

25 October 2019

Listed Company Relations
New Zealand Exchange Limited
PO Box 2959
Wellington

Dear Sir/Madam

RE: INFORMATION CONCERNING JBS AS MAJOR SHAREHOLDER

The Overseas Investment Office (OIO) has reached settlement after investigating JBS Australia.

Please find attached the media release from the Overseas Investment Office in relation to the settlement entered into between OIO and JBS as a shareholder in Scott Technology Limited.

Although the settlement does not directly involve Scott Technology it is important that all shareholders have the information as publicly released by the OIO.

Yours faithfully



Chris C Hopkins
Managing Director
021 815 975

About Scott

At Scott we automate the future. The production line machinery we design and build deliver productivity gains and exceptional reliability to many of the world's leading manufacturers. We also go a step beyond engineering production solutions to actually revolutionising entire industries – using robotics to automate manual processes and create genuine competitive advantage.

For over 100 years Scott has looked to tomorrow and rapidly responded to shifting needs. Today, we have production bases in the United States, Belgium, Czech Republic, France, Germany, China, Australia and New Zealand, customers in 88 countries, and a real commitment to developing new technology and bringing it to market. Across everything we do you will discover true quality, advanced engineering and a renowned design aesthetic.

Scott. Quality that lasts. Quality that inspires.

Media Statement

25 October 2019

Overseas Investment Office reaches settlement after investigating JBS Australia

The Overseas Investment Office (OIO) has settled an investigation into JBS Australia's links to Brazilian corruption allegations.

JBS Australia obtained OIO consent in 2016 to acquire a majority interest in NZX listed Dunedin company Scott Technology Limited.

OIO Group Manager Vanessa Horne says the conditions of consent required certain people, including Joesley and Wesley Batista, to remain of good character.

"The good character condition is designed to ensure overseas persons investing in sensitive New Zealand assets are unlikely to act inappropriately or bring New Zealand into disrepute," Ms Horne says.

"Joesley and Wesley Batista are major shareholders and used to hold senior executive and governance roles in JBS Australia's Brazilian parent company.

"The OIO began investigating JBS Australia in 2017 after becoming aware the Batistas had admitted to bribing public officials in Brazil.

"The corrupt actions took place offshore and we're satisfied that Scott Technology's New Zealand employees and investors were not put at risk."

Ms Horne says the OIO concluded that Joesley and Wesley Batista are no longer of good character.

However, the OIO also concluded the Batistas are no longer exercising control over JBS Australia or its investment in Scott Technology.

"The OIO required JBS Australia to provide certain assurances regarding its control of Scott Technology, by ensuring at least half of Scott Technology's board of directors (excluding the Managing Director) are independent.

"The OIO may take stricter measures if Joesley or Wesley Batista assume any control over JBS Australia in the future. This could include asking JBS Australia to sell its shares in Scott Technology.

"These arrangements, among others, give us confidence that neither Scott Technology nor its other shareholders will be negatively impacted by the corrupt actions of the Batistas."

“The outcome of our investigation into JBS Australia is in line with our enforcement strategy, which requires the OIO to consider whether it is in the public interest to take enforcement proceedings.

“We’re satisfied JBS Australia is meeting its other consent conditions, including delivering benefits to New Zealand from its investment in Scott Technology. JBS Australia cooperated fully with the OIO’s investigation.”

Ends

Media Contact:

Sam Duff

Ph: 027 311 4752