

## CARBON CONSCIOUS INVESTMENTS LIMITED UPDATE

**Alterra Limited** (ACN 129 035 221) (ASX: 1AG) (**Company**) today provides an update in relation to its shareholding in Carbon Conscious Investments Limited.

Carbon Conscious Investments Limited (**Carbon Conscious**) has announced entry into a merger implementation agreement pursuant to which Sandon Capital Investments Limited (**Sandon**) has made an offer to acquire all of the issued shares in Carbon Conscious, to be implemented as an off-market takeover bid (**Offer**). A copy of the announcement follows.

The Company holds 15% of the issued shares in Carbon Conscious. Sandon holds 26.1% of the issued shares in the Company.

The Company advises that it intends to accept the Offer in the absence of a superior offer. Accordingly, shareholder approval pursuant to Listing Rule 10.1 is required. The Company will seek shareholder approval to accept the Offer at an upcoming shareholder meeting, the date of which is to be advised in due course. Regardless of the outcome of this transaction, the Company will also seek approval to de-list at the shareholder meeting, subject to ASX approval to do so.

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Company Secretary

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This announcement has been authorised by the Board of Directors of Alterra.

- ENDS -



### About Alterra Limited

Alterra is developer of the Carpenters avocado project located between Manjimup and Pemberton in Western Australia's south-west.

The Carpenters Project currently consists of circa 100ha of Hass avocados represented by an initial Stage 1 (5ha) planting in 2020, followed by Stage 2 planting (2021) (7ha) and Stage 3 planting (85ha) (2023).

Alterra is also a 15% shareholder in Carbon Conscious Investments Limited, which manages large scale projects registered with the Clean Energy regulator that generate Australian Carbon Credit Units.

Alterra continues to assess additional horticultural opportunities to add value for shareholders.

Visit [alterra.com.au](http://alterra.com.au) for more information



### **Forward Looking Statements**

This announcement contains forward-looking statements that involve risk and uncertainties. Indications of, and guidelines or outlook on, financial position and returns, performance, targets, timelines, estimates and assumptions in respect of production, prices, operating and other costs, capital expenditures and development timelines are forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

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Sandon Capital Investments Limited  
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12 April 2024

### **SNC ANNOUNCES CASH TAKEOVER OFFER FOR CCIL SHARES**

Sandon Capital Investments Limited (ACN 107 772 467) (ASX:SNC) (**SNC**) and Carbon Conscious Investments Ltd (ACN 629 272 037) (**CCIL**) are pleased to announce they have entered into a Merger Implementation Deed (**MID**) for a recommended conditional off-market takeover offer pursuant to which SNC will offer to acquire all the issued and outstanding ordinary shares of CCIL (each a **CCIL Share**) not owned by SNC and Sandon Capital Activist Fund (another fund managed by Sandon Capital Pty Ltd) for \$0.0667 in cash for every CCIL Share held (**Offers**).

The Offers values CCIL at approximately \$11.6 million.

In addition to the Offers, the MID permits CCIL to pay a fully franked dividend to its shareholders prior to the Offers closing, which CCIL intends to do, for the period to 31 March 2024, before the Offers open for acceptance.

#### **About CCIL**

CCIL is an unlisted public company that holds carbon property rights with respect to 30 farms in the Western Australian wheatbelt covering nearly 17,000 hectares of land. CCIL manages large scale projects registered with the Clean Energy Regulator that generate Australian Carbon Credit Units.

As an unlisted public company, CCIL shareholders are not able to sell their CCIL shares on ASX or any other securities exchange. The Offers presents an opportunity for CCIL shareholders to dispose of their CCIL shares.

#### **The Offer**

The Offers contains a 50.1% minimum acceptance condition. There are a number of other defeating conditions, including there being no prescribed occurrences.

The MID also includes exclusivity arrangements and other customary clauses. A copy of the executed MID is attached to this announcement as Appendix A.

It is expected that SNC's Bidder's Statement containing further information about the Offers will be posted to all CCIL shareholders in the week commencing 22 April 2024. CCIL's Target's Statement will be accompanied by an independent expert's report (**IER**) that considers, among other things, if the Offers are fair and reasonable to non-associated CCIL shareholders.

#### **IBC Recommendation and CCIL Directors' Intentions**

In connection with the Offers, the CCIL Board established an Independent Board Committee (**IBC**) comprising Mr Andrew McBain and Mr Jonathan Trollip to assess SNC's proposal. CCIL Directors Mr Paul Jensen and Mr Greg Harvey recused themselves from the process as they both serve as Directors of Alterra Limited, CCIL's 2<sup>nd</sup> largest shareholder.

The IBC unanimously recommended SNC's proposal to the CCIL Board, and unanimously recommends CCIL shareholders accept the Offers in the absence of a superior proposal and subject to the independent expert concluding that the Offers are reasonable to non-associated CCIL shareholders.

Each CCIL director has indicated that they will accept the Offers in respect of all CCIL Shares they control in the absence of a superior proposal and subject to the independent expert concluding that the Offers are reasonable to non-associated CCIL shareholders.

This announcement has been authorised by the board of directors of SNC and the board of directors of CCIL.

**For further information, contact:**

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# SANDON CAPITAL

## APPENDIX A

## **MERGER IMPLEMENTATION DEED**

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**Sandon Capital Investments Limited**  
(ACN 107 772 467)

**Carbon Conscious Investments Ltd**  
(ACN 629 272 037)



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This **MERGER IMPLEMENTATION AGREEMENT** is made on the day of 12 April 2024

**BETWEEN**

**Sandon Capital Investments Limited (ACN 107 772 467)** of Level 5, 139 Macquarie Street, Sydney NSW 2000 (**SNC**); and

**Carbon Conscious Investments Ltd (ACN 629 272 037)** of Level 3, 1060 Hay Street, West Perth WA 6005 (**CCIL**).

**RECITALS**

- A. SNC proposes to make the Bid and the CCIL Directors propose to recommend that CCIL Shareholders accept the Offer in respect of the CCIL Shares on the basis referred to in Clause 4.1.
- B. CCIL and SNC have agreed certain matters in relation to the Bid, as set out in this Deed.

**1. DEFINITIONS AND INTERPRETATION**

**1.1. Definitions**

In this Deed:

**ACCUAM** means ACCU Asset Management Pty Ltd (ACN 625 187 117), a wholly owned Subsidiary of CCIL.

**Adverse Action** means, in respect of a CPA, the occurrence of any of the following which remains unremedied for a period of 5 Business Days:

- (a) an event of default occurs;
- (b) a party to a CPA is the subject of an Insolvency Event;
- (c) non-payment or late payment of amounts due under a CPA; or
- (d) a material breach of a term of a CPA by a party to the relevant CPA.

**Agreed Bid Terms** means a Bid at the Offer Price subject to the Offer Conditions.

**Agreed Public Announcement** means the public announcement concerning the Bid in the form set out in Schedule 3, to be made by each of SNC and CCIL in accordance with Clause 8.1.

**Alterra** means Alterra Ltd (ACN 129 035 221).

**Announcement Date** has the meaning given to that term in the Timetable.

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

**Associate** has the meaning given in the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market operated by it.

**Bid** means an off-market bid by SNC for all the CCIL Shares under Chapter 6 of the Corporations Act, as constituted by the Offers.

**Bidder's Statement** means the bidder's statement to be prepared by SNC in connection with the Bid in accordance with Chapter 6 of the Corporations Act and all ASIC Regulatory Guides and Takeovers Panel Guidance Notes applicable to takeover bids under Chapter 6 of the Corporations Act.

**BP** means BP Energy Asia Pte Limited, a company incorporated in Singapore under number 200510582K.

**BP Novation Deed** means the Deed of Novation between BP, BP Technology Ventures Limited and BP Singapore Pte Limited and ACCUAM in substantially agreed form and expected to be executed by the parties in due course.

**Business Day** means a weekday on which trading banks are open for business in Sydney and Perth Australia, excluding any Saturday, Sunday or public holiday.

**CCIL Board** means the board of Directors of CCIL.

**CCIL Director** means a director of CCIL.

**CCIL Director Share** means, in relation to a CCIL Director, a CCIL Share which a CCIL Director holds or Controls or in which that CCIL Director has a Relevant Interest.

**CCIL Group** means CCIL and each of its Subsidiaries. A reference to a **member of the CCIL Group** is a reference to CCIL or any such Subsidiary.

**CCIL Share** means a fully paid ordinary share in the capital of CCIL.

**CCIL Shareholder** means a person who is shown in the Register as the holder of one or more CCIL Shares.

**Competing Proposal** means any proposal by a Third Party in relation to a transaction or arrangement under which, if the transaction or arrangement is completed:

- (a) a person would acquire (whether directly or indirectly) or become the holder of, or otherwise have a right to acquire or have an economic interest in, all or a material part of the business conducted by CCIL or the assets of CCIL;
- (b) a person would acquire (whether directly or indirectly) Control of CCIL;
- (c) a person would acquire a Relevant Interest in, or voting power of, 20% or more of the CCIL Shares;
- (d) a person would otherwise acquire, or merge or amalgamate with CCIL; or
- (e) CCIL would be required to abandon or otherwise fail to proceed with the Transaction,

irrespective of how it is structured including by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital restructure, sale or purchase of assets, joint venture or synthetic merger.

**Control** has the meaning given in section 50AA of the Corporations Act.

**Controlled Entity** means an entity under the Control of another entity.

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

**CPAs** means:

- (a) the carbon plantation agreement between ACCUAM and Origin dated 16 July 2009, as amended from time to time (including on or about 16 March 2010, 25 March 2011, 1 December 2011 and 16 April 2015), and novated and amended by the Deed of Novation; and
- (b) the carbon plantation agreement between ACCUAM and BP dated 14 October 2009 (as amended),

and **CPA** means either of them.

**Deed** means this deed, including any schedules and annexures to it (as may be amended from time to time).

**Deed of Novation** means the deed of novation and amendment dated on or around 22 November 2018, between Alterra, ACCUAM and Origin, under which the CPA with Origin was novated to ACCUAM.

**End Date** means 30 June 2024.

**ERF Agreement** means the ERF participation services agreement between Alterra and Origin dated 15 April 2015.

**Exclusivity Deed** means the agreement of that name between CCIL and SNC dated 13 March 2024.

**Exclusivity Period** means the period commencing on the date of this Deed and ending on the first to occur of:

- (a) the date on which this Deed is terminated in accordance with Clause 10;
- (b) the Offer Close Date;
- (c) the date on which the Offers are withdrawn by SNC in accordance with Section 652B of the Corporations Act; and
- (d) the End Date.

**IBC** means the independent board committee established by CCIL to consider the Transaction.

**Independent Expert** means the independent expert appointed by CCIL to determine whether the Offer is fair and reasonable to non-associated CCIL Shareholders.

**Insolvency Event** means the occurrence of any one or more of the following events in relation to any person:

- (a) an application is made to a court for an order, or an order is made, that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed;

- (b) a liquidator or provisional liquidator is appointed;
- (c) an administrator is appointed to it under sections 436A, 436B or 436C of the Corporations Act;
- (d) a controller (as defined in section 9 of the Corporations Act) is appointed to it or any of its assets;
- (e) a receiver is appointed to it or any of its assets;
- (f) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, in each case other than to carry out a reconstruction or amalgamation while solvent;
- (g) it proposes a winding-up, dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (h) it otherwise proposes, or effects, a winding-up, whether under the terms of a constituent document, the Corporations Act or any other applicable law;
- (i) it is insolvent as disclosed in its accounts or otherwise, states that it is insolvent, is presumed to be insolvent under an applicable law (including under sub-section 459C(2) or section 585 of the Corporations Act) or otherwise is, or states that it is, unable to pay all its debts as and when they become due and payable;
- (j) it is taken to have failed to comply with a bona fide statutory demand as a result of sub-section 459F(1) of the Corporations Act which has not been set aside or withdrawn;
- (k) a notice is issued under sections 601AA or 601AB of the Corporations Act;
- (l) a writ of execution is levied against it or a material part of its property;
- (m) it ceases to carry on business or threatens to do so; or
- (n) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the events set out in the above paragraphs of this definition.

**Listing Rules** means the official listing rules of the ASX.

**Minimum Acceptance Condition** means the Offer Condition set out in paragraph (a) of Schedule 1.

**Offer** means the offer to be made by SNC to CCIL Shareholders for their CCIL Shares under the Bid and **Offers** means all such offers.

**Offer Close Date** is the date the date on which the Offer closes.

**Offer Conditions** means the conditions set out in Clause 1 of Schedule 1.

**Offer Date** means the date on which the first Offer is made.

**Offer Period** means the period starting on the Offer Date and ending on the Offer Close Date.

**Offer Price** means \$0.0667 for each CCIL Share.

**Origin** means Origin Energy Electricity Limited (ACN 071 052 287).

**Party** means a party to this Deed.

**PF Olsen** means PF Olsen (Aus) Pty Limited (ACN 117 085 373).

**Performance Guarantee** means the performance guarantee provided by Alterra to Origin, detailed in the Performance Guarantee Deed.

**Performance Guarantee Deed** means the deed between ACCUAM, Alterra and Origin, dated 20 November 2018, under which the Performance Guarantee is provided.

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

**PPS Law** means:

- (a) the PPSA and any regulation made at any time under the PPSA, including the PPS Regulations; and
- (b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

**PPSR** means the register of Security Interests maintained under the PPSA.

**PPS Regulations** means the *Personal Property Securities Regulations 2010* (Cth).

**Pre-Completion Dividend** means the proposed fully franked dividend to be paid by CCIL before the Offer Close Date of not more than \$700,000.

**Proceeding** means any suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination or investigation commenced, brought, conducted or heard by or before or otherwise involving any court or other Regulatory Body or any arbitrator or arbitration panel.

**Recommendation** has the meaning given in Clause 4.1(a).

**Register** means the register of CCIL Shareholders.

**Regulatory Body** means any Australian or foreign government or governmental, semi-governmental fiscal, regulatory or judicial body, department, commission, entity or authority. It includes a self-regulatory organisation established under statute or a stock exchange, ASIC, ASX, the Takeovers Panel and the Australian Taxation Office.

**Related Body Corporate** has the meaning set out in the Corporations Act.

**Relevant Circumstance** has the meaning given in Clause 3.1(b)(i).

**Relevant Conditions** has the meaning given in Clause 6.

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

**Representative** in respect of a Party, means each director, officer, employee, adviser, agent or representative of that Party or any of its Subsidiaries.

**Security Interest** means any:

- (a) security interest as defined in the PPS Law;
- (b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements); and
- (c) thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset,

and includes any agreement to create any of them or allow them to exist.

**Service Agreement** means the agreement between CCIL and PF Olsen dated 15 February 2024.

**Subsidiary** has the meaning set out in the Corporations Act.

**Superior Proposal** means a bona fide unsolicited written Competing Proposal received by CCIL after the date of this Deed which the CCIL Directors have determined, acting in good faith and in accordance with their fiduciary duties, and after the receipt of written advice from CCIL's external legal advisers, is:

- (a) reasonably capable of being completed, taking into account all aspects of the Competing Proposal and the person making it; and
- (b) more favourable to CCIL Shareholders (as a whole) than the Transaction, taking into account all the terms and conditions of the Competing Proposal.

**Takeover Document** means a document required of SNC or CCIL under Chapter 6 of the Corporations Act in connection with the Bid and includes:

- (a) the Bidder's Statement and the Target's Statement;
- (b) any supplementary statement in respect of the Bidder's Statement or the Target's Statement; and
- (c) any notices required to be prepared by SNC (including under Sections 630(3), 650D(1) or 650F(1) of the Corporations Act).

**Takeovers Panel** means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

**Target's Statement** means the target's statement to be prepared by CCIL in connection with the Bid in accordance with Chapter 6 of the Corporations Act and all ASIC Regulatory Guides and Takeovers Panel Guidance Notes applicable to takeover bids under Chapter 6 of the Corporations Act.

**Third Party** means a person other than SNC and its Representatives.

**Timetable** means the indicative timetable for the implementation of the Transaction set out in Schedule 2.

**Transaction** means the proposed acquisition by SNC of CCIL Shares under the Bid.

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

## **1.2. Interpretation**

In this Deed, headings and bold type are for convenience only and do not affect interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Deed have a corresponding meaning;
- (d) a reference to a person includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture, a partnership, a trust and any Regulatory Body;
- (e) a reference to a Clause, Party, Attachment or Schedule is a reference to a clause of, and a party, attachment and schedule to this Deed, and a reference to this Deed includes any Attachment and Schedule;
- (f) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another Regulatory Body with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) a reference to any document (including this Deed) is to that document as varied, novated, ratified or replaced;
- (h) a reference to **\$** or **dollar** is to Australian currency;
- (i) a reference to any time, unless otherwise indicated, is a reference to the time in Sydney, Australia;
- (j) if an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day;
- (k) a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Deed; and
- (l) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a Party.

## **1.3. Inclusive expressions**

Specifying anything in this Deed after the words **include** or **for example** or similar expressions does not limit what else is included unless there is express wording to the contrary.

## **2. FACILITATING THE BID**

### **2.1. Deed to make and respond to the Bid**

Subject to the terms of this Deed:

- (a) SNC agrees to make the Bid in compliance with Chapter 6 of the Corporations Act and to make the Offers on the Agreed Bid Terms; and
- (b) CCIL agrees to comply with Chapter 6 of the Corporations Act in respect of the Bid.

## **2.2. SNC may use wholly-owned Subsidiary**

- (a) Subject to Clause 2.1(b), SNC may satisfy its obligations under Clause 2.1(a) by causing an entity which is a wholly-owned Subsidiary of SNC to perform the obligations referred to in Clause 2.1(a), in which case references to:
  - (i) the Bid are references to the takeover bid by that Subsidiary; and
  - (ii) SNC making the Bid are references to SNC causing that Subsidiary to make the Bid.
- (b) If, pursuant to Clause 2.2(a), SNC elects to cause a Subsidiary to perform its obligations under Clause 2.1, SNC guarantees the due performance of those obligations.

## **2.3. Timetable**

SNC and CCIL each agree:

- (a) to use reasonable endeavours to implement the Transaction in accordance with the Timetable; and
- (b) that, in the event any step in the Timetable is not completed by the relevant date, they will use reasonable endeavours to complete that step as quickly as reasonably practicable (unless an alternative Timetable is agreed by SNC and CCIL, in which event the Transaction will be implemented in accordance with that timetable and otherwise in accordance with the terms of this Deed).

## **2.4. Co-operation in preparing Takeover Documents**

- (a) As soon as practicable after the date of this Deed:
  - (i) SNC must prepare:
    - (A) the Bidder's Statement; and
    - (B) an acceptance form or acceptance forms for the Offers; and
  - (ii) CCIL must prepare the Target's Statement.
- (b) SNC and CCIL must each provide the other Party with all assistance reasonably requested by that Party in connection with the preparation of Takeover Documents and to do so in a timely manner. For the avoidance of doubt, the assistance referred to in this Clause 2.4(a) includes providing any information reasonably requested by SNC or CCIL (as the case may be) for the purpose of preparing a Takeover Document.
- (c) Without limitation to Clause 2.4(a), SNC must provide CCIL with a reasonable opportunity to review an advanced draft of the Bidder's Statement, any subsequent amendments to the draft Bidder's Statement and any supplementary bidder's statement and to consult in good faith with CCIL in relation to any comments CCIL may have on that draft.



- (d) Without limitation to Clause 2.4(a), CCIL must provide SNC with a reasonable opportunity to review an advanced draft of the Target's Statement, any subsequent amendments to the draft Target's Statement and any supplementary target's statement and to consult in good faith with SNC in relation to any comments SNC may have on that draft. The draft of the Target's Statement provided to SNC for the purposes of this Clause will not include a draft of the Independent Expert's report other than extracts for the purposes of a factual review.
- (e) The co-operation between SNC and CCIL contemplated in this Clause 2.4 does not result in either of them having any responsibility for a Takeover Document prepared by the other Party.

## **2.5. Information regarding acceptances of the Offer**

On request by email from CCIL, SNC must, within a reasonable time (and no later than within 2 Business Days of each request), give to CCIL notice by email providing details of all acceptances of the Offer received by SNC.

## **3. OFFER CONDITIONS AND OTHER TERMS**

### **3.1. Offer Conditions**

- (a) For the purposes of this Clause 3 and Clauses 7.1(h) and 7.1(i), the Offer Conditions are taken to apply from the date of this Deed.
- (b) During the Exclusivity Period, SNC and CCIL agree that:
  - (i) if they become aware of the occurrence of any fact or circumstance which, either individually or together with other facts or circumstances of which they are aware, will cause any of the Offer Conditions to be breached or not satisfied or to become incapable of satisfaction (**Relevant Circumstance**), they will promptly give the other Party written notice including details of the Relevant Circumstance;
  - (ii) they will use best endeavours to ensure that (as applicable):
    - (A) the Offer Conditions are satisfied as soon as practicable after the date of this Deed; and
    - (B) none of the Offer Conditions are breached or not satisfied or become incapable of satisfaction; and
  - (iii) they will not do or omit to do, or cause to be done or not done, anything which will or is likely to result in any of the Offer Conditions being breached or not satisfied or becoming incapable of satisfaction.
- (c) For the purposes of clause 3.1(b), the 'best endeavours' of a party will require that party to (among other things), co operate with the other party or a Regulatory Body or third party in good faith with a view to satisfying the Offer Conditions, including providing all information reasonably required by the other party in relation to SNC or CCIL (as applicable) in order to satisfy the Offer Conditions and providing all information reasonably required by any Regulatory Body or other third party to such Regulatory Body or third party as appropriate, but, for the avoidance of doubt, will not require or oblige SNC to waive any Offer Condition.

- (d) CCIL must ensure that:
  - (i) at all times during the Offer Period, the aggregate cash balances in CCIL's bank accounts remains above \$750,000; and
  - (ii) during the period commencing on the date that SNC delivers the notice under section 630(3) of the Corporations Act, and ending on the expiry of the Offer Period, the aggregate cash balance(s) in CCIL's bank accounts(s) remain a minimum of \$900,000.

#### **4. CCIL'S SUPPORT OF THE BID**

##### **4.1. CCIL Directors' recommendation and acceptance of the Offer**

CCIL represents and warrants to SNC that it will use its best endeavours to procure that:

- (a) the IBC will recommend that CCIL Shareholders accept the Offer, subject to the qualification that there is no Superior Proposal and the Independent Expert concluding that the Offer is reasonable to non-associated CCIL shareholders (**Recommendation**);
- (b) the IBC will not withdraw or change in any way (including by revising or qualifying), or make any public statement inconsistent with, the Recommendation unless:
  - (i) a Superior Proposal is received by CCIL and CCIL did not in any way breach its obligations under Clause 9 in connection with that Superior Proposal; and
  - (ii) they consider, acting in good faith and after taking advice from CCIL's legal or financial advisers on the matter, that their fiduciary or statutory duties require them to do so; or
  - (iii) the Independent Expert concludes that the Offer is not reasonable to non-associated CCIL Shareholders; and
- (c) each of the CCIL Directors will accept, or procure the acceptance of, the Offer in respect of all their CCIL Director Shares no later than 2 Business Days after the Offer Date, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is reasonable to non-associated CCIL shareholders.

##### **4.2. Target's Statement**

CCIL must ensure that the Target's Statement:

- (a) prominently displays the Recommendation (including on the cover of the Target's Statement); and
- (b) includes a statement that each CCIL Director's current intention is that they will accept the Offer in respect of all their CCIL Director Shares no later than 2 Business Days after the Offer Date, in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Offer is reasonable to non-associated CCIL Shareholders.

##### **4.3. Promotion of the Offer**

Unless a majority of the members of the IBC withdraw their Recommendation in the circumstances contemplated in Clause 4.1(b), CCIL must procure that each CCIL Director and such other senior executives of CCIL as reasonably requested by SNC and subject to their fiduciary obligations,

reasonably participate in efforts to promote the merits of the Offer including meeting with key CCIL Shareholders, analysts, media and other stakeholders.

#### **4.4. Register details**

Without limitation to CCIL's obligations under Clause 2.1(b) (including its obligation to comply with Section 641 of the Corporations Act, if applicable), CCIL must provide SNC with such information about CCIL Shareholders as SNC reasonably requires to make the Offers and solicit acceptances.

### **5. CONDUCT OF BUSINESS AND ACCESS**

#### **5.1. Conduct of Business**

Until the end of the Exclusivity Period, CCIL must use its best endeavours to:

- (a) conduct its business in the ordinary and usual course consistent with its usual business practices and, subject to any applicable laws, regulations and regulatory approvals, not make any significant change to the nature or scale of any activity comprised in the business; and
- (b) conducts its business in accordance with all applicable laws, regulations and the terms of all applicable authorisations, except to the extent required to be done or expressly permitted by this Deed, or the undertaking of which SNC has approved in writing, such approval not to be unreasonably withheld or delayed.

#### **5.2. Specific matters**

- (a) Until the end of the Exclusivity Period, CCIL must make all reasonable efforts to:
  - (i) operate its business in accordance with current business plans and budgets;
  - (ii) keep available the services of its directors, officers and employees;
  - (iii) maintain and preserve relationships with its suppliers, lenders, and others having business dealings with it in the manner in which each relationship was maintained in the period prior to the date of this Deed (including, if applicable, using reasonable endeavours to obtain consents from third parties to any change of control provisions in contracts or arrangements to which it is a party);
  - (iv) not enter into any lines of business or other activities in which it is not engaged as of the date of this Deed;
  - (v) preserve intact its assets and business organisation;
  - (vi) not allow any tax payment that is due and payable to remain unpaid; and
  - (vii) manage its working capital in the ordinary course of ordinary business consistent with past practice.
- (b) Upon satisfaction of the Minimum Acceptance Condition the Parties must consult with each other in good faith and for the period up to the end of the Exclusivity Period, to discuss and assist in preparing a transition plan.

- (c) Other than in respect of any matter which has been disclosed on CCIL's website before execution of this Deed, until the end of the Exclusivity Period CCIL must not do any of the following:
- (i) do any act or thing or suffer or permit any omission in contravention of applicable law;
  - (ii) except for the novation effected by the BP Novation Deed, terminate or novate any material contract or to amend any such contract in a material respect;
  - (iii) except in the normal and ordinary course of business, enter into any contract involving total expenditure in excess of \$10,000 or not capable of termination on 90 days' notice or less or any service or employment agreement not capable of termination on 90 days' notice or less;
  - (iv) except in the normal and ordinary course of business, purchase or sell any asset for more than \$10,000 or total assets for more than \$10,000;
  - (v) except in the normal and ordinary course of business, assume any liability in an amount of more than \$10,000 or total liabilities in excess of \$10,000;
  - (vi) except for a payment to the CCIL Directors not in excess of \$100,000 in aggregate, increase the remuneration of, or pay any bonus or issue any securities or options to, or otherwise vary the employment agreements with, any of the CCIL Directors, or the key employees or contractors of CCIL except as expressly required under the terms of any employee agreement existing as at the date of this Deed or as required for the salary review processes that are in place and adopted by CCIL as at the date of this Deed;
  - (vii) accelerate the rights of any of the CCIL Directors or employees of CCIL to benefits of any kind or pay a termination payment to a CCIL Director or employee other than as provided for in employment contract existing as at the date of this Deed and disclosed in writing to SNC before the date of this Deed;
  - (viii) give or agree to give a financial benefit to a related party of CCIL within the meaning of Chapter 2E of the Corporations Act, other than the financial benefits that are given to a related party of CCIL under existing obligations of CCIL as at the date of this Deed and disclosed in writing to SNC before the date of this Deed;
  - (ix) grant any Security Interest or other third party interest over any asset;
  - (x) amend or permit the amendment of its constituent documents;
  - (xi) except for the Pre-Completion Dividend, pay any dividend or undertake any other distribution;
  - (xii) undertake any reduction of its share capital, share buy-back, or any restructure of its capital;
  - (xiii) take any action or refrain from taking any action which will or may result in the appointment of a liquidator, receiver, manager, administrator or other external controller to CCIL or to any of the material assets of CCIL;

- (xiv) issue any securities including options to acquire any shares in CCIL;
  - (xv) enter into any pre-emptive rights, voting agreements or other similar arrangements; and
  - (xvi) agree to (whether in writing or otherwise) or attempt any of the above.
- (d) CCIL must as soon as practicable notify SNC should a CCIL Shareholder increase its Relevant Interest in CCIL Shares to 10% or more, at any time during the Exclusivity Period.
- (e) During the Exclusivity Period, CCIL will:
- (i) pay all invoices and liabilities incurred in the ordinary course of business and in accordance with their usual payment terms;
  - (ii) not deliberately delay, or instruct its service providers to delay, issuance of invoices to be issued to CCIL; and
  - (iii) provide to SNC copies of all invoices and details of all other liabilities incurred which exceed \$10,000 per invoice and/or liability as soon as practicable and in any event within 2 Business Days of receipt of the relevant invoice or incurring the relevant liability.
- (f) An obligation or limitation contained in this Clause 5 does not apply if:
- (i) SNC has given its prior written consent to CCIL in respect of a failure to comply with that obligation or limitation, such consent not to be unreasonably withheld or delayed;
  - (ii) this Deed permits or contemplates that conduct; or
  - (iii) required in order to comply with any applicable law.

### **5.3. Access to information**

- (a) Subject to Clause 5.3(b), upon satisfaction of the Minimum Acceptance Condition and until the end of the Exclusivity Period, CCIL must, and must cause CCIL to, afford to SNC reasonable access to the books and records (subject to any existing confidentiality obligations owed to third parties), premises and personnel of members of CCIL at mutually convenient times (that have been previously agreed in writing between the parties) and afford SNC reasonable co-operation for the purpose of:
- (i) implementation of the Transaction, provided that nothing in this sub-clause requires CCIL to provide information to SNC concerning CCIL Directors, CCIL's management's and advisers' consideration of the Transaction;
  - (ii) SNC obtaining an understanding of the operations of the business, financial position, prospects and affairs of CCIL in order to allow and facilitate the development and the implementation of the plans of SNC for those businesses following implementation of the Transaction (including, for the avoidance of doubt, to formulate the transition plan referred to in Clause 5.2(b));
  - (iii) after CCIL has contacted the CCIL Shareholders, SNC contacting CCIL Shareholders with a view to encouraging their support for the Transaction; and

- (iv) any other purpose agreed in writing between the parties.
- (b) Nothing in this Clause 5.3 requires CCIL to provide access to the extent that:
  - (i) it places an unreasonable burden on the ability of CCIL to conduct its business;
  - (ii) it requires CCIL to provide any commercially sensitive or competitive information; or
  - (iii) it gives rise to a breach of law or a breach of contractual obligation of CCIL or otherwise exposes CCIL to potential liability.
- (c) Other than Clause 5.3(a)(iii), nothing in this Clause 5.3 limits any steps SNC may take to solicit support for the Transaction from CCIL Shareholders.

#### **5.4. Reasonable endeavours regarding certain filings and approvals**

- (a) CCIL and SNC must cooperate in:
  - (i) determining whether any action by or in respect of, or filing with, any Regulatory Body is required in connection with the implementation of the Transaction; and
  - (ii) taking such actions or making any such filings, furnishing information required in connection therewith and seeking to obtain any such actions, consents, approvals or waivers in a timely manner.
- (b) CCIL and SNC must each use its reasonable endeavours to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable law to:
  - (i) prepare and file as promptly as practicable with any Regulatory Body or other Third Party all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents; and
  - (ii) obtain and maintain all approvals, consents, registrations, permits, authorisations and other confirmations required to be obtained from any Regulatory Body or other Third Party that are necessary, proper or advisable to implement the Transaction.

#### **5.5. Evidence of cash balance**

On the Business Day prior to the date that SNC is due to deliver the notice under section 630(3) of the Corporations Act, CCIL must provide evidence to SNC to demonstrate that the cash balance(s) in CCIL's bank account(s) are, in aggregate, above \$900,000.

### **6. CHANGES TO CCIL BOARD**

#### **6.1. Changes to the CCIL Board**

Subject to Clauses 6.1(d) to 6.1(f) (inclusive), CCIL must use its best endeavours to procure that, as soon as practical upon both SNC having a Relevant Interest of at least 50.1% of CCIL's Shares and the Offers becoming unconditional (**Relevant Conditions**):

- (a) it appoints nominees of SNC to the CCIL Board so that SNC nominees represent a majority of the CCIL Board;

- (b) all CCIL Directors but Mr. Paul Jensen and Mr. Andrew McBain:
  - (i) resign as directors of CCIL; and
  - (ii) they each confirm in their written resignations that they have no outstanding claims against CCIL (subject to any existing entitlements or benefits payable on termination or retirement and any such claims arising between the date of this Deed and the date on which SNC requests that they resign, and for the avoidance of doubt, without prejudice to their rights under existing deeds of access and indemnity and director's and officer's insurance policies); and
- (c) each CCIL Director does everything reasonably within their power to give effect to the reconstitution of the CCIL Board in accordance with SNC's reasonable wishes and applicable laws and subject to such persons signing consents to act as a director of the relevant entity and providing those consents to CCIL,

in each case provided that:

- (d) a proper board is constituted at all times having regard to CCIL's constitution and applicable laws;
- (e) SNC's nominees will not participate in decisions of CCIL relating to the Offer or the Recommendation until after the Offer Close Date; and
- (f) until the Offer Close Date, at least 2 members of the CCIL Board must not be a nominee of SNC.

## **6.2. Directors' and officers' insurance and indemnities**

- (a) Subject to the Offers becoming unconditional, SNC undertakes in favour of CCIL and each person who is a director or officer of the CCIL Group that it will to the extent permitted by law and unless otherwise agreed:
  - (i) for a period of seven years from the date on which the Offers become unconditional (**Unconditional Date**) or until a company ceases to be part of the CCIL Group, ensure that the constitutions of CCIL and each other member of the CCIL Group continues to contain such rules as are contained in those constitutions at the date of this Deed that provide for each company to indemnify each of its current and previous directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the CCIL Group; and
  - (ii) procure that each member of the CCIL Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and without limiting the foregoing, ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained, for a period of seven years from the retirement date of each director and officer.
- (b) SNC acknowledges that, subject to the next sentence and notwithstanding any other provision of this Deed, CCIL may, prior to the Unconditional Date, enter into arrangements to secure directors' and officers' run-off insurance for up to such seven year period, and that any actions to facilitate that insurance or in connection therewith will not breach any provision of this Deed. Before entering into any contract of insurance, CCIL must first present to SNC a quotation for such insurance policy, and SNC must first approve such

quotation (acting reasonably and expeditiously) before CCIL may enter into a contract of insurance, provided that, if the terms of the quotation for such insurance policy are substantially the same as the terms disclosed to SNC in writing before the execution of this Deed, SNC must not withhold its approval.

- (c) The undertakings contained in clause 6.2(a) are subject to any Corporations Act restriction and will be read down accordingly.
- (d) CCIL receives and holds the benefit of clause 6.2(a), to the extent it relates to the relevant parties, as trustee for them.
- (e) The undertakings contained in clause 6.2(a) are given until the earlier of the end of the relevant period specified in clause 6.2(a) or the relevant member of the CCIL Group ceasing to be part of the CCIL Group.

## **7. REPRESENTATIONS AND UNDERTAKINGS**

### **7.1. SNC's representations**

SNC represents and warrants to CCIL (in its own right and separately as trustee or nominee for each of the SNC directors and officers) that:

- (a) SNC is a validly existing corporation registered under the laws of its place of incorporation;
- (b) it has the power and capacity to enter into and perform its obligations under or in connection with this Deed;
- (c) SNC and its directors have taken all necessary action to authorise the signing, delivery and performance of this Deed and the documents required under this Deed in accordance with their respective terms;
- (d) subject to laws generally affecting creditors' rights and the principles of equity, this Deed constitutes valid and binding obligations upon SNC enforceable in accordance with its terms by appropriate legal remedy;
- (e) the signing and delivery of this Deed and the performance by SNC of its obligations under it complies with, and will not breach until the end of the Exclusivity Period:
  - (i) any material applicable law;
  - (ii) the constitution of SNC;
  - (iii) any Listing Rules; and
  - (iv) a Security Interest or the material terms of a material document binding on SNC, including any finance facility documents;
- (f) no Insolvency Event has occurred in relation to SNC or any of its material Related Bodies Corporate;
- (g) as at the date of this Deed, it has complied in all material respects with its continuous disclosure obligations under the Listing Rules and the Corporations Act and it is not withholding any information from disclosure relying on Listing Rule 3.1A (other than information in relation to the proposed Transaction or which it has otherwise provided to CCIL in writing prior to the date of this Deed);



- (h) as at the date of this Deed, it is not aware of any fact or circumstance (whether or not existing at the date of this Deed) that will or is reasonably likely to result in:
  - (i) any of the Offer Conditions not being satisfied or being breached or becoming incapable of satisfaction; or
  - (ii) the Transaction not being implemented in accordance with the Timetable and the terms of this Deed;
- (i) it has made all reasonable endeavours to obtain all necessary Regulatory Body approvals for the Transaction;
- (j) as at the date of this Deed, it is not aware of any approval from a Regulatory Body that is required to implement the Transaction other than as disclosed to CCIL in writing prior to the date of this Deed; and
- (k) so far as it is aware, all information provided by SNC, its officers, employees or advisers to CCIL, its officers, employees or advisers in the course of negotiations relating to the Transaction up to the date of this Deed is:
  - (i) true and accurate in all material respects; and
  - (ii) not misleading in any material particular, whether by omission or otherwise.

## **7.2. CCIL's representations**

CCIL represents and warrants to SNC and its directors and officers (in its own right and separately as trustee or nominee for each of the CCIL directors and officers) that:

- (a) CCIL is a validly existing corporation registered under the laws of its place of incorporation;
- (b) it has the power and capacity to enter into and perform its obligations under or in connection with this Deed;
- (c) CCIL and its directors have taken all necessary action to authorise the signing, delivery and performance of this Deed and the documents required under this Deed in accordance with their respective terms;
- (d) subject to laws generally affecting creditors' rights and the principles of equity, this Deed constitutes valid and binding obligations upon CCIL enforceable in accordance with its terms by appropriate legal remedy;
- (e) the signing and delivery of this Deed and the performance by CCIL of its obligations under it complies with, and will not breach, until the end of the Exclusivity Period:
  - (i) any material applicable law;
  - (ii) the constitution of CCIL; and
  - (iii) a Security Interest or a material term of a material document binding on CCIL, including any finance facility documents;
- (f) no Insolvency Event has occurred in relation to CCIL;

- (g) other than ACCUAM, CCIL has no Controlled Entities or material investments in any other corporation;
- (h) as at the date of this Deed, it has complied in all material respects with the Corporations Act;
- (i) as at the date of this Deed, it is not aware of any fact or circumstance (whether or not existing at the date of this Deed) that will or is reasonably likely to result in:
  - (i) any of the Offer Conditions not being satisfied or being breached or becoming incapable of satisfaction; or
  - (ii) the Transaction not being implemented in accordance with the Timetable and the terms of this Deed; and
- (j) so far as it is aware, all information provided by CCIL, its officers, employees or advisers to SNC, its officers, employees or advisers in the course of negotiations relating to the Transaction up to the date of this Deed is:
  - (i) true and accurate in all material respects; and
  - (ii) not misleading in any material particular, whether by omission or otherwise, in each case, at the time the information was provided.

### **7.3. Survival of representations**

Each representation and warranty in Clauses 7.1 and 7.2:

- (a) is severable;
- (b) survives the termination of this Deed; and
- (c) is given with the intention that liability under it is not confined to breaches which are discovered before the date of termination of this Deed.

## **8. PUBLIC ANNOUNCEMENT AND CONFIDENTIALITY**

### **8.1. Announcement of Transaction**

As soon as practicable after the execution of this Deed, each of SNC and CCIL will issue the Agreed Public Announcement (on ASX, in the case of SNC).

### **8.2. Public announcement and submissions**

- (a) Subject to Clause 8.3, no public announcement in connection with the Transaction may be made by SNC other than in a form agreed by CCIL.
- (b) CCIL must use all reasonable endeavours to provide the approval and constructively participate in the consultation contemplated by Clause 8.2(a) as soon as practicable.

### **8.3. Required disclosure**

If a Party is required by law or the Listing Rules to make any announcement or disclosure relating to a matter the subject of this Deed, it may do so only after it has given the other Party at least 1

Business Day's notice (or any lesser period of notice required or permitted by the effect of a legal obligation), but in any event prior notice must be given to the other Party and the Party must consult to the fullest extent possible with the other Party regarding the form and content of the announcement or disclosure.

#### **8.4. Terminations of obligations**

The obligations of the Parties under Clause 8.2 terminate on the earlier of:

- (a) end of the Exclusivity Period; and
- (b) the date the CCIL Board has withdrawn the Recommendation in the circumstances contemplated in Clause 4.1(b).

#### **8.5. Confidentiality Agreement**

The Parties acknowledge and agree that:

- (a) they continue to be bound by the Exclusivity Deed after the date of this Deed; and
- (b) the rights and obligations of the parties under the Exclusivity Deed survive termination of this Deed.

### **9. NO TALK AND NO SHOP OBLIGATIONS**

#### **9.1. No talk**

Subject to Clause 9.3, during the Exclusivity Period, CCIL must not, and must ensure that none of its Representatives:

- (a) directly or indirectly participates in or continues any discussions or negotiations with a Third Party;
- (b) provides or makes available any information to a Third Party (including by way of providing information and access to perform due diligence);
- (c) enters into any agreement, arrangement or understanding with a Third Party; or
- (d) communicates to a Third Party any intention to do any of these things,

in relation to, or which:

- (e) may reasonably be expected to lead to, a Competing Proposal; or
- (f) may reasonably be expected to otherwise lead to the Transaction not being implemented.

#### **9.2. No shop**

During the Exclusivity Period, CCIL must not, and must ensure that none of its Representatives:

- (a) solicit (including by way of providing information concerning CCIL to any person), invite, directly or indirectly, enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, a Competing Proposal; or

- (b) communicate to any person an intention to do any of the things referred to in Clause 9.2(a).

### **9.3. Limitation to no talk**

CCIL and its Representatives may undertake any action that would otherwise be prohibited by Clause 9.1 in relation to an actual or reasonably expected to be bona fide Competing Proposal which was not solicited by it and was not otherwise brought about as a result of any breach by it of its obligations under this Clause 9 where the IBC, acting in good faith, determines after having taken advice from CCIL's legal and financial advisers, that not undertaking that act would be likely to involve a breach of the fiduciary duties owed by any CCIL Director or would otherwise be unlawful and the Competing Proposal is more favourable to CCIL Shareholders than the Transaction, taking into account all the terms and conditions of the Competing Proposal including whether it is capable of being valued and completed on a timely basis and including having regard to legal, regulatory and financial matters, including any conditions precedent.

### **9.4. Notification of approaches**

During the Exclusivity Period and subject to CCIL Director's fiduciary obligations, CCIL must notify SNC as soon as practicable in writing if it, or any of its Representatives becomes aware of any:

- (a) negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any expression of interest, offer or proposal of a kind referred to in Clause 9.1 or 9.2 including details of the party making the expression of interest, offer or proposal, their terms and any updates to the expression of interest, offer or proposal;
- (b) proposal whether written or otherwise made to CCIL or any of its Representatives, in connection with, or in respect of any exploration or consummation of, a Competing Proposal or a proposed or potential Competing Proposal, whether unsolicited or otherwise, including details of the party making the proposal, the terms of the proposal and any updates to the proposal;
- (c) provision by CCIL or its Representatives of any information relating to CCIL or its business or operations to any person in connection with or for the purposes of a current or future Competing Proposal; and
- (d) action by CCIL, or any intention of it to take any action, in reliance on Clause 9.3, prior to undertaking the relevant act (which acts are only permitted to be undertaken pursuant to Clause 9.3).

### **9.5. Provision of information**

- (a) Prior to providing any information to any Third Party who is or may be considering a Competing Proposal, CCIL must enter into a confidentiality agreement with such Third Party (and containing provisions that expressly permit CCIL to comply with the terms of Clause 9.4 and this Clause 9.5 to the extent applicable).
- (b) Subject to CCIL Director's fiduciary obligations, CCIL must within 2 Business Days provide SNC with any information or due diligence materials (including responses to reasonable requests for further information) provided to any Third Party who is or may be considering a Competing Proposal (other than identical copies of documents that have previously been provided to SNC).

- (c) Such provision of information of materials under this Clause 9.5 is only permitted to be undertaken pursuant to Clause 9.3.

#### **9.6. Compliance with law**

- (a) Without limiting Clause 9.3, if it is finally determined by a court, or the Takeovers Panel, that the agreement by CCIL under this Clause 9 or any part of it:
  - (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the CCIL Board; or
  - (ii) constituted, or constitutes, or would constitute, unacceptable circumstances within the meaning of the Corporations Act; or
  - (iii) was, or is, or would be, unlawful for any other reason,

then, to that extent (and only to that extent) CCIL will not be obliged to comply with that provision of Clause 9.

- (b) The parties must not make or cause to be made any application to a court or the Takeovers Panel for or in relation to a determination referred to in Clause 9.6(a)(i).

#### **9.7. Warranty and representation**

CCIL represents and warrants to SNC that, as at the date of this Deed no agreement, arrangement or understanding exists with any Third Party in relation to any expression of interest, offer or proposal of the kind referred to in Clause 9.1 or 9.2.

### **10. TERMINATION**

#### **10.1. Termination by either Party**

Without prejudice to any other rights of termination under this Deed, either Party may terminate this Deed by written notice to the other Party at any time before the end of the Exclusivity Period if:

- (a) the other Party is in material breach of any provision of this Deed (except to the extent that those breaches can be and have been waived in writing by the aggrieved Party), the Party wishing to terminate has given written notice to the other Party setting out the relevant circumstances and stating an intention to terminate, and the relevant circumstances continue to exist 5 Business Days (or any shorter period ending at 5.00pm on the day before the end of the Exclusivity Period) from the time the notice is given;
- (b) a Court or Regulatory Body has taken any action permanently restraining or otherwise prohibiting the Transaction, and the action or refusal has become final and cannot be appealed (but this does not limit a Party's right to seek damages or other relief in those Proceedings); or
- (c) the Offer lapses without the Offer Conditions being fulfilled, satisfied or waived.

#### **10.2. SNC's other termination rights**

In addition to its termination rights under Clause 10.1, SNC may terminate this Deed by written notice with immediate effect to CCIL if:

- (a) during the Exclusivity Period, a Competing Proposal is recommended, endorsed or otherwise supported by the IBC or CCIL Board;
- (b) other than in circumstances where ASIC or a Court makes a decision that any CCIL Director is unable to make the Recommendation, any CCIL Director:
  - (i) publicly withdraws or adversely changes in any way; or
  - (ii) makes any public statement inconsistent with,
 

the Recommendation (including in the circumstances contemplated in Clause 4.1(b));
- (c) a person other than SNC or any of its Subsidiaries or Associates holds 20% or more Voting Power in CCIL and does not accept the Offer before the termination of this Deed; or
- (d) an Offer Condition:
  - (i) is not satisfied or waived by the date specified for its satisfaction (where a date is specified); or
  - (ii) becomes incapable of being satisfied by the date specified for its satisfaction and is not waived.
- (e) during the Exclusivity Period, a CCIL Shareholder increases its Relevant Interest in CCIL Shares above 10%.

### **10.3. CCIL's other termination rights**

In addition to its termination rights under Clause 10.1, CCIL may terminate this Deed by written notice with immediate effect to SNC if during the Exclusivity Period if:

- (a) a Superior Proposal is recommended or endorsed by the IBC;
- (b) the Independent Expert concludes that the Bid is not fair and not reasonable; or
- (c) SNC withdraws the Bid or applies to ASIC for consent to withdraw unaccepted Offers under the Corporations Act.

### **10.4. Automatic termination**

This Deed automatically terminates (without any action being required to be taken by either SNC or CCIL) when the Exclusivity Period ends.

### **10.5. Termination by agreement**

SNC and CCIL may at any time agree in writing to terminate this Deed on such terms as they may agree.

### **10.6. Effect of termination**

If this Deed is terminated by either CCIL or SNC under this Clause 10, except to the extent that the termination results from a breach by either Party of its obligations under this Deed, this Deed becomes void and is of no effect, without any liability or obligation on the part of CCIL or SNC, other than the provisions of Clauses 1, 7, 8, 11, 12, which will remain in force after termination.

## 11. DUTY, GST, COSTS AND EXPENSES

### 11.1. Costs and expenses

Except as otherwise provided in this Deed, each Party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this Deed and the proposed, attempted or actual implementation of this Deed and the Transaction.

### 11.2. GST

- (a) Any consideration or amount payable under this Deed, including any non-monetary consideration (as reduced in accordance with Clause 11.2(e) if required) (**Consideration**) is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this Deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (Supplier) in accordance with the GST Law.
- (c) The Additional Amount payable under Clause 11.2(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under Clause 11.2(b):
  - (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
  - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
  - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate.
- (e) Despite any other provision in this Deed:
  - (i) if an amount payable under or in connection with this Deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a Party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred; and
  - (ii) no Additional Amount is payable under Clause 11.2(b) in respect of a Supply to which section 84-5 of the GST Law applies.

- (f) Any reference in this Clause 11 to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter that is not defined in this Deed has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

## **12. GENERAL**

### **12.1. No representation or reliance**

- (a) Each Party acknowledges that no Party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this Deed, except for representations or inducements expressly set out in this Deed.
- (b) Each Party acknowledges and confirms that it does not enter into this Deed in reliance on any representation or other inducement by or on behalf of any other Party, except for any representation or inducement expressly set out in this Deed.
- (c) Each Party acknowledges and confirms that Clauses 12.1(a) and 12.1(b) do not prejudice any rights a Party may have in relation to information which has been filed by the other Party with the ASIC or ASX.

### **12.2. No merger**

The rights and obligations of the Parties do not merge on implementation of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

### **12.3. Consents**

Any consent referred to in, or required under, this Deed from any Party may not be unreasonably withheld, unless this Deed expressly provides for that consent to be given in that Party's absolute discretion.

### **12.4. Notices**

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

#### **SNC**

- (i) Address: Level 5, 139 Macquarie Street, Sydney NSW 2000
- (ii) Email: gabriel@sandoncapital.com.au
- (iii) Attention: Gabriel Radzyninski

#### **CCIL**

- (iv) Address: Level 3, 1060 Hay Street, West Perth WA 6005



- (v) Email: amcbain@carbonconscious.com.au
- (vi) Attention: Andrew McBain
- (vii) Copy to: Jonathon Trollip (j.trollip@meridianint.com)

(or as otherwise notified by that Party to the other Party);

- (c) must be signed by the Party making the communication or by a person duly authorised by that Party;
- (d) must be delivered by email to the address, of the addressee, in accordance with Clause 12.4(b); and
- (e) is regarded as received by the addressee, at the local time (in the place of receipt of that email) which then equates to the time at which that email is received unless a transmission error is received by the sender, unless delivery is made at a time that is later than 7pm local time (in the place of receipt of that email) or on a date that is not a Business Day, when that communication will be regarded as received at 9.00am on the next Business Day.

#### **12.5. Governing law and jurisdiction**

- (a) This Deed is governed by the laws of the State of New South Wales.
- (b) Each Party irrevocably submits to the non-exclusive jurisdiction of the courts of the State of New South Wales and courts competent to hear appeals from those courts.

#### **12.6. Waivers**

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by any Party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by any Party under this Deed is only effective and binding on that Party if it is given or confirmed in writing by that Party.
- (c) No waiver of a breach of any term of this Deed operates as a waiver of another breach of that term or of a breach of any other term of this Deed.

#### **12.7. Variation**

This Deed may only be varied by a document signed by or on behalf of each of the Parties.

#### **12.8. Assignment**

A Party may not assign, novate or otherwise transfer any of its rights or obligations under this Deed without the prior written consent of the other Party.

#### **12.9. Further action**

Each Party will do all things and execute all further documents necessary to give full effect to this Deed.

**12.10. Entire agreement**

This Deed supersedes all previous agreements in respect of its subject matter and embodies the entire agreement between the Parties.

**12.11. Costs**

Each Party must bear its own costs in relation to the preparation, negotiation and execution of this Deed.

**12.12. Counterparts**

- (a) This Deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A Party may execute this Deed by signing any counterpart.

**EXECUTED BY THE PARTIES AS A DEED:**

**SIGNED** by )  
**SANDON CAPITAL INVESTMENTS** )  
**LIMITED (ACN 107 772 467)** in )  
accordance with section 127 of the )  
Corporations Act: )

DocuSigned by:  
*Gabriel Radzyminski*  
47C7388E6FA84A8

\_\_\_\_\_  
Director

Gabriel Radzyminski

\_\_\_\_\_  
Name (please print)

DocuSigned by:  
*Mark Licciardo*  
C6A000735F7B462...

\_\_\_\_\_  
Director/Company Secretary

Mark Licciardo

\_\_\_\_\_  
Name (please print)

**SIGNED** by )  
**CARBON CONSCIOUS INVESTMENTS** )  
**LTD (ACN 629 272 037)** in accordance )  
with section 127 of the Corporations Act: )

\_\_\_\_\_  
Director

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Director/Company Secretary

\_\_\_\_\_  
Name (please print)

**EXECUTED BY THE PARTIES AS A DEED:**

**SIGNED** by )  
**SANDON CAPITAL INVESTMENTS** )  
**LIMITED (ACN 107 772 467)** in )  
accordance with section 127 of the )  
Corporations Act:

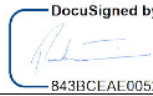
\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Company Secretary

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

**SIGNED** by )  
**CARBON CONSCIOUS INVESTMENTS** )  
**LTD (ACN 629 272 037)** in accordance )  
with section 127 of the Corporations Act: )

DocuSigned by:  
  
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\_\_\_\_\_  
Director

Paul Jensen

\_\_\_\_\_  
Name (please print)

DocuSigned by:  
  
58287928B3E145B...

\_\_\_\_\_  
Director/Company Secretary

Andrew McBain

\_\_\_\_\_  
Name (please print)

## SCHEDULE 1 – AGREED BID

### 1. OFFER CONDITIONS

The Offer will be subject to the following defeating conditions:

- (a) **Minimum acceptance condition:** the number of CCIL Shares in which SNC and its Associates have a Relevant Interest (disregarding any Relevant Interests that SNC has with respect to CCIL Shares held by Alterra merely because of the operation of section 608(3) of the Corporations Act) is not less than 50.1% of the CCIL Shares then on issue;
- (b) **No breach of this Deed:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, CCIL has not materially breached its obligations under this Deed;
- (c) **No acquisition of more than 10%:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, no CCIL Shareholder increases its Relevant Interest in CCIL Shares above 10%;
- (d) **No adverse environmental event:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, no fires, floods, hurricanes, earthquakes or other natural disasters or forces of nature occur which materially adversely affect the properties the subject of a CPA;
- (e) **Cash balance:** during:
  - (i) the period commencing on the Announcement Date and ending on date on which SNC delivers the notice under section 630(3) of the Corporations Act, the aggregate cash balance(s) in CCIL's bank accounts(s) remains above \$750,000; and
  - (ii) the period after SNC delivers the notice under section 630(3) of the Corporations Act, and ending on the expiry of the Offer Period, the aggregate cash balance(s) in CCIL's bank accounts(s) remains a minimum of \$900,000
- (f) **No litigation:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, no Proceedings have been or are instituted or threatened against CCIL or a Controlled Entity of CCIL which are material in the context of CCIL's operations as a whole;
- (g) **No regulatory intervention:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, no Regulatory Body or any other person takes any action to:
  - (i) prohibit, prevent or inhibit the acquisition of, or trading in, CCIL Shares;
  - (ii) impose conditions on the Offer which impose unduly onerous obligations upon SNC or would materially adversely affect the business or capital structure of CCIL; or
  - (iii) require the divestiture by SNC of securities or assets of CCIL or any of its Controlled Entities.

- (h) **No Prescribed Occurrences:** none of the following happens during the period commencing on the Announcement Date and ending on the expiry of the Offer Period (each being a separate condition):
- (i) the shares of CCIL are converted into a larger or smaller number of shares;
  - (ii) CCIL or a Controlled Entity of CCIL resolves to reduce its share capital in any way;
  - (iii) CCIL or a Controlled Entity of CCIL:
    - (A) enters into a buy-back agreement; or
    - (B) resolves to approve the terms of a buy-back agreement under sections 257C or 257D of the Corporations Act;
  - (iv) CCIL or a Controlled Entity of CCIL makes an issue of or grants an option to subscribe for any of its Securities or agrees to make such an issue or grant such an option;
  - (v) CCIL or a Controlled Entity of CCIL issues or agrees to issue convertible notes;
  - (vi) CCIL or a Controlled Entity of CCIL disposes or agrees to dispose of the whole or a substantial part of its business or property;
  - (vii) CCIL or a Controlled Entity of CCIL grants or agrees to grant a security interest over the whole or a substantial part of its business or property; or
  - (viii) an Insolvency Event occurs with respect to CCIL or a Controlled Entity of CCIL.
- (i) **Payment of Pre-Completion Dividend:** CCIL declares or pays a dividend or dividends which in aggregate exceed the value of the Pre-Completion Dividend;
- (j) **Non-termination of the Service Agreement:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, the Service Agreement remains in full effect and force, is not terminated for any reason by a counterparty and a counterparty does not otherwise exercise any termination right under the Service Agreement;
- (k) **Non-termination of CPA with Origin:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, the CPA between ACCUAM and Origin remains in full force and effect, is not terminated for any reason by a counterparty and a counterparty does not otherwise exercise any termination right under the relevant CPA;
- (l) **Performance Guarantee not called on by Origin:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, Origin does not call, or otherwise express an intention to call, on the Performance Guarantee;
- (m) **Non-termination of CPA with BP:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, the CPA between ACCUAM and BP remains in full force and effect, is not terminated for any reason by a counterparty and a counterparty does not otherwise exercise any termination right under the relevant CPA;

- (n) **No Adverse Action:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, no Adverse Action occurs or is expected to occur in relation to or in connection with a CPA;
- (o) **Non-termination of ERF Agreement:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, the ERF Agreement remains in full force and effect, is not terminated for any reason by the counterparty and a counterparty does not otherwise exercise any termination right under the ERF Agreement; or
- (p) **Consent to change of Control by Origin:** during the period commencing on the Announcement Date and ending on the expiry of the Offer Period, Origin consents to the change of Control in CCIL under the CPA between Origin and ACCUAM.

## SCHEDULE 2 – TIMETABLE

Announcement of Bid ( <b>Announcement Date</b> )	12 April 2024
Lodge copy of Bidder's Statement with CCIL	22 April 2024
Despatch of Bidder Statement and Offer opens	6 May 2024
Date of Offer Conditions Notice	30 May 2024
Close of Offer	6 June 2024



**SCHEDULE 3 – AGREED PUBLIC ANNOUNCEMENT**

Carbon Conscious Investments Limited  
ACN 629 272 037  
Level 3, 1060 Hay Street  
West Perth WA 6005

Sandon Capital Investments Limited  
ABN 31 107 772 467  
Level 5, 139 Macquarie Street  
Sydney NSW 2000  
T: 02 8014 1188

11 April 2024

**ANNOUNCEMENT: SNC ANNOUNCES TAKEOVER OFFER FOR CCIL SHARES**

Sandon Capital Investments Limited (ACN 107 772 467) (ASX:SNC) (**SNC**) and Carbon Conscious Investments Ltd (ACN 629 272 037) (**CCIL**) are pleased to announce they have entered into a Merger Implementation Deed (**MID**) for a recommended conditional off-market takeover offer pursuant to which SNC will offer to acquire all the issued and outstanding ordinary shares of CCIL (each a **CCIL Share**) not owned by SNC and Sandon Capital Activist Fund (another fund managed by Sandon Capital Pty Ltd) for \$0.0667 for every CCIL Share held (**Offers**).

The Offers values CCIL at approximately \$11.6 million.

In addition to the Offers, the MID permits CCIL to pay a fully franked dividend to its shareholders prior to the Offers closing, which CCIL intends to do, for the period to 31 March 2024, before the Offers open for acceptance.

**About CCIL**

CCIL is an unlisted public company that holds carbon property rights with respect to 30 farms in the Western Australian wheatbelt covering nearly 17,000 hectares of land. CCIL manages large scale projects registered with the Clean Energy Regulator that generate Australian Carbon Credit Units.

As an unlisted public company, CCIL shareholders are not able to sell their CCIL shares on ASX or any other securities exchange. The Offers presents an opportunity for CCIL shareholders to dispose of their CCIL shares.

**The Offer**

The Offers contains a 50.1% minimum acceptance condition. There are a number of other defeating conditions, including there being no prescribed occurrences.

The MID also includes exclusivity arrangements and other customary clauses. A copy of the executed MID is attached to this announcement as Appendix A.

It is expected that SNC's Bidder's Statement containing further information about the Offers will be posted to all CCIL shareholders in the week commencing 22 April 2024. CCIL's Target's Statement will be accompanied by an independent expert's report (**IER**) that considers, among other things, if the Offers are fair and reasonable to non-associated CCIL shareholders.

**IBC Recommendation and CCIL Directors' Intentions**

In connection with the Offers, the CCIL Board established an Independent Board Committee (**IBC**) comprising Mr Andrew McBain and Mr Jonathan Trollip to assess SNC's proposal. CCIL Directors Mr Paul Jensen and Mr Greg Harvey recused themselves from the process as they both serve as Directors of Alterra Limited, CCIL's 2<sup>nd</sup> largest shareholder.

The IBC unanimously recommended SNC's proposal to the CCIL Board, and unanimously recommends CCIL shareholders accept the Offers in the absence of a superior proposal and subject to the independent expert concluding that the Offers are reasonable to non-associated CCIL shareholders.

Each CCIL director has indicated that they will accept the Offers in respect of all CCIL Shares they control in the absence of a superior proposal and subject to the independent expert concluding that the Offers are reasonable to non-associated CCIL shareholders.

This announcement has been authorised by the board of directors of SNC and the board of directors of CCIL.

**For further information, contact:**

**Sandon Capital Investments Limited**

Gabriel Radzynski

Chairman

[gabriel@sandoncapital.com.au](mailto:gabriel@sandoncapital.com.au)

+61 408 936 357

**Carbon Conscious Investments Limited**

Paul Jensen

Chairman

[pauljensen@felsen.com.au](mailto:pauljensen@felsen.com.au)

0419 603 330



# SANDON CAPITAL

## APPENDIX A