulating Resolution duly sent and signed) in accordance with these provisions is binding on all Noteholders, whether or not they were present, or voted, at the meeting (or signed the Circulating Resolution).

12.2 **Notice of resolutions**

The Company must ensure that notice is given to the Noteholders of the result of the voting on a resolution within 14 days of the result being known. However, a failure to do so does not invalidate the resolution.

13. **MINUTES**

13.1 **Minute books**

The Company must keep minute books in which it records:

- (a) proceedings and resolutions of meetings; and
- (b) Circulating Resolutions.

13.2 **Minutes and Circulating Resolutions must be signed**

The Company must ensure that:

- (a) minutes of a meeting are signed by the chairman of the meeting or by the chairman of the next meeting; and
- (b) Circulating Resolutions are signed by an Authorised Officer of the Company.

13.3 **Minutes and Circulating Resolutions conclusive**

A minute or Circulating Resolution that is recorded and signed in accordance with these provisions, unless the contrary is proved, is conclusive evidence:

- (a) of the matters contained in it;
- (b) that the meeting has been duly convened and held (or copies of the proposed Circulating Resolution have been duly sent and signed); and
- (c) that all resolutions have been duly passed.

14. **FURTHER PROCEDURES**

The Company may prescribe further regulations for the holding of, attendance and voting at meetings as are necessary or desirable and that do not adversely affect the interests of the Noteholders.

15. **INTERPRETATION**

15.1 **Incorporation of other defined terms**

Terms which are defined in the Conditions have the same meaning when used in these provisions unless the same term is also defined in these provisions, in which case the definition in these provisions prevails. Subject to this, the remaining "Interpretation" provisions of the Conditions apply to these provisions.

15.2 **Definitions**

Authorised Officer means a person appointed by the Company as an authorised officer for the purposes of the Convertible Notes.

Circulating Resolution means a written resolution of Noteholders made in accordance with paragraph 9.

Conditions means, in relation to a Convertible Note, the Note Terms, as may be supplemented by the Subscription Deed applicable to those Convertible Notes.

Extraordinary Resolution means a resolution:

- (a) passed at a meeting by at least 75% of the votes cast at which the requisite quorum is present as set out in paragraph 4.1; or
- (b) made in writing by Noteholders in accordance with paragraph 9(b).

Form of Proxy means a notice in writing in the form available from the Company.

Notification Date means the date stated in the copies of a Circulating Resolution sent to Noteholders, which must be no later than the date on which that resolution is first notified to Noteholders.

Ordinary Resolution means a resolution:

- (a) passed at a meeting by at least 50% of the votes cast at which the requisite quorum is present as set out in paragraph 4.1; or
- (b) made in writing by Noteholders in accordance with paragraph 9(a).

Proxy means a person so appointed under a Form of Proxy.

15.3 **Noteholders at a specified time**

The time and date for determining the identity of a Noteholder who may be counted for the purposes of determining a quorum or attend and vote at a meeting, or sign a Circulating Resolution, is at the close of business in the place where the Register is kept on the date which is seven days before the date of the meeting or, for a Circulating Resolution, the Notification Date.

15.4 **Convertible Notes held by Company**

In determining whether the provisions relating to quorum, meeting and voting procedures are complied with, any Convertible Notes held in the name of the Company must be disregarded.

Schedule 5

Transfer Form

To: The Directors
Wellard Limited ABN 53 607 708 190 (**Company**)
1A Pakenham Street, Fremantle, WA 6160

TRANSFER FORM

In respect of Convertible Notes issued by the Company under a Convertible Note Deed Poll executed by the Company on *[insert]* 2017 (**Deed Poll**).

This is a Transfer Form for the purposes of the Deed Poll. Terms defined in the Deed Poll have the same meaning in this transfer form unless the contrary intention appears.

Transferred Convertible Notes	<i>[insert number]</i> of Convertible Notes (with an aggregate Face Value of \$ <i>[insert]</i>) issued under the terms of the Deed Poll.
Transferor	<i>[Name]</i> <i>[Address]</i>
Transferee	<i>[Name]</i> <i>[Address]</i>
Date of transfer	/ / 20
Registration request	Please register the transfer of the Transferred Convertible Notes from the Transferor to the Transferee.

The Transferor warrants that it is the registered holder of the Transferred Convertible Notes and that it is legally authorised to transfer the Transferred Convertible Notes to the Transferee.

The Transferee agrees to accept the transfer of the Transferred Convertible Notes and to be bound by the terms of the Deed Poll upon being registered as the holder of the Transferred Convertible Notes.

EXECUTED by **[Name of Transferor]:**

Signature of director

Signature of director/secretary

Name

Name

EXECUTED by **[Name of Transferee]**:

Signature of director

Name

Signature of director/secretary

Name

Schedule 6
Redemption Notice

To: Wellard Limited ABN 53 607 708 190 (**Company**)

From: *[insert]* (**Noteholder**)

Notice of redemption of Convertible Notes

The Noteholder hereby gives notice of the redemption of the number of Convertible Notes specified below on the date specified below in accordance with the Convertible Notes Deed Poll dated [●] 2017 made by the Company (**Convertible Notes Deed Poll**).

A term defined in the Convertible Notes Deed Poll has the same meaning when used in this Convertible Notes Certificate.

Number of Convertible Notes to be redeemed _____

Redemption Amount _____

Redemption Date _____

Dated: [●]

[insert relevant execution block for Noteholder]

Schedule 7

Company Redemption Notice

To: [insert] (**Noteholder**)

From: Wellard Limited ABN 53 607 708 190 (**Company**)

Notice of intention to redeem Convertible Notes by the Company

The Company hereby gives notice of its intention to redeem the number of Convertible Notes specified below on the date specified below in accordance with the Convertible Notes Deed Poll dated [●] 2017 made by the Company (**Convertible Notes Deed Poll**).

A term defined in the Convertible Notes Deed Poll has the same meaning when used in this Convertible Notes Certificate.

Number of Convertible Notes to be redeemed _____

Redemption Amount _____

Redemption Date _____

Dated: [●]

Executed by **WELLARD LIMITED** ABN
53 607 708 190:

Signature of director

Signature of director/secretary

Name

Name

Schedule 8
Disclosed Materials

Document Reference	Document title	File Type	Exception to warranty
6.3.1.3	170323 Shipping Performance Report	Adobe Acrobat	The warranty only applies to historical information at the time of this document and does not apply to future or forward looking information. Furthermore, EBITDA shown in the document is notional only and may not necessarily reconcile to Wellard's financial statements.
6.3.2.3	20161026 Wellard Major Customers	Adobe Acrobat	
6.3.2.5	Top 20 Customers FY14 - FY17	Adobe Acrobat	
6.3.4.1	2016 and 2017 Livestock Shipping Capacity	Adobe Acrobat	
6.4.1	Vessels	Folder	
6.4.1.1	Mv Ocean Drover - Valuation 14 July 2016	Adobe Acrobat	
6.4.1.2	Mv Ocean Outback - Valuation 14 July 2016	Adobe Acrobat	
6.4.1.3	Mv Ocean Shearer - Valuation 14 July 2016	Adobe Acrobat	
6.4.1.4	Mv Ocean Swagman - Valuation 14 July 2016	Adobe Acrobat	
6.4.1.5	Mv Ocean Ute - Valuation 14 July 2016	Adobe Acrobat	
6.5	Liabilities	Folder	
6.5.1	Overview	Folder	
6.5.1.1	160713 _Covenant Compliance listing	Adobe Acrobat	
6.5.1.2	20161013 Wellard Debt Profile	Microsoft Excel Spreadsheet	
6.5.1.3	20161026 Summary of Primary External Financing	Adobe Acrobat	
6.5.1.4	20161129 Summary of Primary External Financing	Adobe Acrobat	
6.5.2	Vessel Financing	Folder	
6.5.2.1	20160930 Vessel Asset and Debt Schedule	Adobe Acrobat	
6.5.2.2	Intesa Sanpaolo Shearer TS	Adobe Acrobat	

Document Reference	Document title	File Type	Exception to warranty
6.5.2.3	NLB Swagman TS	Adobe Acrobat	
6.5.2.4	Ruchira-Drover Sale and Leaseback TS	Adobe Acrobat	
6.5.2.5	Ruchira-Ute Sale and Lease Back TS	Adobe Acrobat	
6.5.2.6	20160526 Intesa Senior Term Facilities Agreement	Adobe Acrobat	
6.5.2.7	20170131 Vessel Asset and Debt Schedule	Adobe Acrobat	
6.5.3	CBA Facility	Folder	
6.5.3.1	CBA Facility Agreement	Adobe Acrobat	
6.5.3.2	20170317 CBA Facility Agreement (draft variation)	Adobe Acrobat	
6.5.4	UOB Facility	Folder	
6.5.4.1	UOB WSPL Banking Facilities	Adobe Acrobat	
6.5.4.2	20170313 Welltech - UOB Banking Facilities	Adobe Acrobat	
6.5.4.3	20170313 Wellard Singapore - UOB Banking Facilities	Adobe Acrobat	
6.5.5	AMEX Facility	Folder	
6.5.5.1	Amex Facility Terms	Adobe Acrobat	
6.5.5.2	20140402 Wellard Rural Exports Account Agreement & Application Form	Adobe Acrobat	
6.5.5.3	Buyer Initiated Payments Services Addendum	Adobe Acrobat	
6.5.5.4	20150310 Deed of Parent Guarantee and Indemnity - Australia	Adobe Acrobat	
6.5.5.9	20150909 FIXP Registration Form	Adobe Acrobat	
6.5.6	Kelpie	Folder	
6.5.6.1	20150320 H522 Shipbuilding Contract	Adobe Acrobat	
6.5.6.2	20150320 Side Letter to Shipbuilding Contract	Adobe Acrobat	
6.5.6.3	20150330 H522 Shipbuilding Contract (Addendum 1)	Adobe Acrobat	
6.5.6.4	20150330 Wellard Ships Option Exercise Letter	Adobe Acrobat	
6.5.6.5	20150728 H522 Shipbuilding Contract (Addendum 2)	Adobe Acrobat	
6.5.6.6	20150930 H522 Shipbuilding Contract (Addendum 3)	Adobe Acrobat	
6.5.6.7	20151102 H522 Shipbuilding Contract (Addendum 4)	Adobe Acrobat	

Document Reference	Document title	File Type	Exception to warranty
6.5.6.8	20160720 H522 Shipbuilding Contract (Addendum 5)	Adobe Acrobat	
6.5.6.9	20161028 H522 Shipbuilding Contract (Addendum 6)	Adobe Acrobat	

Schedule 9

Form of Subordination Deed Poll

SUBORDINATION DEED POLL

DATE

MADE BY [insert name of Group Company] (Group Company)

IN FAVOUR OF

Each person who is from time to time a Noteholder.

RECITAL

This document is entered into in connection with the Note Terms attached to the Convertible Note Deed Poll dated [] 2017 by Wellard Limited, Wellard Rural Export Pty Ltd, Wellard Feeds Pty Ltd and Wellard Animal Processing Pty Ltd (**Note Terms**).

THIS DEED POLL WITNESSES AS FOLLOWS:

1. DEFINED TERMS

Except as otherwise defined in this document, terms defined in the Note Terms have the same meaning when used in this document.

2. SUBORDINATION

The Group Company:

- (a) acknowledges that WRE must not, at any time while any Event of Default is continuing, repay any Financial Indebtedness owing by WRE to the Group Company; and
- (b) agrees that the Group Company must not, at any time while any Event of Default is continuing, accept, demand or take other action to enforce, the repayment of any Financial Indebtedness owing to the Group Company by WRE.
- (c) agrees that while any Event of Default is continuing:
 - (i) it will not exercise any right to claim or prove as a creditor of any Obligor in competition with any Noteholder;
 - (ii) it will not exercise any right, in any form of administration of any Obligor (including liquidation, winding up, bankruptcy, voluntary administration, dissolution or receivership or any analogous process) to prove for or claim, or exercise any vote or other rights in respect of, any indebtedness of any nature owed to it by that Obligor; and
 - (iii) if it receives any benefit, payment or distribution in relation to such rights or it receives any payment of Financial Indebtedness in breach of clause 2(a) or (b) (including by way of set-off), it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Noteholders by the Obligors under or in connection with the Transaction Documents to be repaid in full on trust for the Noteholders and shall promptly pay or transfer the same to the Noteholders or as the Noteholders may direct.

3. **GENERAL**

- (a) This document remains in force from its date for so long as any amount is outstanding under the Convertible Notes.
- (b) This document is executed as a deed poll for the benefit of the Noteholders. Each Noteholder may enforce this Deed Poll, despite not being a party to this Deed Poll, even if the Noteholder does not exist at the time this Deed Poll is executed and delivered.
- (a) This document is governed by the laws of the State of Western Australia.
- (b) The Group Company irrevocably and unconditionally:
 - (i) submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them; and
 - (ii) waives any right it has to object to any legal process being brought in those courts including any claim that the process has been brought in an inconvenient forum or that those courts do not have jurisdiction.
- (c) To the full extent permitted by applicable law, the Group Company irrevocably waives any immunity from set off, suits, proceedings and execution to which it or any of its property may now or in the future be entitled under any applicable law.

EXECUTED as a deed poll in favour of each person who is from time to time a Noteholder.

Group Company

[insert execution block]