

17 November 2017

Dear Shareholder

Please find **enclosed** notice of Bethunes Investments Limited's (**Company** and **BIL**) special meeting which will be held on 5 December 2017 at the offices of Link Market Services Limited, Level 11 Deloitte Centre, 80 Queen Street, Auckland, starting at 9:00am. Shareholder registration opens at 8:30am.

The Transactions

The resolutions being put forward at the meeting are intended to approve transactions (**Transactions**) whereby:

- The Company acquires the transport and logistics business and assets of Transport Investments Limited (**TIL**) and 100% of the shares in TIL Logistics Group Limited (the **Acquired Assets**). The total purchase price for the Acquired Assets is \$200 million, subject to net debt and working capital adjustments, and will be satisfied by an issue of fully paid ordinary shares in the Company (**Share Consideration**) and cash consideration (**Cash Consideration**).
- The Company enters into new banking facilities with ASB Bank Limited to part fund the acquisition of the Acquired Assets (the **Acquisition**) and for ongoing working capital purposes (**New Facilities**).
- The Company issues up to \$11.51 million of fully paid ordinary shares in the Company by way of a private placement to wholesale investors to part fund the Acquisition (the **Private Placement**).

The Transactions will result in the introduction of TIL and other third parties as new shareholders to the Company. The Company's existing shareholders will retain their shares in the Company (with their shareholding significantly diluted due to the issue of shares under the Acquisition and the Private Placement).

The Transactions will result in the essential nature of the Company's business changing, to focus on developing and operating business interests in the transport and freight services sector, which is in line with the business interests and expertise of TIL and its directors.

The Notice of Meeting should be read in conjunction with the **enclosed** Independent Report which assesses the fairness of the Transactions, and the **enclosed** Profile which details the Acquired Assets and the associated business plan to be pursued by the Company following the Transactions.

Valuations and Transaction Consideration

BIL will satisfy the consideration for the Acquired Assets through the issue of the Share Consideration and the payment of the Cash Consideration.

Prior to completion of the Transactions (**Completion**), BIL's share capital will be consolidated using a consolidation factor equal to 115,060,279 divided by 254.1915 (subject to rounding of individual shareholdings up to a whole number of Shares).

The Share Consideration comprises the issue of 73,333,334 fully paid ordinary shares in the Company at a price of \$1.50 per share. The Cash Consideration will be funded by the New Facilities and the Private Placement. The New Facilities comprise a \$90 million revolving credit facility, a \$10 million working capital overdraft facility and a \$5.8 million guarantee/bond facility, each with ASB Bank Limited. The Private Placement comprises the issue of up to 7,673,339 fully paid ordinary shares in the Company to wholesale investors at a price of \$1.50 per share, raising up to \$11.51 million.

The relevant transaction valuations are:

- The Acquired Assets are valued at \$200 million, subject to net debt and working capital adjustments.¹
- BIL is valued at approximately \$0.7 million.

Based on these valuations and also taking account of the Share Consideration and the shares to be issued under the Private Placement, the existing shareholders of BIL will have approximately a 0.6% shareholding interest in the Company following Completion.

Benefits of the Transactions

The Board of the Company considers the effect of the Transactions to be of significant benefit to shareholders because:

- The Transactions introduce substantial established assets, business operations and growth prospects into the Company with a focus on the transport and freight services sector.
- The Transactions enable shareholders to, without dilution, continue to own the current business and assets of Bethunes through their distributed shareholding in New BIL, as well as holding a shareholding in TIL at no cost.²
- New BIL shareholders will have the opportunity to participate in a planned capital raise following completion of the Acquisition, which would include a rights offering to shareholders to raise up to \$10 million in capital. If the capital raise is successful, this will provide New BIL with the additional capital needed to fund its investment programme.³

The Board considers that the Transactions provide a very worthwhile set of potential opportunities for shareholders and believes the Transactions are in their best interests.

The main potential negative implications for shareholders of the Transactions are outlined in the Merits Assessment section on pages 39 to 43 of the Independent Report.

If the Transactions do not proceed, Bethunes would remain a listed shell company seeking suitable investment and capital raising opportunities to cover its operating expenses. TIL has agreed to continue to meet the Company's out of pocket third party costs of the Transactions (unless the reason the Transactions do not proceed is because shareholders vote against the Transactions, the Company terminates the Transactions without cause or the Company materially breaches the transaction documents).

Continuation of Bethunes Investment and Acquisition Strategy⁴

The Company has transferred its existing assets (other than a limited number of agreed assets), to its wholly owned subsidiary BIL 2016 Limited (**New BIL**). Prior to completion of the Acquisition and subject to the resolutions being approved at the meeting, BIL will in-specie distribute the shares in New BIL to the Company's shareholders on a pro rata basis (**New BIL In-Specie Distribution**). The record date for the New BIL In-Specie Distribution is 5:00pm on 1 December 2017. The Company's existing assets that have been transferred to New BIL include securities in ASX listed Pental Limited (ASX: PTL), a receivable from Mossgreen NZ Limited and approximately \$123,000 in cash. New BIL will continue to pursue the Company's current investment and acquisition strategy.

Given the limited resources of the Company, negotiating and documenting the Transactions has required a significant time commitment from the Directors. In recognition of this, shareholder approval is being sought to increase the fees payable to the Directors by \$75,000. Shareholders should note that these additional fees will be funded from the New Facilities and will not be funded from the cash that New BIL holds.

¹ Further detail on the valuation of TIL is contained in section 7, Page 31, Independent Report.

² Section 9.2.2, Page 40, Independent Report.

³ Section 9.2.2, Page 40, Independent Report.

⁴ For further detail on Bethunes Investment and Acquisition Strategy, please refer to the Company's annual meeting presentations dated 8 June 2017, 29 July 2016 and 31 July 2015 available online at <http://www.bethunesinvestments.com/reports/>.

Following the New BIL In-Specie Distribution, New BIL intends to apply to compliance list on the NZX Main Board to support an anticipated future capital raising initiative and provide liquidity to shareholders.

Benefits of the New BIL In-Specie Distribution

- The New BIL In-Specie Distribution will enable you, as a shareholder, to continue to own an equivalent proportionate interest in the current business and assets of the Company through New BIL, while at the same time retaining a shareholding in the Company (and its new business and assets), in each case without paying any additional money.
- New BIL is not currently a listed company and shareholders will not be able to publicly trade their shares. However, as New BIL intends to seek a compliance listing on the NZX Main Board early in 2018, shareholders will, subject to acceptance of that application by NZX, receive the benefits of a listed investment in New BIL and be able to trade their shares in New BIL on the NZX Main Board in the future.⁵
- New BIL also intends to conduct a capital raising in 2018 following completion of New BIL In-Specie Distribution. It is anticipated that this would include a rights offering to shareholders that will provide New BIL with additional capital to pursue investment opportunities.
- New BIL will not have any liability to ASB Bank or any other party under the New Facilities or otherwise in connection with the Transactions.

Shareholder action required

Due to the nature of the Transactions, BIL shareholder approval is required. A description of the Transactions and the requirement for the resolutions to be considered at the meeting are set out in the Explanatory Notes that form part of the enclosed Notice of Meeting.

The Directors believe that the Transactions, together with the New BIL In-Specie Distribution, will benefit shareholders and encourage you to read the enclosed Notice of Meeting (including the Explanatory Notes), together with the enclosed Profile and Independent Report, and to exercise your right to vote.

The enclosed shareholder voting form has detailed instructions on how shareholders may lodge their vote or appoint a proxy to vote on their behalf if they are unable to attend the meeting.

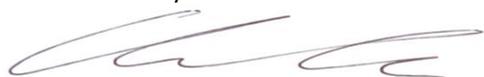
Directors' recommendation

The Directors consider that the Transactions are in the best interests of BIL and its shareholders and, therefore, unanimously recommend that shareholders vote in favour of the resolutions outlined in the Notice of Meeting.

Please read the enclosed documentation in its entirety, and consult with your financial or professional adviser if you have any questions about the resolutions.

I look forward to seeing you at the meeting.

Yours faithfully



Chris Swasbrook
Chairman

⁵ Application will be made to NZX to list New BIL on the NZX Main Board Market. However, NZX accepts no responsibility for any statement contained herein and makes no guarantee that New BIL's application for listing will be accepted.

NOTICE OF SPECIAL MEETING

Notice is hereby given that a Special Meeting (**Meeting**) of shareholders of Bethunes Investments Limited (**Company**) will be held on 5 December 2017 at the offices of Link Market Services Limited, Level 11 Deloitte Centre, 80 Queen Street, Auckland, starting at 9:00am. Shareholder registration opens at 8:30am.

Capitalised terms used in this Notice of Meeting have the meaning given to them in the Glossary commencing on page 35 of this Notice of Meeting.

AGENDA

- A. Chairman's introduction.
- B. Presentation to shareholders.
- C. Shareholder discussion.
- D. Resolutions.

RESOLUTIONS

To consider and, if thought fit, to pass the following Special Resolution:

1. **Major Transaction:** That under section 129 of the Companies Act and Listing Rule 9.1.1, the Company is authorised to:
 - a) acquire the transport and logistics business and assets of Transport Investments Limited and 100% of the shares on issue in TIL Logistics Group Limited;
 - b) enter into the New Facilities and related security arrangements with ASB Bank Limited (including the Facility Documents) for the purposes of that acquisition and ongoing working capital requirements; and
 - c) issue fully paid ordinary shares as consideration for that acquisition and under the Private Placement,on the terms further described, and on such additional terms as are not inconsistent with those set out, in this Notice of Meeting.

To consider and, if thought fit, to pass the following Ordinary Resolutions:

2. **Approval of Share Issues:** That under Listing Rule 7.3.1(a) and Rule 7(d) of the Takeovers Code (as applicable), the Company is authorised to:
 - a) issue 66,869,664 Shares to TIL under the Acquisition Agreement at an issue price of \$1.50 per Share, pursuant to the Acquisition;
 - b) issue 6,463,670 Shares to the Kern Entities under the Acquisition Agreement at an issue price of \$1.50 per Share, pursuant to the Acquisition;
 - c) issue up to 7,673,339 Shares to the Private Placement Participants at an issue price of \$1.50 per Share, pursuant to the Private Placement,on the terms further described, and on such additional terms as are not inconsistent with those set out, in this Notice of Meeting.
3. **Approval of Director Fees prior to Completion:** That under Listing Rule 3.5.1, the aggregate maximum amount of fees that can be paid to Directors be increased from \$60,000 to \$135,000 for the 12 months ending on the last day of the month in which Completion occurs.
4. **Approval of Director Fees following Completion:** That under Listing Rule 3.5.1, the aggregate maximum amount of fees that can be paid to Directors be further increased from \$135,000 to \$750,000 in each

financial year, with effect from the first day of the month following the month in which Completion occurs.

5. **Transfer of Shares:** That the following acquisitions of Shares are approved for the purposes of Rule 7(c) of the Takeovers Code:
- a) the acquisition of up to 30,813,814 Shares by Hooker Bros. Investments Limited;
 - b) the acquisition of up to 26,852,652 Shares by Hooker Bros. (1989) Limited;
 - c) the acquisition of up to 1,125,549 Shares by James Ramsay Trust; and
 - d) the acquisition of up to 1,125,549 Shares by Nerida Joy Ramsay Trust,
- in each case pursuant to the TIL In-Specie Distribution.

To consider and, if thought fit, to pass the following Special Resolution:

6. **Adoption of New Constitution:** That the constitution of the Company be revoked and the Company adopt the constitution described in this Notice of Meeting (and available online for review at <http://www.bethunesinvestments.com>) with effect from the date of the approval of this resolution.

By order of the Board of Directors



Christopher Swasbrook
Chairman
17 November 2017

PROCEDURAL NOTES

Interdependence of Resolutions

All of the Resolutions contained in this Notice of Meeting are interdependent and must all be passed by shareholders in order for any one of those resolutions to be effective.

Relationship to Market Price

As at 27 October 2017 (being the date the Transactions were notified publicly through the NZX market) the last reported sale price of a Share on the NZX Main Board, adjusted for the Share Consolidation, was \$2.54 per Share.⁶ The proposed Share issues under Resolution 2, to be undertaken following the Share Consolidation, will be undertaken at a price of \$1.50 per Share. This represents a discount of 41% from the market share price, adjusted for the Share Consolidation, at the time the Transactions were announced to NZX.

Proxies

Any shareholder of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf. A corporation which is a shareholder may appoint a representative to attend the meeting on its behalf in the same manner as it could appoint a proxy. A proxy does not need to be a shareholder of the Company. A Proxy Form can be returned by delivery, mail, email, fax, or online (as set out below).

The Chairman of the Meeting (Mr. Aaron Titter) and the Directors are prepared to act as proxy. The Chairman and each of the Directors intends to vote in favour of all of the Resolutions (other than Resolutions 3 and 4) where he is appointed as a discretionary proxy on those Resolutions. The Chairman and Directors will abstain from voting on any discretionary proxies in respect of Resolutions 3 and 4.

To appoint a proxy you should complete and sign the enclosed Proxy Form and either return it by delivery, mail, email or fax to the share registrar of the Company:

By delivery:

Bethunes Investments Limited
C/- Link Market Services Limited
Level 11, Deloitte Centre
80 Queen Street
Auckland

By mail:

Bethunes Investments Limited
C/- Link Market Services Limited
PO Box 91976
Auckland 1142

By email: meetings@linkmarketservices.co.nz (please put the words "*Bethunes Investments Limited Proxy Form*" in the subject line for easy identification)

By fax: +64 9 375 5990

You may also lodge your proxy online at <https://investorcentre.linkmarketservices.co.nz/voting/BIL>. You will require your CSN/Holder Number and FIN to complete your proxy appointment. A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by Link Market Services no later than 48 hours before the meeting, being 9:00 am on 3 December 2017. Online proxy appointments must also be completed by this time. Registered shareholders at that time will be the only persons entitled to vote at the meeting and only the shares registered in those shareholders' names at that time may be voted at the meeting.

Ordinary Resolutions

Resolutions 2, 3 4 and 5 are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of those shareholders entitled to vote and are voting on the resolutions in person or by proxy.

⁶ The NZX Market Announcement on the acquisition of Transport Investments Limited business is available online on <http://www.bethunesinvestments.com/reports/>.

Special Resolutions

Resolutions 1 and 6 are special resolutions. A special resolution is a resolution passed by a majority of 75% or more of the votes of those shareholders entitled to vote and voting on the resolution in person or by proxy.

If Resolution 1 (Major Transaction) is passed and any shareholder has cast all the votes attached to the Shares registered in that shareholder's name and having the same beneficial owner, against that resolution, then that shareholder is entitled to require the Company to purchase those Shares in accordance with section 110 of the Companies Act (**Minority Buy-out Rights**).

If this right is validly exercised by any shareholders, the Companies Act provides for the Company to acquire (or procure the acquisition of) the relevant Shares at a fair and reasonable price as at the close of business on 4 December 2017 (being the day before the date of the special meeting), disregarding any value attributable to the Shares from the Transactions.

It is likely that the Board will set the fair and reasonable price for the relevant Shares based on the net asset value of the Company on 4 December 2017, which is expected to be \$75,000 (being the value of an NZX bond which will remain in the Company). This implies a fair and reasonable price of 0.065 cents per relevant Share (pre Share Consolidation).

Shareholders that wish to exercise their Minority Buy-out Rights should note that they will still be distributed shares in New BIL, because the record date for entitlements will be 1 December 2017.

If Bethunes shareholders do not want to participate in the Acquisition, they should, in Grant Samuel's opinion, not exercise their Minority Buy-out Rights and instead exercise their Voluntary Acquisition Rights⁷. For further information on your Voluntary Acquisition Rights, refer to the section headed "Voluntary Acquisition Rights" on page 17 of the Explanatory Notes.

Appendix One to this Notice of Meeting sets out the procedure for Minority Buy-out Rights.

Shareholders who become entitled to exercise this right are strongly encouraged to first seek independent professional advice from a financial adviser. In particular, if you do desire to exit your shareholding, seek advice on whether you may receive better value for your Shares by selling them on-market or by exercising your Voluntary Acquisition Rights.

Voting Restrictions

In relation to Resolution 2 and pursuant to Listing Rule 9.3.1 and Rule 17 of the Takeovers Code, the following persons are prohibited from voting any Shares that they hold:

- TIL, the Kern Persons and their Associated Persons and associates;
- James Ramsay Trust, Nerida Joy Ramsay Trust, Gregory Whitham, Terris Family Trust, Kevin Smith, Stewart Family Trust, Kern Group and their Associated Persons and associates; and
- the Private Placement Participants and their Associated Persons.

In relation to Resolutions 3 and 4 and pursuant to Listing Rule 9.3.1, the current Directors (Christopher Swasbrook, Ian Halsted and Aaron Titter) and their Associated Persons and the Directors-Designate (James Ramsay, Trevor Janes, Lorraine Witten, Danny Chan and Greg Kern) and their Associated Persons are prohibited from voting any Shares that they hold.

In relation to Resolution 5 and pursuant to Rule 17 of the Takeovers Code, TIL, the Hooker Bros. Entities, James Ramsay Trust, Nerida Joy Ramsay Trust and their associates are prohibited from voting any Shares that they hold.

Under the Takeovers Code, "associates" are, in summary, where the persons are or through a third person, acting jointly or in concert, where one person acts or is accustomed to act in accordance with the wishes of the

⁷ Section 9.6, Page 43, Independent Report.

other person, where the persons are related companies or where the persons have a business relationship, personal relationship, or an ownership relationship such that they should, under the circumstances, be regarded as associates. Under the Listing Rules, "Associated Persons" has a similar definition.

The Company will disregard any votes cast on Resolutions 2, 3, 4 or 5 by any persons to whom the foregoing applies. Any discretionary proxies given to persons disqualified from voting under the requirements set out above will not be valid.

Independent Report

Accompanying this Notice of Meeting is the Independent Report. The Independent Report has been prepared by Grant Samuel & Associates Limited and constitutes an appraisal report for the purposes of the NZX Listing Rules, and a report from an independent adviser for the purposes of the Takeovers Code. Shareholders are urged to read the Independent Report in full.

Profile

A Profile under Listing Rule 7.1.1 accompanies this Notice of Meeting.

The Profile discloses particulars of the assets and business of the Company if the Resolutions are passed. The Profile is forward looking and assumes:

- the Resolutions contained in this Notice of Meeting have been passed; and
- the Transactions are implemented on the basis set out in this Notice of Meeting.

NZX Approval

This Notice of Meeting has been approved by NZX. However, NZX does not take responsibility for any statement contained in this Notice of Meeting.

EXPLANATORY NOTES

INTRODUCTION

The Company was renamed Bethunes Investments Limited (**BIL** or the **Company**) in 2015, and has since embarked on a plan to transform to an investment company. The Company currently, through its wholly owned subsidiary BIL 2016 Limited (**New BIL**), holds listed securities in an ASX listed company, a receivable having a face value of \$200,000 from Mossgreen NZ Limited and approximately \$123,000 in cash, with no active trading operations (**Current Business**).

A profile of the Company is provided in section 3 of the Independent Report.

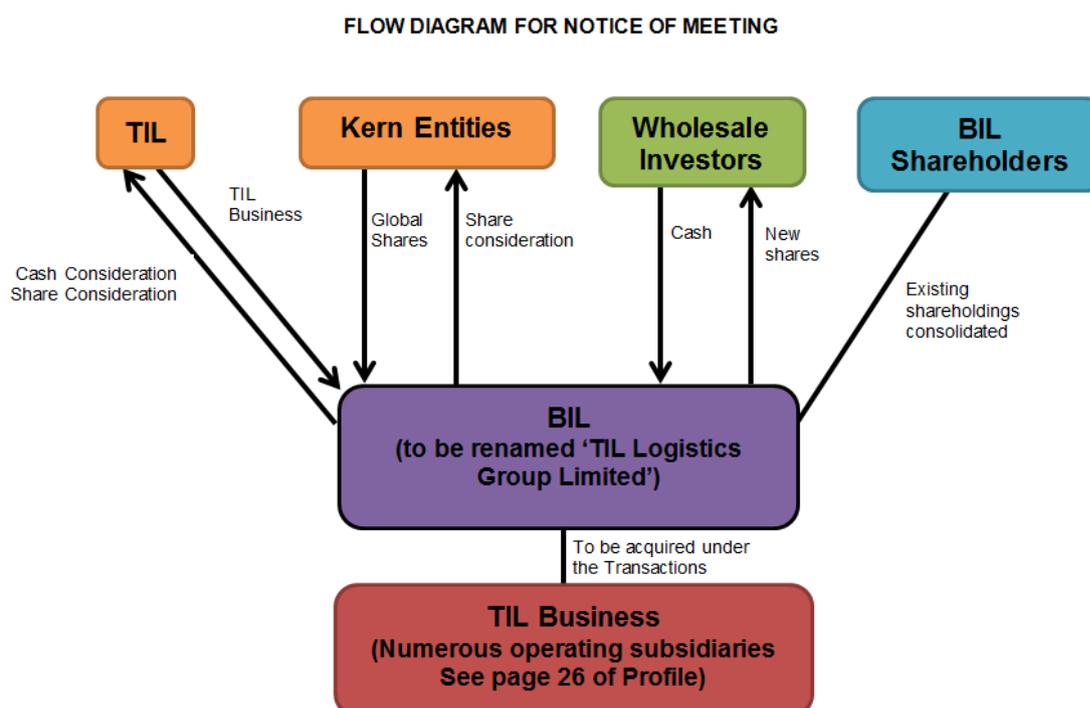
The Transactions

On 26 October 2017, the Company entered into an Asset and Share Sale Agreement (**Acquisition Agreement**) with Transport Investments Limited (**TIL**) and Kern Group (Logistics) Pty Ltd and the CGJ Daly Investment Trust (together the **Kern Entities**) to acquire the transport and logistics business and assets of TIL and all of the shares in TIL Logistics Group Limited (formerly Global Logistics Group Limited) (**Global**) (the **Acquired Assets**). To fund the acquisition of the Acquired Assets (the **Acquisition**), the Company proposes to enter into the New Facilities with ASB Bank and undertake a Private Placement (together with the Acquisition, the **Transactions**).

Subject to the Transactions being approved by shareholders, the Transactions will be immediately preceded by a consolidation of BIL's share capital (made up of 115,060,279 Shares at the date of this Notice) using a consolidation factor equal to 115,060,279 divided by 254.1915 (subject to rounding of individual shareholdings up to a whole number of Shares) (**Share Consolidation**). The Transactions are described further under the heading "Description of the Transactions" below.

The Directors unanimously support the Transactions and consider that the Transactions are in the best interests of the Company. No director has a personal interest in the Transactions that is not in common with shareholders, other than the disclosed arrangements for payment of Director fees.

The following diagram illustrates the Transactions:



New BIL Arrangements

The current Board of BIL intends to continue the Current Business and pursue its investment and acquisition strategy through its wholly owned subsidiary New BIL. The Company has transferred its existing assets (other than a limited number of agreed assets) to New BIL and will, prior to Completion and subject to the Resolutions being approved, distribute all of the shares in New BIL to the Company's shareholders on a pro rata basis (**New BIL In-Specie Distribution**). The record date for the New BIL In-Specie Distribution is 5:00pm on 1 December 2017. This means that each shareholder's entitlement to New BIL shares crystallises at this time. As a result, only shareholders of the Company at that record date (and not TIL, the Kern Entities or the Private Placement Participants) will receive New BIL shares. The current Directors of BIL will be appointed to the Board of New BIL before Completion.

Following Completion, New BIL intends to apply to compliance list on the NZX Main Board early in 2018 and the Company will pay New BIL \$200,000 as a contribution towards its related costs. The Company intends to rename New BIL to Bethunes Investments Limited. New BIL also intends to conduct a capital raise by the end of June 2018, which would include a rights offering to shareholders to raise up to \$10 million in capital.

The Board is considering the optimal capital structure for New BIL, in order for New BIL to pursue its intended investment and acquisition strategy. The Board considers that for New BIL to succeed going forward it will likely need to leverage its relationship with Elevation Capital Management Limited (**ECML**) (a company associated with Christopher Swasbrook) for investment analysis, research and advisory services. The capital structure and any arrangements with ECML will be disclosed to New BIL shareholders at the time of listing and would require the approval of New BIL's non-interested directors.

The arrangements described in the immediately preceding paragraphs (the **New BIL Arrangements**) will not prevent New BIL from undertaking further acquisitions like the Transactions. The Directors believe that there are additional opportunities available to pursue transactions similar to the Transactions and that these add value for all given they enable the shareholders to maintain their interest in the Current Business while at the same time enabling them to gain an interest in other businesses without having to contribute any new capital.

New BIL will not be a listed company for a period from Completion until New BIL applies to list on the NZX Main Board and such application is accepted. To maintain shareholder engagement in that period, shareholders of New BIL will be informed of New BIL's strategies and processes by circulating any key updates to shareholders electronically and/or via the post (for those shareholders that have not elected to receive electronic communications). New BIL has instructed Link Market Services to maintain its share register and assist in the dispatch of communications to shareholders.

Effect of the Transactions and the New BIL Arrangements

The effect of the Transactions and the New BIL Arrangements for shareholders is that, following Completion, they will hold shares in two companies without paying any new money:

- **The Company:** Shareholders will continue to hold Shares in the Company, although following Completion those shares will represent a smaller percentage shareholding in the Company than they do currently. Following Completion, the Company will own the Acquired Assets and operate the transport and logistics business currently operated by TIL.
- **New BIL:** Shareholders will receive shares in New BIL via the New BIL In-Specie Distribution, which will give shareholders a percentage shareholding in New BIL equivalent to their percentage shareholding in the Company on the record date (5:00pm on 1 December 2017). The Company has transferred its assets (other than a limited number of agreed assets) to New BIL and New BIL will continue the Current Business. Following Completion, New BIL intends to seek a compliance listing on the NZX Main Board to support a future capital raising initiative and provide liquidity to investors.

The effects of the Transactions and the New BIL Arrangements are summarised in the table below using a hypothetical shareholder who currently holds one million Shares in the Company:

Example Shareholder	Current Shares	Shares held following Share Consolidation	Shares held following New BIL In-Specie Distribution	Percentage of all shares
Current shareholding position in the Company	1,000,000	3,935		0.87%
Post-Transactions shareholding position in the Company	-	3,935		0.005%
Post-New BIL In-Specie Distribution shareholding position in New BIL	-		1,000,000	0.87%

The minimum number of Shares that any shareholder can hold in the Company (**Minimum Holding**) is 2,000 Shares as at the date of this Notice. The Minimum Holding is expected to reduce to 200 Shares following the Share Consolidation. The Share Consolidation will take place prior to Completion.

Under BIL's proposed new constitution, the Board may at any time give notice to a shareholder holding less than a Minimum Holding of Shares of any Class that if at the expiration of three months after the date the notice is given, the shareholder still holds less than a Minimum Holding of Shares of that Class, the Board may sell those Shares. Where that power of sale arises, the Company must account to the shareholder the net proceeds of the sale (after deduction of reasonable sale expenses).

Summary of the Independent Report

The Independent Report summarises shareholders options in regards to voting on the Transactions on pages 4 and 39 of the Independent Report.

When considering these options, shareholders should also consider the following:

- Grant Samuel has assessed the price being paid for TIL by reference to the multiples implied by comparable market evidence. The multiples implied by the pricing of the Acquisition is consistent with market evidence;
- the \$1.50 per Share issue price of the Private Placement is consistent with the Share valuation being applied to all Shares issued in the Transactions;
- the value the Dominant Owner has determined to acquire Shares in BIL under the Voluntary Acquisition Rights (discussed further on page 17) is \$1.50 per Share. Grant Samuel has certified that, for the purposes of Rule 57 of the Takeovers Code, this consideration is fair and reasonable and within Grant Samuel's valuation range of \$1.39 to \$1.59 per Share (further information on this valuation range can be found at Section 8 of the Independent Report). If BIL shareholders do not want to participate in the Acquisition, they should, in Grant Samuel's opinion, not exercise their minority buy-out rights and elect to be acquired by the Dominant Owner under the Voluntary Acquisition Rights; and
- in Grant Samuel's opinion, based on the analysis of the merits (see Section 9 of the Independent Report), the terms of the Transactions are fair and reasonable to the shareholders of BIL not associated with TIL and Global and the Transactions are in the best interests of BIL given the options reasonably available to BIL at the current time.

Grant Samuel's opinion is to be considered as a whole. Selecting portions of the analyses or factors considered by it, without considering all the factors and analyses together, could create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary. For the avoidance of doubt, shareholders are encouraged to read the Independent Report in full.

The issue price of the Shares under the Acquisition and the Private Placement does not necessarily reflect what the Shares will trade at on the NZX Main Board following Completion.

Key dates

The key dates leading up to Completion are as follows:

Event	Date
This Notice of Meeting, the Profile and the Independent Report released to Shareholders	20 November 2017
Record date for New BIL In-Specie Distribution	5:00 pm on 1 December 2017
Trading halt of Shares to facilitate Share Consolidation and Completion commences	Open of trading on 4 December 2017
Meeting	9:00 am on 5 December 2017
New BIL In-Specie Distribution takes effect as per record date entitlements	5:00 pm on 5 December 2017
Share Consolidation takes place	6:00 pm on 5 December 2017
Expected Completion date	6 December 2017
Notice of compulsory acquisition given to Takeovers Panel and acquisition notice despatched to BIL shareholders	6 December 2017
Trading halt of Shares to facilitate Share Consolidation and Completion ends	Open of trading on 7 December 2017
Private Placement expected to complete	By 7 December 2017
Last day for BIL shareholders to exercise Voluntary Acquisition Rights	3 January 2018

To facilitate the Share Consolidation and Completion, BIL has applied for a trading halt in respect of the Shares to apply for the period commencing on the open of trading on the business day preceding the Meeting and ending on the open of trading on the business day following Completion.

DESCRIPTION OF THE TRANSACTIONS

Resolutions 1 and 2 put forward in this Notice of Meeting are intended to approve the following Transactions:

- the Acquisition;
- the New Facilities; and
- the Private Placement.

The Transactions will have the effect of changing the essential nature of the Company's business to focus on transport and freight services, as is more fully described in the Profile.

Each of the key elements to the Transactions are discussed in further detail below.

The Acquisition

The Company has entered into the Acquisition Agreement to buy the Acquired Assets from TIL and the Kern Entities for a total purchase price of \$200 million, subject to net debt and working capital adjustments.

The Company intends to acquire the Acquired Assets through BIL 2017 Limited, a wholly owned subsidiary established by the Company for this purpose.

The following is a summary of the material commercial terms of the Acquisition Agreement.

Purchase price

The purchase price for the Acquired Assets is \$200 million, subject to adjustment for:

- the net debt of those TIL subsidiaries being acquired as part of the Acquired Assets as at Completion; and
- any movement in the working capital position of TIL and those TIL subsidiaries being acquired as part of the Acquired Assets (together the **TIL Group**) at the last day of the month in which Completion takes place from a target working capital position set out in the Acquisition Agreement.

On the basis of the Company's estimates at the date of this Notice of the adjustments described above, the Company estimates the purchase price to be received by TIL and the Kern Entities will be \$197.8 million. The final purchase price will depend on the final amounts of those adjustments.

The purchase price will be satisfied by the issue of Shares to TIL and the Kern Entities (**Share Consideration**) and the balance in cash to TIL (**Cash Consideration**).

The Share Consideration comprises the issue of 73,333,334 Shares at a price of \$1.50 per Share, which TIL and the Kern Entities have advised the Company are to be split as follows:

- 66,869,664 Shares to be issued to TIL; and
- 6,463,670 Shares to be issued to the Kern Entities.

The Share Consideration has a total value of \$110 million.

The Cash Consideration will be paid to TIL and will be funded in part by an initial draw down under the New Facilities and in part by the proceeds of the Private Placement. The Cash Consideration will be the purchase price less the Share Consideration, which, on the basis of the Company's estimate as at the date of this Notice of the adjustments described above, will be \$87.8 million. The final amount of the Cash Consideration will depend on the final amount of those adjustments.

Further information on the valuation of TIL is in section 7 of the Independent Report.

Conditions

Completion of the Acquisition Agreement is subject to the following conditions:

- BIL shareholder approval (to be sought at the meeting); and
- ASB Bank making funding available under the New Facilities to enable completion to occur.

The Company and Bethunes are able to waive by agreement any of those conditions that are capable of being waived.

TIL shareholders approved the Acquisition at a special meeting of TIL shareholders held on 14 November 2017.

Completion

The intended completion date is 6 December 2017 unless a deferral is required, for example to enable all conditions to be satisfied. The long stop date by which the conditions must be satisfied (unless the Company and TIL agree otherwise) is 31 March 2018. If the conditions are not satisfied by that date then either the Company or TIL can choose to terminate the Acquisition.

On completion, in addition to the sale of the Acquired Assets to the Company:

- the Board will be replaced with appointees of TIL, comprising James Ramsay, Trevor Janes, Lorraine Witten, Danny Chan and Greg Kern;
- the Company will change its name to “TIL Logistics Group Limited” (and Global will change its name to “Global Logistics Group Limited”); and
- it is intended that PWC, the current auditor of TIL, will be appointed as the Company’s auditor.

Warranties and indemnities

Under the Acquisition Agreement, each of the Company on one hand and TIL and the Kern Entities on the other provide a limited set of warranties and indemnities to the other, including as to the accuracy of the information provided to each prior to entering into the Acquisition Agreement. Each party’s liability under these warranties and indemnities is limited to claims brought within six months of Completion and to an aggregate amount of \$5,000,000.

Background to Global and the Kern Persons

The TIL directors established Global in January 2017 with a view to undertaking an initial public offer and listing of TIL and other transport industry operators (with Global being the resultant listed entity).

From its establishment, Global engaged Kern Group Pty Ltd to provide financial advisory services to it. At the same time, certain entities associated with Kern Group (being the Kern Entities) were allotted a shareholding in Global to provide the Kern Entities with an interest in the IPO transaction if it proceeded – it being acknowledged that if an IPO and listing (or similar transaction) completed, Kern Group would receive a fee for its financial advisory services and the Kern Entities would hold an interest in the listed entity. The Kern Entities were intended to be long-term shareholders in the listed entity. This arrangement is commonly adopted by Kern Group on financial advisory mandates undertaken by it in New Zealand and Australia.

The IPO transaction was discontinued in mid-2017 and TIL and Global began discussions with BIL on the Transactions.

In order for the Company to obtain access to the work undertaken by Global on the discontinued IPO transaction and on the Transactions, the Company will purchase all of the shares in Global from the Kern Entities under the Acquisition Agreement. This will result in the Kern Entities exchanging all of the shares in Global for 6,463,670 Shares on Completion. Kern Group has continued to provide advice and services to bring the Transactions to fruition.

Kern Group and Kern Group (Logistics) Pty Ltd are controlled by Greg Kern (Greg Kern, together with the Kern Entities and Kern Group, the **Kern Persons**).

The New Facilities

The Company has entered into a facility agreement with ASB Bank, pursuant to which ASB Bank has agreed to make available to the Group:

- a Committed Cash Advance Facility of \$90 million, which will be for a term of three years (renewable annually by mutual agreement);

- an Overdraft Facility of \$10 million, which will be on demand; and
- a Guarantee/Bond Facility of \$5.8 million, to secure specific obligations of the Group.

The availability of the New Facilities is conditional on Completion occurring concurrently with the first draw down under the Committed Cash Advance Facility. On Completion, the Company will draw down under the Committed Cash Advance Facility to part fund completion of the Acquisition and on or shortly thereafter apply \$8.65 million of the subscription proceeds from the Private Placement to part repay this facility.

Each of BIL, BIL 2017 Limited and the wholly owned New Zealand companies forming part of the Group after implementation of the Transactions will grant a security interest to ASB Bank over all its present and after acquired property as security for the New Facilities and will provide a cross guarantee in respect of each other's obligations to ASB Bank.

New BIL will not have any liability to ASB Bank or any other party under the New Facilities.

Private Placement

The Company has entered into placement agreements with the following wholesale investors (the **Private Placement Participants**) to subscribe for Shares at an issue price of \$1.50 per Share (together the **Private Placement**):

Private Placement Participant	No. of Shares	Aggregate subscription price
Gregory Whitham	1,333,334	\$2,000,001
Terris Family Trust	1,000,000	\$1,500,000
James Ramsay Trust	666,667	\$1,000,001
Nerida Joy Ramsay Trust	666,667	\$1,000,001
Kevin Smith	666,667	\$1,000,001
Stewart Family Trust	666,667	\$1,000,001
Selenium Corporation Limited	666,667	\$1,000,001
Danny Chan	666,667	\$1,000,001
Kern Group Pty Ltd	333,334	\$500,001
Brendan Prendergast and Joanne Prendergast	333,334	\$500,001
John McMahon	166,667	\$250,001
Brown Family Trust	133,334	\$200,001
Hayes Knight Limited	100,000	\$150,000
Colin McAuley and Diane McAuley	100,000	\$150,000
Andrew Harnos	66,667	\$100,001
Graeme Taylor	66,667	\$100,001
Dalzell Family Trust	40,000	\$60,000
Total	7,673,339	\$11,510,009

Payment of the subscription price for the relevant Shares is due in cash on the allotment date of the Shares. The allotment dates of the relevant Shares will be the date of Completion or a date within 5 business days of Completion. The Private Placement will only proceed if Completion occurs. The proceeds of the Private Placement will be applied by the Company to part fund the Acquisition, including by way of a repayment of \$8.65 million of the initial draw down under the Committed Cash Advance Facility.

The Shares issued to each investor under the Private Placement, together with the Shares issued as the Share Consideration under the Acquisition Agreement, will, from the date they are issued, rank equally with existing Shares.

Following Completion and the issue of Shares under the Acquisition Agreement and the Private Placement (and before the Employee/Director-Designate Transfers, discussed below), the shareholdings of the Company are expected to be:⁸

⁸ This table assumes that: (a) 452,652 Shares will be on issue following the Share Consolidation (i.e. no allowance is made for rounding up of individual holdings); (b) no Shares are acquired by the Company under the Minority Buy-out Rights; and (c) 7,673,339 Shares are issued under the Private Placement.

Shareholder	No. of Shares (000s)	Percentage (%)
TIL	66,870	82.09%
TIL Principals (through the Private Placement)	5,000	6.14%
TIL and TIL Principals	71,870	88.23%
Kern Group (Logistics) Pty Ltd	6,140	7.54%
CGJ Daly Investment Trust	323	0.40%
Kern Group (through the Private Placement)	333	0.41%
Kern Entities and Kern Group	6,797	8.34%
Existing BIL shareholders	453	0.56%
Selenium Corporation Limited (a company associated with Trevor Janes) (through the Private Placement)	667	0.82%
Danny Chan (through the Private Placement)	667	0.82%
Private Placement Participants (excl TIL Principals & Kern Group, Selenium and Chan)	1,007	1.24%
Total	81,459	100.0%

Voluntary Acquisition Rights

As part of completion of the Acquisition and the Private Placement, TIL and persons acting jointly or in concert with it (being the TIL Principals and the Kern Persons) will become the holders or controllers of 90% or more of the Company's Shares (together the **Dominant Owner**), and will be required to comply with the obligations on a dominant owner under Part 7 of the Takeovers Code.

To comply with those obligations, the Dominant Owner proposes to send an acquisition notice under Part 7 of the Takeovers Code to existing shareholders immediately following Completion, notifying them that they have the right to sell their Shares to the Dominant Owner at a price of \$1.50 per Share (**Voluntary Acquisition Rights**). Existing shareholders may exercise their Voluntary Acquisition Rights within 21 days after the date on which the acquisition notice is sent.

Grant Samuel has reviewed the proposed consideration of \$1.50 per Share to be offered under the Voluntary Acquisition Rights and certified it to be fair and reasonable.⁹

Independent Report

In assessing the merits of the Transactions, shareholders should consider section 9 of the Independent Report. The impact on the control position of the Company as a result of the Transactions is discussed in section 2.5.1 of the Independent Report. The implications of the Transactions if the Resolutions are not approved are set out in sections 9.1 and 9.2.4 of the Independent Report.

Change in Essential Nature of Business of the Company

If the Transactions are approved by shareholders, the Company's business will change from an investment company to a transport and logistics company.

⁹ Section 9.6 of the Independent Report.

TIL is one of the largest domestic freight and logistics businesses in New Zealand with a nationwide network of branches, depots and warehouses. TIL's activities include transporting and warehousing freight throughout New Zealand and co-ordinating freight movements offshore with the assistance of international alliances. TIL also has a specialist road tanker division which is one of the largest operators in the New Zealand fuel delivery market by road tanker. TIL operates under a range of brand names, including: Hooker Pacific, TNL, Roadstar, Pacific Fuel Haul, TIL Freight, McAuley's Transport, MOVE Logistics, Liquid Logistics and NZL.

For further information on the Company's proposed new business, please refer to the Profile accompanying this Notice of Meeting.

The Current Business will continue to operate through New BIL with no anticipated change to the essential nature of this business. The Company will cease operating the Current Business altogether.

Liquidity risk

As a result of the Acquisition, the majority of the Shares on issue will not be widely held and there may be reduced liquidity in the Shares.

TIL has advised that following completion of the Acquisition and the Private Placement it will transfer up to a total of approximately 620,000 Shares issued to TIL as part of the purchase price under the Acquisition to the following persons:

- Trevor Janes, Lorraine Witten and Danny Chan, who will be appointed to the Board following Completion, in consideration for services provided by them to TIL in the period leading up to the Acquisition; and
- approximately 600 long-serving employees and owner drivers of the TIL Group, by way of an ex-gratia bonus, to mark the coming to market of TIL's business on the NZX Main Board,

(together, the **Employee/Director-Designate Transfers**).

Following the issue of Shares under the Acquisition Agreement and the Private Placement and the transfer of Shares under the Employee/Director-Designate Transfers, the shareholdings of the Company are expected to be:

¹⁰ This table assumes that: (a) 452,652 Shares will be on issue following the Share Consolidation (i.e. no allowance is made for rounding up of individual holdings); (b) no Shares are acquired by the Company under the Minority Buy-out Rights; (c) 7,673,339 Shares are issued under the Private Placement; (d) 620,000 Shares are transferred under the Employee/Director-Designate Transfers; and (e) no Shares are acquired by TIL under the Voluntary Acquisition Rights.

Shareholder	No. of Shares (000s)	Percentage (%)
TIL	66,250	81.33%
TIL Principals (through the Private Placement)	5,000	6.14%
TIL and TIL Principals	71,250	87.47%
Kern Group (Logistics) Pty Ltd	6,140	7.54%
CGJ Daly Investment Trust	323	0.40%
Kern Group (through the Private Placement)	333	0.41%
Kern Entities and Kern Group	6,797	8.34%
Existing BIL shareholders	453	0.56%
Trevor Janes and his associate, Selenium Corporation Limited (through the Private Placement and Employee/Director-Designate Transfer)	967	1.19%
Danny Chan (through the Private Placement and Employee/Director-Designate Transfer)	767	0.94%
Lorraine Witten (through the Employee/Director-Designate Transfer)	100	0.12%
Private Placement Participants (excl TIL Principals, Kern Group, Selenium and Chan)	1,007	1.24%
Employees / owner drivers	120	0.15%
Total	81,459	100.0%

The issue of new Shares under the Private Placement and the transfer by TIL of Shares under the Employee/Director-Designate Transfers may marginally improve the liquidity of the Shares. The proposed TIL In-Specie Distribution (discussed under the heading “Transfer of Shares” on page 21 below) may also improve the liquidity of the Shares.

None of the Shares owned by the TIL and its Associated Persons will be subject to any embargo on sale. One or more of these shareholders may wish to sell some or all of their shareholdings. Should this happen then, depending on the level of demand for the Shares, the sale could significantly depress the Share price.

The major shareholders will collectively have a major influence over matters that require the passing of ordinary and special resolutions by shareholders unless they are required to abstain from voting by law and/or the NZX Listing Rules.

NZX Waiver

NZX Regulation has granted the Company a 12 month waiver from Listing Rule 5.2.3 to the extent that, following Completion, fewer than 25% of the Shares on issue are held by less than 500 Members of the Public (as defined in the NZX Listing Rules) each holding at least a Minimum Holding (as defined in the NZX Listing Rules). Further information about this waiver, including its conditions, can be found in Section 5 of the Profile.

Funding of the transaction costs associated with the Transactions

The Company has negotiated with TIL for TIL to fund the Company's costs associated with the Transactions, subject to the qualification below. These costs include the independent adviser's fees, the costs of preparing the Profile, NZX fees, the costs of convening and holding the shareholders' meeting, directors' fees and legal fees.

It is envisaged that the quantum of the costs of the Transactions will be approximately \$200,000.

If the Transactions proceed, the amounts paid by TIL to the Company on account of these costs will be refunded within five business days of Completion. If the Transactions do not proceed, the Company will provide to TIL the benefit of, and its title to, the reports and work in progress on which the advanced funds have been expended.

If the Transactions do not proceed because (i) the Company's shareholders vote against any of the Resolutions; or (ii) BIL terminates the Acquisition Agreement without cause; or (iii) TIL terminates the Acquisition Agreement for cause, then BIL shall bear the costs funded by TIL and reimburse TIL those costs within 18 months (with the amount remaining outstanding on an unsecured interest free basis). If any amount is unpaid after 12 months, TIL has the right to require that amount be satisfied by the issue of new Shares at any time within three months after the 18 month period has expired. The issue price per Share for this purpose will be 15% below the 30-day volume weighted average price for Shares in the Company on the due date for payment.

Break Fee

Under the terms of the Acquisition Agreement, TIL will pay to BIL a break fee of \$75,000 (**Break Fee**) if the Acquisition Agreement is terminated for any reason, other than:

1. BIL not obtaining shareholder approval to the Resolutions; or
2. BIL defaulting on its obligations under the Acquisition Agreement and failing to comply with a notice of default; or
3. BIL refusing to waive a condition under the Acquisition Agreement that TIL is satisfied should be waived.

The Break Fee is payable within five business days of the termination of the Acquisition Agreement. No break fee is payable by BIL to TIL should, under any circumstances, the Transactions not proceed.

DIRECTOR FEES

Resolutions 3 and 4 in this Notice of Meeting seek to approve an increase in the maximum aggregate Directors' remuneration, as follows:

- from \$60,000 to \$135,000 for the 12 months ending on the last day of the month in which Completion occurs (**Initial Increase**); and
- from \$135,000 to \$750,000 in each financial year, with effect from the first day of the month following the month in which Completion occurs (**Subsequent Increase**).

Currently, Directors fees of \$60,000 per financial year are payable to Directors of the Company. Accordingly, the Initial Increase will represent a \$75,000 rise in the level of Directors fees currently payable by the Company.

The Company seeks approval for the Initial Increase because undertaking the Transactions has required a large amount of work for the Directors that is disproportionate to the current Director fee pool.¹¹ The Initial Increase will be funded by the New Facilities and not from the existing cash of the Company, the surplus of which has been transferred to New BIL ahead of the New BIL In-Specie Distribution.

¹¹ This work has included all negotiations in respect of the Transactions, due diligence on the Acquired Assets, reviewing considerable documentation and attending Directors' meetings around once a week throughout the course of the formulation and negotiation of the Transactions.

TIL has requested that the Subsequent Increase be tabled for approval by shareholders at the meeting. It is not intended that all of the Subsequent Increase will be allocated to all of the Directors-Designate as following Completion the Board will investigate further director appointments to ensure the size of the Board is commensurate with the scale of the Company's operations. It is intended that \$320,000 will initially remain unallocated following Completion pending any new director appointments.

TIL seeks approval for the Subsequent Increase as it considers it an appropriate level of remuneration to attract and retain Directors of an appropriate level of expertise and experience to the Company given the size of TIL's commercial operations and the level of involvement that the Board will have in the operations of the business given the dynamic nature of those commercial operations.

In the case of both the Initial Increase and the Subsequent Increase the Board will allocate the fees among the Directors as it sees fit.

TRANSFER OF SHARES

TIL has advised the Company that following Completion, TIL proposes to distribute to its shareholders some or all of the Shares that it will acquire under the Acquisition and the Voluntary Acquisition Rights (**TIL In-Specie Distribution**). TIL proposes to undertake this distribution during the 12 month period following Completion. TIL also wishes to preserve the flexibility to sell down some of its Shares before undertaking the TIL In-Specie Distribution.

Resolution 5 in this Notice of Meeting seeks to approve the acquisition of Shares by certain shareholders in TIL pursuant to the TIL In-Specie Distribution for the purposes of the Takeovers Code, because after the TIL In-Specie Distribution:

- each of Hooker Bros. Investments Limited and Hooker Bros. (1989) Limited, which hold 45.77% and 39.89% of the shares in TIL respectively, will hold (together with their associates) above 20% of the voting rights in the Company; and
- each of James Ramsay Trust and Nerida Joy Ramsay Trust will hold an increased percentage of voting rights in the Company, which together with the holdings of their associates, will exceed 20% of the voting rights in the Company.

ADOPTION OF NEW CONSTITUTION

Resolution 6 in this Notice of Meeting seeks to approve the adoption by the Company of a new Constitution, to enable the Share Consolidation to take place and generally to modernise the Company's current constitution.

Background

The Company adopted its current constitution on 9 August 2005. The Company considers the current constitution requires replacing in order for the Company to:

- be able to undertake the Share Consolidation, which is required for the Transactions to take place;
- meet the requirements of the Australian Securities Exchange Listing Rules (**ASX Listing Rules**) in the event that the Company decides in the future to apply to dual list on the ASX; and
- comply with current market practice and replace references to legislation no longer in force with the relevant provisions of the Financial Markets Conduct Act 2013.

Accordingly, the Company proposes to revoke its current constitution, and adopt the constitution described below (**New Constitution**).

If there are any provisions in the New Constitution that are inconsistent with the NZX Listing Rules relevant to the Company, the NZX Listing Rules will prevail. This is also the present position under the current constitution.

Key changes

The principal changes proposed by the New Constitution from the provisions of the Company's current constitution are:

- Clause 5.4 of the New Constitution gives the Board the power to consolidate, divide and subdivide Shares or any class of Shares. This expressly authorises the Board to decrease (consolidate) Shares to ensure a workable issue of Shares under the Transactions. Any Share consolidation or subdivision of Shares must be in proportion to the Shares held in the relevant class of Shares.
- Clause 4 incorporates the ASX Listing Rules into the New Constitution by reference (should the Company wish to dual list in the future). This means that if the Company applies to be listed on the ASX, it will not need to further amend its constitution and, once listed:
 - the Company will be subject to the ASX Listing Rules; and
 - where there is a conflict between an ASX Listing Rule and an NZX Listing Rule, the Directors must take all reasonable steps to obtain a waiver of the inconsistent ASX Listing Rule from the ASX.

While the Company has no current intention to dual list on the ASX, it considers it prudent to provide for this flexibility in the New Constitution now, to enable the Company to pursue such a dual listing in the future should it so wish.

Availability

A full copy of the New Constitution can be viewed at the registered office of the Company at BDO Wellington Limited, Level 1, 50 Customhouse Quay, Wellington 6011 and is available online on the Company's website at www.bethunesinvestments.com.

A copy can also be obtained upon request from the Company by emailing Link Market Services on enquiries@linkmarketservices.co.nz.

EFFECT OF RESOLUTIONS

Effect of Resolutions Passing

The Resolutions are all interdependent and so all must be passed by shareholders in order for the Transactions to proceed. If the Resolutions are all passed:

- The New Constitution will be adopted for the Company and will come into force on the passing of Resolution 5.
- Prior to Completion, the Company will undertake the Share Consolidation and the New BIL In-Specie Distribution.
- The Current Business will continue under New BIL, which shareholders will continue to own in the same proportions that they currently own the Company.
- On Completion:
 - The Company will draw down under the New Facilities and complete the Acquisition and the Private Placement. The essential nature of the Company's business will change from an investment business to a transport and logistics business. The Company's shareholders will continue to have an interest¹² in the Company and its new business plans.
 - The name of the Company will change to TIL Logistics Group Limited (NZX: TLL).

¹² Refer to Dilution Effect table on page 24 of this Notice of Meeting.

- It is intended that KPMG will resign as the Company's auditor and PWC will be appointed as auditor to fill the vacancy.
- New BIL will receive \$200,000 from the Company as a contribution to its costs to fund its application to list on the NZX Main Board.
- Until its application to list on the NZX Main Board is accepted (which cannot be assured), New BIL will not be subject to the NZX Listing Rules and the investor protections they afford (for example, continuous disclosure, related party transactions restrictions and corporate governance requirements) and the ability of shareholders to trade their New BIL shares will be impacted.

This Notice of Meeting should be read in conjunction with:

- the Profile, which discloses particulars of the assets and business plan of the Company if the Resolutions are passed; and
- the Independent Report, which assesses the fairness of the Transactions.

Effect of Resolutions Not Passing

The Resolutions are all interdependent and so all must be passed by shareholders in order for the Transactions to proceed. If any of the Resolutions are not passed:

- TIL and the Kern Entities will not invest in the Company and the Current Business will remain the operational business of the Company.
- The Company will be liable to repay to TIL the amounts paid by TIL to the Company on account of the Company's costs in connection with the Transactions within 18 months. The quantum of the costs of the transaction is estimated to be approximately \$200,000, representing almost half of the Company's net assets. If the Company has not repaid that amount within 12 months, TIL can require that the Company repays the amount by issuing to TIL new Shares, at an issue price per Share that is 15% below the 30-day weighted average price on the due date for payment.
- The current constitution will remain in force and the New Constitution will not be adopted.
- The New BIL In-Specie Distribution will not go ahead and New BIL will continue to be a wholly owned subsidiary of BIL.
- The Company will continue to consider capital raising initiatives and research new investment opportunities.
- The Company will be unlikely to seek to conduct a transaction of the type contained in this Notice of Meeting again.

The Independent Report also sets out the implications if the Resolutions are not passed at Sections 9.1 and 9.2.4 of that report.

Dilution Effect

Resolution 2 will have the following dilutionary effect on shareholders if passed¹³:

¹³ This table assumes that: (a) 452,652 Shares will be on issue following the Share Consolidation (i.e. no allowance is made for rounding up of individual holdings); (b) no Shares are acquired by the Company under the Minority Buy-out Rights; and (c) 7,673,339 Shares are issued under the Private Placement.

Shares on issue following the Share Consolidation	452,652
Shares to be issued under the Transactions	up to 81,006,673
Total shares on issue after the Transactions	up to 81,459,325
Example shareholder: pre-Transactions percentage holding	10%
Example shareholder: post-Transactions percentage holding	0.056%

The Transactions will result in each shareholders' shareholding in the Company being materially diluted.

The number of Shares the holder has in the Company following the Share Consolidation will remain unchanged by the Transactions, but the percentage of the Company that the shareholder holds will be reduced in the Company because of the dilutionary effect.

The Company's Share price may also be volatile as the Company's new business operations are assessed and priced by the market.

However, under the New BIL In-Specie Distribution, the Company's shareholders will receive a shareholding in New BIL which mirrors their current proportionate shareholding in the Company.

REQUIREMENT FOR RESOLUTIONS

Shareholder approval for Resolution 1 is required under section 129 of the Companies Act and Listing Rule 9.1.1.

Shareholder approval for Resolution 2 is required under Listing Rule 7.3.1(a) and Rule 7(d) of the Takeovers Code.

Shareholder approval for Resolutions 3 and 4 is required under Listing Rule 3.5.1.

Shareholder approval for Resolution 5 is required under Rule 7(c) of the Takeovers Code.

Shareholder approval for Resolution 6 is required under section 32 of the Companies Act.

How the Transactions trigger these requirements and the relevant disclosures against each of these requirements are set out below.

Resolution 1 – Major Transaction

Companies Act and Listing Rules

Shareholder approval for Resolution 1 is required under:

- section 129 of the Companies Act, because the Transactions constitute a 'major transaction'; and
- Listing Rule 9.1.1, because the Transactions constitute a 'transaction' under that Listing Rule.

Section 129 of the Companies Act – Major Transaction

Section 129 of the Companies Act provides that a company must not enter into a 'major transaction' unless the transaction is approved by special resolution.

A 'major transaction' includes the acquisition or disposal of assets which are more than half the value of the Company's assets before the acquisition/disposition, or a transaction that has the effect of the Company

acquiring rights or interests or incurring obligations or liabilities which are more than half the value of the Company's assets before the transaction.

The Transactions constitute a 'major transaction' through the following actions:

- the Company acquiring the transport and logistics business and assets of TIL and the Global Shares, which together have a value of \$200 million, subject to net debt and working capital adjustments;
- the Company entering into the New Facilities with ASB Bank for the purposes of the Acquisition and ongoing working capital requirements, and entering into a cross-guarantee in respect of such facilities; and
- the Company entering into obligations to issue up to 81,006,673 Shares under the Acquisition and the Private Placement at a price of \$1.50 per Share, at a total value of up to \$121.51 million.

The entry into the New Facilities involves the Company incurring an obligation or liability that is more than half the value of the Company's assets before the Transactions.

In respect of those shareholders who vote against Resolution 1, section 110 of the Companies Act gives those shareholders certain rights to require the Company to purchase their shares in the Company, if Resolution 1 is approved. Appendix One to this Notice of Meeting sets out the applicable procedure for this. Shareholders wishing to exercise these rights should also consider their Voluntary Acquisition Rights (described further on page 17 of this Notice of Meeting and in Section 9.6 of the Independent Report).

Listing Rule 9.1.1 – Disposal or Acquisition of Assets

Listing Rule 9.1.1 provides that, except with the prior approval of a special resolution¹⁴, the Company may not enter into any transaction or series of linked or related transactions to acquire, sell, exchange, or otherwise dispose of assets of the Company:

- (a) which would change the essential nature of the business of the Company; or
- (b) in respect of which the gross value is in excess of 50% of the average market capitalisation of the Company.

The Transactions constitute a transaction under Listing Rule 9.1.1(a). In particular, the Transactions would change the essential nature of the business of the Company from that of an investment company, to a new focus on the transport and logistics sector as is more fully described in the Profile. Accordingly, if the Resolutions are passed, the essential nature of the Company's business will change.

The Transactions also constitute a transaction under Listing Rule 9.1.1(b). In particular, the Transactions would involve the Company acquiring and disposing of assets having a gross value that exceeds 50% of the average market capitalisation of the Company in that the Company's average market capitalisation at the date that the Company entered into the Transactions was \$955,000.32 and the Company will acquire the transport and logistics business and assets of TIL and the Global Shares, which together have a value of \$200 million, subject to net debt and working capital adjustments.

Resolution 2 – Approval of Share Issues

Listing Rules

Listing Rule 7.3.1(a) – Issue of New Equity Securities

Shareholder approval for the share issues in Resolution 2 is required under Listing Rule 7.3.1(a).

¹⁴ A special resolution is required to be passed under Listing Rule 9.1.1 because the Transactions must be approved by a special resolution under section 129 of the Companies Act.

Listing Rule 7.3.1(a) provides that shareholders must approve the precise terms and conditions of a share issue and that the share issue must be completed within 12 months of the date that the shareholders pass Resolution 2.

The table below sets out the specific disclosures required by Listing Rule 6.2.1 for the share issues being authorised in Resolution 2:

Share Issues	
Maximum number of Shares to be Issued:	81,006,673 fully paid Shares.
Purpose of Issue:	To part fund the purchase price for the Acquisition.
Issue Price:	\$1.50 per Share.
Parties to whom Shares will be Issued:	TIL – 66,869,664 Shares. The Kern Entities – 6,463,670 Shares. Gregory Whitham – 1,333,334 Shares. Terris Family Trust – 1,000,000 Shares. James Ramsay Trust – 666,667 Shares. Nerida Joy Ramsay Trust – 666,667 Shares. Kevin Smith – 666,667 Shares. Stewart Family Trust – 666,667 Shares. Selenium Corporation Limited – 666,667 Shares. Danny Chan – 666,667 Shares. Kern Group Pty Ltd – 333,334 Shares. Brendan Prendergast and Joanne Prendergast – 333,334 Shares. John McMahon – 166,667 Shares. Brown Family Trust – 133,334 Shares. Michael Pohio – 133,334 Shares. Hayes Knight Limited – 100,000 Shares. Colin McAuley and Diane McAuley – 100,000 Shares. Andrew Harnos – 66,667 Shares. Graeme Taylor – 66,667 Shares. Dalzell Family Trust – 40,000 Shares.
Time Period for the Issue:	The issue of Shares will occur at Completion or within 5 business days of Completion.
Ranking of New Shares:	The new Shares will rank equally in all respects with all other Shares on issue.

Takeovers Code

The Company is a "Code Company" under the Takeovers Code. The Takeovers Code restricts persons and their associates acquiring voting rights (or the control of voting rights) above a 20% threshold in the Company. The Takeovers Code permits the Company's non-associated shareholders to approve an acquisition of voting rights above the threshold by ordinary resolution. Resolution 2 seeks such approval.

Each of TIL, the Hooker Bros. Entities, James Ramsay Trust, Nerida Joy Ramsay Trust, Gregory Whitham, Terris Family Trust, Kevin Smith and Stewart Family Trust have elected to treat themselves as associates of each other for the purposes of the Code. Each of the Kern Persons have elected to treat themselves as acting jointly and in concert with TIL and those other parties in respect of the Transactions, and are therefore associates of those parties for the purposes of the Code (and vice versa).

Greg Kern will be the controller of Shares to be allotted to Kern Group (Logistics) Pty Ltd and Kern Group.

The table below sets out the specific disclosures required by Rule 16 of the Takeovers Code for the share allotments being authorised by Resolution 2.

The date used to determine the particulars set out in the table below is the Calculation Date. The assumptions on which the particulars in the table below are calculated are as follows:

- (a) there is no change in the total number of Shares on issue from the date of this Notice of Meeting until the Calculation Date (other than in accordance with the Share Consolidation);
- (b) the number of Shares on issue following the Share Consolidation on the Calculation Date is 452,652 Shares;
- (c) 66,869,664 Shares are allotted to TIL under the Acquisition Agreement;
- (d) 6,140,486 Shares are allotted to Kern Group (Logistics) Pty Ltd under the Acquisition Agreement;
- (e) 323,184 Shares are allotted to the CGJ Daly Investment Trust under the Acquisition Agreement;
- (f) each of the TIL Principals and Kern Group Pty Ltd are allotted the number of Shares shown against their name in the table on page 16 under the Private Placement;
- (g) no less than 5,766,667 Shares are allotted under the Private Placement (being the minimum number of Shares required to be allotted under the Private Placement for the Transactions to proceed); and
- (h) there is no change in the total number of Shares on issue between the Calculation Date and the end of the allotment of Shares under the Acquisition and the Private Placement.

	Rule 16, Takeovers Code	Compliance Information ¹⁵
(a)	the identity of the allottee and, if different from the allottee, the identity of any person who will become a controller of an increased percentage of voting securities in the code company as a result of the allotment or allotments.	<u>Allottees</u> (a) TIL (b) James Ramsay Trust (c) Nerida Joy Ramsay Trust (d) Gregory Whitham (e) Terris Family Trust (f) Kevin Smith (g) Stewart Family Trust (h) Kern Group (Logistics) Pty Ltd (i) CGJ Daly Investment Trust (j) Kern Group Pty Ltd <u>Controller</u> (k) Greg Kern, as controller of Shares to be allotted to Kern Group (Logistics) Pty Ltd and Kern Group Pty Ltd
	particulars of the voting securities to be allotted, including: (i) the maximum number that could be allotted; and	(a) TIL – 66,869,664 Shares (b) James Ramsay Trust – 666,667 Shares (c) Nerida Joy Ramsay Trust – 666,667 Shares (d) Gregory Whitham – 1,333,334 Shares (e) Terris Family Trust – 1,000,000 Shares (f) Kevin Smith – 666,667 Shares (g) Stewart Family Trust – 666,667 Shares (h) Kern Group (Logistics) Pty Ltd – 6,140,486 Shares (i) CGJ Daly Investment Trust – 323,184 Shares (j) Kern Group Pty Ltd – 333,334 Shares

¹⁵ All percentages rounded to two decimal places.

	Rule 16, Takeovers Code	Compliance Information ¹⁵
(b)	(ii) the percentage of the aggregate of all existing voting securities and all voting securities that could be allotted that that number represents; and	(a) TIL – 84.06% (b) James Ramsay Trust – 0.84% (c) Nerida Joy Ramsay Trust – 0.84% (d) Gregory Whitham – 1.68% (e) Terris Family Trust – 1.26% (f) Kevin Smith – 0.84% (g) Stewart Family Trust – 0.84% (h) Kern Group (Logistics) Pty Ltd – 7.72% (i) CGL Daly Investment Trust – 0.41% (j) Kern Group Pty Ltd – 0.42%
	(iii) the maximum percentage of all voting securities that could be held or controlled by the allottee after completion of the allotment; and	(a) TIL – 84.06% (b) James Ramsay Trust – 0.84% (c) Nerida Joy Ramsay Trust – 0.84% (d) Gregory Whitham – 1.68% (e) Terris Family Trust – 1.26% (f) Kevin Smith – 0.84% (g) Stewart Family Trust – 0.84% (h) Kern Group (Logistics) Pty Ltd – 7.72% (i) CGL Daly Investment Trust – 0.41% (j) Kern Group Pty Ltd – 0.42%
	(iv) the maximum aggregate of the percentages of all voting securities that could be held or controlled by the allottee and the allottee’s associates (not including the allottee’s associates who are also relying on rule 7(d) in relation to the allotment (the “ relying associates ”) after completion of the allotment; and	(a) TIL – 84.06% (b) James Ramsay Trust – 0.84% (c) Nerida Joy Ramsay Trust – 0.84% (d) Gregory Whitham – 1.68% (e) Terris Family Trust – 1.26% (f) Kevin Smith – 0.84% (g) Stewart Family Trust – 0.84% (h) Kern Group (Logistics) Pty Ltd – 7.72% (i) CGL Daly Investment Trust – 0.41% (j) Kern Group Pty Ltd – 0.42%
	(v) if there are relying associates, the maximum aggregate of the percentages of all voting securities that could be held or controlled by the allottee and the allottee’s associates after completion of the allotment.	(a) TIL – 98.89% (b) James Ramsay Trust – 98.89% (c) Nerida Joy Ramsay Trust – 98.89% (d) Gregory Whitham – 98.89% (e) Alan Terris – 98.89% (f) Kevin Smith – 98.89% (g) Larry Stewart – 98.89% (h) Kern Group (Logistics) Pty Ltd – 98.89% (i) CGL Daly Investment Trust – 98.89% (j) Kern Group Pty Ltd – 98.89%
(c)	not applicable	
(d)	the issue price for the voting securities to be allotted and when it is payable.	\$1.50 per Share, payable (or applied) at Completion.
(e)	the reasons for the allotment.	To part fund the purchase price for the Acquisition.
(f)	a statement to the effect that the allotment, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.	The allotment of the shares, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.

	Rule 16, Takeovers Code	Compliance Information ¹⁵
(g)	a statement by the allottee setting out particulars of any agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between the allottee and any other person (other than between the allottee and the code company in respect of the matters referred to in paragraphs (a) to (e)) relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the code company.	<p>TIL has entered into an agreement with the Kern Entities as to how the Share allotment under the Acquisition Agreement is to be allocated between them. Under that agreement, it has been agreed that on allotment on Completion TIL receives 66,869,664 Shares, Kern (Logistics) Group Pty Ltd receives 6,140,486 Shares and CGJ Daly Investment Trust receives 323,184 Shares.</p> <p>Following completion of the Acquisition and the Private Placement, TIL will transfer an aggregate of approximately 620,000 of the Shares to be allotted to TIL under the Acquisition Agreement to:</p> <ul style="list-style-type: none"> • Trevor Janes, Lorraine Witten and Danny Chan (in consideration for services provided by them to TIL in the period leading up to the Acquisition); and • approximately 600 employees and owner drivers of the TIL Group (by way of an ex-gratia bonus, to mark the coming to market of TIL's business on the NZX Main Board). <p>Kern Group (Logistics) Pty Ltd and Kern Group Pty Ltd are controlled by Greg Kern, who is a director and (directly or indirectly) the sole shareholder of each of those companies. As such, Greg Kern will be the controller of the Shares allotted to those companies under the Acquisition and the Private Placement respectively.</p> <p>Other than the above, there is no other agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between the allottee and any other person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the Company.</p>
(h)	the report from an independent adviser that complies with rule 18.	The Independent Report from Grant Samuel & Associates Limited accompanies this Notice of Meeting.
(i)	the statement by the directors of the Code company referred to in rule 19.	The directors of the Company recommend approval of Resolution 2 for the reasons set out in the "Directors' Recommendation" at the end of this Notice of Meeting.

Resolutions 3 and 4 – Approval of Director Fees

Listing Rules

Resolutions 3 and 4 seek to approve the Initial Increase and the Subsequent Increase of the Director fee pool. Listing Rule 3.5.1 provides that no remuneration shall be paid to Directors if it has not been approved by ordinary resolution.

The remuneration can be expressed either as a monetary sum per annum payable to all Directors of the Company, or a monetary sum per annum payable to any person who from time to time holds office as a Director of the Company.

The Initial Increase will be payable to the current Directors of the Company, on Completion.

The Subsequent Increase will be payable to the new Directors of the Company who will be appointed at Completion.

Resolution 5 – Transfer of Shares

Takeovers Code

The table below sets out the specific disclosures required by Rule 15 of the Takeovers Code (as amended by the Takeovers Code (Bethunes Investments Limited) Exemption Notice 2017) for the share transfers being authorised by Resolution 5.

The date used to determine the particulars set out in the table below is the Calculation Date. The assumptions on which the particulars in the table below are calculated are as follows:

- (a) the number of Shares on issue is the number of Shares on issue as at the date of this Notice of Meeting as adjusted under the Share Consolidation, being 452,652 Shares;
- (b) 66,869,664 Shares are allotted to TIL under the Acquisition Agreement;
- (c) 6,463,670 Shares are allotted to the Kern Entities under the Acquisition Agreement;
- (d) no less than 5,766,667 Shares are allotted under the Private Placement (being the minimum number of Shares required to be allotted under the Private Placement for the Transactions to proceed), of which no more than 1,333,334 Shares are allotted to the Ramsay Parties;
- (e) no Minority Buy-out Rights are exercised;
- (f) all eligible shareholders in Bethunes with Voluntary Acquisition Rights, being shareholders who after the Share Consolidation will hold 452,652 Shares, exercise those rights;
- (g) neither the Ramsay Parties nor TIL dispose of any Shares prior to the TIL In-Specie Distribution;
- (h) TIL disposes of all of its Shares under the TIL In-Specie Distribution; and
- (i) there is no change in the total number of Shares on issue from the date of this Notice of Meeting until the TIL In-Specie Distribution (other than in accordance with the Share Consolidation and the allotment of Shares under the Acquisition Agreement and the Private Placement).

	Rule 15, Takeovers Code	Compliance Information¹⁶
(a)	the identity of the following: (i) the person acquiring the voting securities; and	(a) Hooker Bros. Investments Limited (b) Hooker Bros. (1989) Limited (c) James Ramsay Trust (d) Nerida Joy Ramsay Trust

¹⁶ All percentages rounded to two decimal places.

	Rule 15, Takeovers Code	Compliance Information ¹⁶
	(ii) (if different from the person described in paragraph (i)), any person who will become a controller of an increased percentage of voting securities in the code company as a result of the acquisition.	N/A
	(iii) the person disposing of the voting securities	TIL
(b)	particulars of the voting securities to be acquired, including: (i) the maximum number that could be acquired;	(a) Hooker Bros. Investments Limited – 30,813,814 Shares (b) Hooker Bros. (1989) Limited – 26,852,652 Shares (c) James Ramsay Trust – 1,125,549 Shares (d) Nerida Joy Ramsay Trust – 1,125,549 Shares
	(ii) the percentage of all voting securities that that number represents; and	(a) Hooker Bros. Investments Limited – 38.73% (b) Hooker Bros. (1989) Limited – 33.75% (c) James Ramsay Trust – 1.41% (d) Nerida Joy Ramsay Trust – 1.41%
	(iii) the maximum percentage of all voting securities that could be held or controlled by the person acquiring the voting securities after completion of the acquisition; and	(a) Hooker Bros. Investments Limited – 38.73% (b) Hooker Bros. (1989) Limited – 33.75% (c) James Ramsay Trust – 2.25% (d) Nerida Joy Ramsay Trust – 2.25%
	(iv) the maximum percentage of all voting securities that could be held or controlled by the person acquiring the voting securities and by that person's associates after completion of the acquisition; and	(a) Hooker Bros. Investments Limited – 90.15% (b) Hooker Bros. (1989) Limited – 90.15% (c) James Ramsay Trust – 90.15% (d) Nerida Joy Ramsay Trust – 90.15%
(c)	not applicable	
(d)	the consideration for the acquisition or the manner in which the consideration will be determined and when the consideration is payable; and	No consideration
(e)	the reasons for the transaction; and	In-specie distribution of Shares by TIL to its shareholders
(f)	a statement to the effect that the acquisition, if approved, will be permitted under rule 7(c) of the Takeovers Code as an exception to rule 6 of the Takeovers Code; and	The acquisition of Shares under the TIL In-Specie Distribution, if approved, will be permitted under rule 7(c) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.
(g)	a statement by the person acquiring the voting securities setting out particulars of any agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between the person and any other person (other than between that person and the person disposing of the voting securities in respect of the matters referred to in paragraphs (a) to (e)) relating to the acquisition, holding, or control of the voting securities to be acquired, or to the exercise of voting rights in the code company; and	There is no other agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between the person and any other person relating to the acquisition, holding, or control of the voting securities to be acquired, or to the exercise of voting rights in the Company.

	Rule 15, Takeovers Code	Compliance Information¹⁶
(h)	the report from an independent adviser that complies with rule 18; and	The Independent Report from Grant Samuel & Associates Limited accompanies this Notice of Meeting.
(i)	the statement by the directors of the Code company referred to in rule 19.	The directors of the Company recommend approval of Resolution 5 for the reasons set out in the “ <i>Directors’ Recommendation</i> ” at the end of this Notice of Meeting.

Rule 15(b) of the Takeovers Code requires that this Notice of Meeting specify the exact numbers (and percentages) of Shares to be acquired by each Hooker/Ramsay Person under the TIL In-Specie Distribution. That is not possible in this case, as the exact number (and percentage) of Shares to be acquired by each Hooker/Ramsay Person depends on: (a) the number of Shares bought back by the Company under the Minority Buy-out Rights; (b) the number of Shares acquired by TIL under the Voluntary Acquisition Rights; and (c) the number of Shares that are transferred under the TIL In-Specie Distribution (which will depend on whether TIL has transferred any Shares prior to that distribution or whether TIL elects to retain some of those Shares). Accordingly, the Company has sought from the Takeovers Panel, and been granted, an exemption from the application of Rule 15(b) and the Ramsay/Hooker Persons have sought from the Takeovers Panel, and been granted, an exemption from the application of Rule 7(c) of the Code to the extent that this Notice of Meeting does not comply with Rule 15 of the Takeovers Code (*Takeovers Code (Bethunes Investments Limited) Exemption Notice 2017*) (**Exemption Notice**).

Please note that, by exempting the Ramsay/Hooker Persons from Rule 7(c) of the Takeovers Code and the Company from Rule 15(b) of the Code, the Takeovers Panel is:

- (a) neither endorsing nor supporting the accuracy or reliability of the contents of this Notice of Meeting; and
- (b) not implying it has a view on the merits of the acquisition of voting securities by the Ramsay/Hooker Persons under the TIL In-Specie Distribution.

A summary of the conditions of the exemptions granted to the Company and the Ramsay/Hooker Persons by the Exemption Notice are set out in Appendix Two.

Resolution 6 – Adoption of New Constitution

Companies Act

The Company proposes to revoke its current constitution, and adopt the New Constitution. In accordance with section 32(2) of the Companies Act, the adoption of the New Constitution must be approved by special resolution of shareholders.

Listing Rules

NZX has approved the New Constitution in accordance with Listing Rule 6.1.1.

DIRECTORS' RECOMMENDATION – RULE 19 OF THE TAKEOVERS CODE

The Directors of the Company unanimously recommend that shareholders vote in favour of Resolutions 2 and 5 for the purposes of the Takeovers Code.

The reasons for this recommendation are:

1. Shareholders of the Company will retain their Shares which will give them an interest in an established and substantial transport and logistics business with strong growth prospects.
2. Shareholders will retain their existing proportionate interests in the current assets and investment strategy of BIL through the New BIL In-Specie Distribution.
3. Shareholders are put to no cost to receive the outcomes under 1. and 2. above.
4. The TIL In-Specie Distribution is expected to result in TIL ceasing to have control over the Company and will result in a diversification of the Company's shareholding base.
5. The TIL In-Specie Distribution is not expected to have any impact on the Company share price or any negative impact on the liquidity of the Company's shares.
6. Grant Samuel & Associates Limited, as independent adviser, has in section 8.4 on page 38 of the Independent Report opined that the terms of the Transactions are fair and reasonable to shareholders and in the best interests of the Company.



Chris Swasbrook, Director



Ian Halsted, Director



Aaron Titter, Director

GLOSSARY

The following terms have the following meanings where used in this Notice of Meeting unless the context otherwise requires:

“Acquisition” means the acquisition of the Acquired Assets and the Global Shares.

“Acquisition Agreement” means the Asset and Share Sale Agreement dated 26 October 2017 between the Company, TIL and the Kern Entities and relating to the Acquisition.

“Acquired Assets” means the transport and logistics business and assets of TIL and the Global Shares.

“ASB Bank” means ASB Bank Limited.

“associate” has the meaning in the Takeovers Code.

“Associated Person” has the meaning in the NZX Listing Rules.

“ASX Listing Rules” means the listing rules of the Australian Securities Exchange.

“average market capitalisation” means, in relation to BIL and the Transactions, the volume weighted average market capitalisation of the Shares calculated from trades on the NZX Main Board over the 20 business days before 26 October 2017, being the day the Acquisition Agreement was entered into and the Transactions were announced to the market.

“BIL” or **“Company”** means Bethunes Investments Limited.

“Board” means the board of directors of BIL.

“Break Fee” means the \$75,000 break fee that is payable by TIL to BIL if the Acquisition Agreement is terminated for any reason other than those reasons set out on page 20 of this Notice of Meeting.

“Brown Family Trust” means Amanda Brown, Murray Brown and Kiran Bhikha as trustees of the Brown Family Trust.

“Calculation Date” means 9:00pm on 5 December 2017 (being after the Share Consolidation has taken place on that date).

“Cash Consideration” means the component of the purchase price for the Acquired Assets to be paid in cash.

“CGJ Daly Investment Trust” means Catrina Gabrielle Jane Daly as trustee of the CGJ Daly Investment Trust.

“Companies Act” means the Companies Act 1993.

“Completion” means completion of the Acquisition.

“Current Business” the current investment business undertaken by the Company as at the date of this Notice.

“Dalzell Family Trust” means Warren David Cook Dalzell and Sally Louise Dalzell as trustees of the Dalzell Family Trust.

“Directors” means the directors of BIL.

“Directors-Designate” mean the persons proposed to be appointed as Directors following Completion, being James Ramsay, Trevor Janes, Lorraine Witten, Danny Chan and Greg Kern.

“Dominant Owner” means (together) TIL, the TIL Principals, the Kern Entities and Kern Group.

“ECML” means Elevation Capital Management Limited.

“Employee/Director-Designate Transfers” has the meaning given on page 18 of this Notice of Meeting.

“Exemption Notice” means the Takeovers Code (Bethunes Investments Limited) Exemption Notice 2017.

“Explanatory Notes” means the explanatory notes that form part of this Notice of Meeting.

“Facility Documents” means each document entered into by BIL in favour of ASB Bank setting out the terms of the New Facilities including:

- (a) a Senior Facility Agreement entered into with ASB Bank and BIL 2017 Limited in relation to facilities in an aggregate principal amount of approximately \$105.8 million;
- (b) a General Security Deed entered into by BIL and BIL 2017 Limited in favour of ASB Bank; and
- (c) such other documents approved by BIL as being necessary, advisable or expedient in connection with, or incidental to, the documents referred to in (a) and (b) above or the New Facilities.

“Global” means TIL Logistics Group Limited (formerly Global Logistics Group Limited).

“Global Shares” means all of the shares in Global.

“Grant Samuel” means Grant Samuel & Associates Limited, the author of the Independent Report.

“Group” means BIL and its subsidiaries from time to time.

“Hooker Bros. Entities” means Hooker Bros. Investments Limited and Hooker Bros. (1989) Limited.

“Hooker/Ramsay Persons” means the Hooker Bros. Entities, James Ramsay Trust and Nerida Roy Ramsay Trust.

“Independent Report” means the independent adviser’s and independent appraisal report prepared by Grant Samuel & Associates Limited, a copy of which accompanies this Notice of Meeting.

“Initial Increase” means the proposed increase in Director fees from \$60,000 to \$135,000 for the 12 months ending on the last day of the month in which Completion occurs, approval for which is sought in Resolution 3.

“James Ramsay Trust” means James Ramsay, Nerida Joy Ramsay and RMY Trustees (2010) Limited as trustees of the James Ramsay Family Trust.

“Kern Entities” means Kern Group (Logistics) Pty Ltd and the CGJ Daly Investment Trust.

“Kern Group” means Kern Group Pty Ltd.

“Kern Persons” means Greg Kern, Kern Group and the Kern Entities.

“Meeting” means the special meeting of shareholders of the Company to be held on 5 December 2017 at the offices of Link Market Services Limited, Level 11 Deloitte Centre, 80 Queen Street, Auckland, starting at 9:00am.

“Minority Buy-out Rights” means a shareholder’s right to require the Company to purchase that shareholder’s Shares in accordance with section 110 of the Companies Act, as discussed in Appendix One.

“New BIL” means BIL 2016 Limited.

“New BIL Arrangements” has the meaning given on page 10 of this Notice of Meeting.

“New BIL In-Specie Distribution” means the in-specie distribution by the Company to its shareholders of all of the shares in New BIL, which, subject to the Resolutions being approved, is expected to take place at 5:00pm on 5 December 2017.

“New Constitution” means the proposed new constitution of the Company, approval for which is sought in Resolution 6.

“New Facilities” means the new banking facilities entered into by the Company to part fund the Acquisition and for ongoing working capital purposes, as further described on pages 14 and 15 of the Explanatory Notes.

“Nerida Joy Ramsay Trust” means James Ramsay, Nerida Joy Ramsay and RMY Trustees (2010) Limited as trustees of the Nerida Joy Ramsay Family Trust.

“Notice of Meeting” or **“Notice”** means this notice of special meeting, including the Explanatory Notes.

“NZX” means NZX Limited.

“NZX Listing Rules” means the listing rules of the NZX Main Board and **“Listing Rule”** means a rule contained in the NZX Listing Rules.

“NZX Main Board” the main board equity securities market operated by NZX.

“Private Placement” means the issue of up to 7,673,339 fully paid ordinary shares in the Company to wholesale investors (being the Private Placement Participants) at a price of \$1.50 per share, as further described on pages 15 and 16 of the Explanatory Notes.

“Private Placement Participants” has the meaning given on page 15 of this Notice of Meeting.

“Profile” means the NZX profile prepared by the Company in relation to the Acquired Assets and the associated business plan to be pursued by the Company following the Transactions, a copy of which accompanies this Notice of Meeting.

“Proxy Form” means a proxy form in relation to this Notice of Meeting, a personalised copy of which accompanies this Notice of Meeting.

“Resolutions” means the resolutions set out in the Notice of Meeting.

“shareholder” means a shareholder of BIL.

“Share Consideration” means the 73,333,334 of Shares to be issued to TIL and the Kern Entities as part payment of the purchase price for the Acquired Assets.

“Share Consolidation” means a consolidation of BIL’s share capital (made up of 115,060,279 Shares at the date of this Notice) using a consolidation factor equal to 115,060,279 divided by 254.1915 (subject to rounding of individual shareholdings up to a whole number of Shares), which, subject to the Resolutions being approved, is expected to take place at 6:00pm on 5 December 2017.

“Shares” means ordinary shares in BIL.

“Stewart Family Trust” means Larry William Stewart, Kaylene Joy Stewart and SR Taranaki Trustees Ltd as trustees of the LW & KJ Stewart Family Trust.

“Subsequent Increase” means the proposed increase in Director fees from \$135,000 to \$750,000 in each financial year, with effect from the first day of the month following the month in which Completion occurs, approval for which is sought in Resolution 4.

“Takeovers Code” means the Takeovers Code Approval Order 2000 (SR 2000/210).

“Terris Family Trust” means Alan Terris, Moya Terris, Terris Trustee Limited as trustees of the A&M Terris Family Trust.

“TIL” means Transport Investments Limited.

“TIL Group” means TIL and those of its subsidiaries that are being acquired as part of the Acquired Assets.

“TIL In-Specie Distribution” means the in-specie distribution by TIL to its shareholders of some or all of the Shares acquired by TIL under the Acquisition Agreement and the Voluntary Acquisition Rights, proposed to take within 12 months following Completion.

“TIL Principals” means James Ramsay, Gregory Whitham, Alan Terris, Kevin Smith, Larry Stewart and their respective family trusts, which include:

- (a) in the case of James Ramsay, the James Ramsay Trust and the Nerida Joy Ramsay Trust;
- (b) in the case of Alan Terris, the Terris Family Trust; and
- (c) in the case of Larry Stewart, the Stewart Family Trust.

“Transactions” means the Acquisition, the New Facilities and the Private Placement.

“Voluntary Acquisition Rights” means a shareholder’s right to require the Dominant Owner to purchase that shareholder’s Shares in accordance with the Takeovers Code, as discussed on page 17.

Appendix One: Minority Buy-out Rights

If the shareholders of the Company pass the special resolution set out in Resolution 1, a shareholder that has cast all the votes attached to the Shares registered in their name (and having the same beneficial owner) against that special resolution is entitled to require the Company to purchase those Shares in accordance with section 110 of the Companies Act. Shareholders should note that if they exercise their Minority Buy-out Rights they will not, in accordance with the Companies Act, receive any value attributable to the Transactions.

To exercise that right, that shareholder must give notice requiring the Company to repurchase those Shares within 10 working days of the passing of the special resolution. The Board must, within 20 working days of receiving such notice:

- a) agree to purchase the Shares; or
- b) arrange for some other person to agree to purchase the Shares; or
- c) apply to the Court for an order exempting it from purchasing the Shares under section 114 or section 115 of the Companies Act; or
- d) arrange, before the resolution becomes effective, for the resolution to be rescinded by special resolution in accordance with section 106 of the Companies Act or decide in the appropriate manner not to take the action concerned (as the case may be); and
- e) give written notice of the Board's decision to the relevant shareholder.

Where the Board agrees to the purchase of the Shares by the Company, it must within 5 working days of giving notice under (e) above, give written notice of the price to the shareholder that it offers for those Shares. The price must be a fair and reasonable price (as at the close of business on the day before the date that the resolution was passed) and calculated as follows:

- a) first, the fair and reasonable value of the total Shares in each class to which the Shares belong must be calculated (the **Class Value**);
- b) secondly, each Class Value must be adjusted to exclude any fluctuation (whether positive or negative) in the Class Value that has occurred (whether before or after the resolution was passed) that was due to, or in expectation of, the event proposed or authorised by the resolution;
- c) thirdly, a portion of each adjusted Class Value must be allocated to the shareholder in proportion to the number of Shares they hold in the relevant class.

However, a different methodology from that set out above may be used to calculate the fair and reasonable price for the Shares if using the methodology set out above would be clearly unfair to the shareholder or the Company. The written notice to the shareholder must state how (a) to (c) above was calculated or why using this methodology was clearly unfair to the Company or the shareholder.

A shareholder may object to the price offered for the Shares by giving notice of their objection to the Company within 10 working days of receiving notice of the price offered. If the shareholder does not object or accepts the offer, the Company must purchase the Shares at the nominated price no later than 10 working days after the date that the offer is accepted or the date that is 10 working days after the date that notice of the price offered was given to the shareholder. These time periods may be adjusted by agreement between the Company and the shareholder.

If an objection to the price has been received by the Company, the following issues must be submitted to arbitration:

- a) the fair and reasonable price for the Shares, on the basis set out in section 112(2) and (3) of the Companies Act; and

- b) the remedies available to the shareholder or the Company in respect of any price for the Shares that differs from that determined by the Board of the Company under section 112 of the Companies Act.

The Company must, within 5 working days of receiving the objection, pay to the shareholder a provisional price in respect of each Share equal to the price offered by the Board. If the price determined for the Shares by the arbitrator:

- a) exceeds the provisional price paid, the arbitrator must order the Company to pay the balance owing to the shareholder; or
- b) is less than the provisional price paid, the arbitrator must order the shareholder to pay the excess to the Company.

Except in exceptional circumstances, the arbitrator must award interest on any balance owing or excess to be paid. If a balance is owing to the shareholder, the arbitrator may award to the shareholder, in addition to or instead of an award of interest, damages for loss attributable to the shortfall in the initial payment. Any sum that must be paid in accordance with the arbitrator's decision must be paid no later than 10 days after the date of the arbitrator's determination, unless the arbitrator specifically orders otherwise.

Where the Company agrees to arrange a third party to purchase the Shares, the provisions set out above apply (subject to such modifications as may be necessary) to that purchase of the Shares. Every shareholder whose Shares are purchased through a third party pursuant to such an arrangement is indemnified by the Company in respect of loss suffered by reason of the failure by the third party who has agreed to purchase the Shares to purchase them at the price nominated or fixed by arbitration, as the case may be.

Appendix Two: Conditions of Exemption Notice

The conditions of the Exemption Notice are that:

- a) this Notice of Meeting contains:
 - i) the maximum number of voting securities that could be acquired by each the Ramsay/Hooker Persons under the TIL In-Specie Distribution;
 - ii) the maximum number of voting securities that could be acquired by each of the Ramsay/Hooker Persons under the TIL In-Specie Distribution expressed as a percentage of the total voting securities on issue after completion of the Transactions and the acquisition of voting securities by the Ramsay/Hooker Persons under the TIL In-Specie Distribution;
 - iii) the maximum percentage of the total voting securities on issue that could be held or controlled by each of the Ramsay/Hooker Persons after completion of the Transactions and the acquisition of voting securities by the Ramsay/Hooker Persons under the TIL In-Specie Distribution;
 - iv) the maximum percentage of the total voting securities on issue that could be held or controlled, in aggregate, by each of the Ramsay/Hooker Persons and their associates after completion of the Transactions and the acquisition of voting securities by the Ramsay/Hooker Persons under the TIL In-Specie Distribution;
 - v) a statement that the date used to determine the information referred to in this paragraph (a) is the date of this Notice of Meeting;
 - vi) a statement of the assumptions on which the particulars above are calculated, which must include the assumptions referred to in clause 8 of the Exemption Notice;
 - vii) a summary of the terms and conditions of the exemptions granted to the Company and the Ramsay/Hooker Persons by the Exemption Notice; and
 - viii) the disclaimer in clause 7(h) of the Exemption Notice in a prominent position;
- b) that the numbers and percentages referred to in paragraph (a)(i) – (iv) above are calculated on the assumptions set out in clause 8 of the Exemption Notice;
- c) that during the 12 month period in which the Exemption Notice is in force no Ramsay/Hooker Person will increase its voting control, except in accordance with the Transactions, the TIL In-Specie Distribution, an exemption from the Takeovers Code or in accordance with Rule 7(c) or 7(d) of the Takeovers Code; and
- d) that during the 12 month period in which the Exemption Notice is in force, there will be no change of control of any of the Ramsay/Hooker Persons that results in another person becoming the holder or controller of an increased percentage of voting rights in the Company, except in accordance with the Transactions, the TIL In-Specie Distribution, an exemption from the Takeovers Code or Rule 7(c) or Rule 7(d) of the Takeovers Code.