

## Scheme Booklet registered with ASIC

BINGO Industries Limited ("**BINGO**" or the "**Company**") refers to the announcement made earlier today in relation to the proposed acquisition by Recycle and Resource Operations Pty Limited, an entity majority owned by Macquarie Infrastructure and Real Assets and its managed funds (together, "**MIRA**") of all of the issued shares held by BINGO shareholders pursuant to a scheme of arrangement ("**Scheme**"), and the orders made by the Supreme Court of New South Wales that BINGO convene and hold a meeting of BINGO shareholders to consider and vote on the Scheme ("**Scheme Meeting**") and approving the distribution of an explanatory statement providing information about the Scheme and notice of Scheme Meeting ("**Scheme Booklet**") to BINGO shareholders.

### Scheme Booklet

BINGO confirms that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission ("**ASIC**"). A copy of the Scheme Booklet is attached and will be made available online at [www.bingoscheme.com.au](http://www.bingoscheme.com.au). A copy of the following documents is also attached:

- the proxy form and election form that will be sent to BINGO shareholders; and
- the Scheme Meeting Online Guide.

Further details on where the Scheme Booklet can be viewed and downloaded will be dispatched to BINGO shareholders on Friday, 11 June 2021, in the manner described in the announcement made earlier today.

The Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme.

### Independent Expert's Report

The Scheme Booklet includes a copy of the independent expert's report prepared by Lonergan Edwards & Associates Limited ("**Independent Expert**").

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of BINGO shareholders, in the absence of a Superior Proposal.

The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

### Recommendation of the BINGO Independent Board Committee and other BINGO Directors

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO shareholders:

- the BINGO Independent Board Committee comprised of BINGO Independent Non-Executive Directors Elizabeth Crouch AM, Maria Atkinson AM and Barry Buffier AM ("**BINGO IBC**")

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continues to unanimously recommend that BINGO shareholders vote in favour of the Scheme; and

- Daniel Tartak, BINGO Managing Director and Chief Executive Officer, Ian Malouf, BINGO Non-Executive Director, and Daniel Girgis, BINGO Non-Executive Director (together with the BINGO IBC, the **“Recommending Directors”**) also continue to recommend that BINGO shareholders vote in favour of the Scheme.

Subject to those same qualifications, each Recommending Director intends to vote, or procure the voting of, the BINGO shares they own or control in favour of the Scheme.

Michael Coleman, BINGO Independent Chairman and Non-Executive Director, has recused himself from discussions on the Scheme and abstains from giving a recommendation in respect of how BINGO shareholders should vote on the Scheme given his position as a Non-Executive Director at Macquarie Group Limited (MIRA’s parent company).

### **Scheme Meeting**

As previously announced, having regard to the uncertainty and potential health risks associated with large gatherings during the COVID-19 pandemic, BINGO shareholders will not be able to attend the Scheme Meeting in person. BINGO Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the Scheme Meeting online at [www.bingoscheme.com.au](http://www.bingoscheme.com.au). BINGO shareholders who participate in the Scheme Meeting via the online platform will be able to listen to the Scheme Meeting, cast a vote online and ask questions online.

All registered BINGO shareholders as at 7.00pm (Sydney time) on Sunday, 11 July 2021 will be eligible to vote at the Scheme Meeting.

If the requisite majorities of BINGO shareholders approve the Scheme at the Scheme Meeting, and all other conditions precedent to the Scheme except approval of the Supreme Court of New South Wales (**“Court”**) are satisfied or waived (if capable of waiver), BINGO will apply to the Court for orders approving the Scheme.

You should carefully read the Scheme Booklet in its entirety before making any decision in relation to the Scheme. You are encouraged to seek independent financial, legal, accounting, taxation and/or other professional advice before making any voting or investment decision in relation to your BINGO shares.

If you have any questions in relation to the Scheme or the Scheme Booklet, please contact the BINGO Shareholder Information Line on +61 1300 361 735 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays).

**This announcement has been authorised by the BINGO IBC.**

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**For further information**

|            |                 |                 |
|------------|-----------------|-----------------|
| Investors: | Tara Osborne    | +61 499 998 572 |
|            | James Nicholias | +61 429 823 617 |
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**About BINGO**

BINGO is an ASX-listed recycling and waste management company that provides end-to-end solutions across the resource management supply chain including collection, processing and recovery, disposal and waste equipment manufacturing. BINGO operates through two primary segments; Collections and Post-Collections, which operate throughout New South Wales (NSW) and Victoria (VIC). BINGO has a workforce of approximately 1,100 staff and a collections truck fleet of approximately 320 vehicles. The Company has a strategic network of 15 transfer and advanced recycling facilities and integrated disposal assets across both states.

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# Scheme Booklet

For a scheme of arrangement between BINGO Industries Limited and its shareholders in relation to the proposed acquisition by MIRA BidCo of all BINGO Shares.

## VOTE IN FAVOUR

Your Recommending Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders, in the absence of a Superior Proposal.

This is an important document and requires your immediate attention.

You should read it entirely before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation, legal, accounting or other professional adviser immediately.



FINANCIAL ADVISER



LEGAL ADVISER



**BINGO**  
INDUSTRIES

# Important notices

## General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet in full before making any decision as to how to vote at the Scheme Meeting.

## Nature of this Scheme Booklet

This Scheme Booklet includes the explanatory statement for the Scheme required by subsection 412(1) of the Corporations Act.

This Scheme Booklet does not constitute or contain an offer to BINGO Shareholders, or a solicitation of an offer from BINGO Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1). Instead, BINGO Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

## ASIC and ASX

A copy of this Scheme Booklet has been registered by ASIC for the purposes of subsection 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with paragraph 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearings to approve the Scheme.

A copy of this Scheme Booklet has been provided to the ASX. Neither the ASX, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

## Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how BINGO Shareholders should vote (on this matter BINGO Shareholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

## Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure 5.

## Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any BINGO Shareholder may appear at the Second Court Hearing, currently expected to be held at 9.15am (Sydney time) on Thursday, 15 July 2021 at the Law Courts

Building, 184 Phillip Street, Sydney New South Wales 2000. Any BINGO Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on BINGO a notice of appearance in the prescribed form together with any affidavit that the BINGO Shareholder proposes to rely on.

## No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any individual BINGO Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. The BINGO Directors encourage you to seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in section 7, and the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure 1. If you are in doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser immediately.

## Forward looking statements

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of BINGO, MIRA BidCo or the Consortium are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to BINGO, MIRA BidCo or the Consortium and/or the industries in which they operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of BINGO, MIRA BidCo or the Consortium or any of their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

Any forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, BINGO, MIRA BidCo and the Consortium and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which any such statement is based.

### **Responsibility statement**

BINGO has prepared, and is responsible for, the BINGO Information. None of MIRA BidCo, the Consortium Members or any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

MIRA BidCo has prepared, and is responsible for, the MIRA Information. Neither BINGO nor any of its subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Deloitte Touche Tohmatsu Australia has prepared, and is responsible for, section 8. None of BINGO, MIRA BidCo, the Consortium Members or any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Lonergan Edwards & Associates Limited has prepared the Independent Expert's Report (as set out in Annexure 1) and takes responsibility for that report. None of BINGO, MIRA BidCo, the Consortium Members or any of their respective subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

### **Foreign jurisdictions**

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. See section 9.9 for further details.

### **Financial amounts and effects of rounding**

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in the Scheme Booklet are subject to the effect of rounding. Accordingly, any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

### **Charts and diagrams**

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at 4 June 2021.

### **Timetable and dates**

All times and dates referred to in this Scheme Booklet are times and dates in Sydney, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Government Agencies.

### **External websites**

Unless expressly stated otherwise, the content of the websites of BINGO, MIRA BidCo and any Consortium Member do not form part of this Scheme Booklet. BINGO Shareholders should not rely on any such content.

### **Privacy**

BINGO may collect personal information in the process of implementing the Scheme. The type of information that it may collect about you includes your name, contact details and information on your shareholding in BINGO and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting as relevant to you. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist BINGO to conduct the Scheme Meeting and implement the Scheme. Without this information, BINGO may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the BINGO Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, related bodies corporate of BINGO, Government Agencies, and also where disclosure is otherwise required or allowed by law. BINGO Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. If you would like to obtain details of the information about you held by the BINGO Share Registry in connection with BINGO Shares, please contact the BINGO Share Registry on +61 1300 554 474. BINGO Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should ensure that they inform such an individual of the matters outlined above. Further information about how BINGO collects, uses and discloses personal information is contained in BINGO's Privacy Policy located at <https://www.bingoindustries.com.au/policies/privacy-policy>.

### **Date of Scheme Booklet**

This Scheme Booklet is dated 9 June 2021.

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# Letter from the Chairperson of the Independent Board Committee

9 June 2021

Dear fellow BINGO Shareholder,

On behalf of the BINGO Independent Board Committee (**BINGO IBC**), I am pleased to provide you with this Scheme Booklet, which contains important information in relation to the proposed acquisition of all of the issued shares in BINGO Industries Limited (**BINGO**) by Recycle and Resource Operations Pty Limited, an entity majority owned by Macquarie Infrastructure and Real Assets and its managed funds (together, **MIRA**).

## Background to the Scheme

On 19 January 2021, BINGO announced that it had received a highly conditional, non-binding and indicative proposal from a consortium comprising CPE Capital and MIRA, for the acquisition of all issued shares in BINGO (**Initial Consortium Proposal**).

BINGO formed the BINGO IBC to consider the Initial Consortium Proposal. The BINGO IBC comprises Maria Atkinson AM, Barry Buffier AM and myself, each a BINGO Independent Non-Executive Director.

On 27 April 2021, BINGO announced that it had entered into a Scheme Implementation Deed with MIRA to acquire all issued shares in BINGO by way of a scheme of arrangement (**Scheme**).

## Overview of the All Cash Consideration

If the Scheme is implemented, BINGO Shareholders (other than those who make a valid election to receive the Mixed Consideration described below) will receive \$3.45 cash per BINGO Share (**All Cash Consideration**), comprising:

- a fully franked dividend of up to \$0.117 per BINGO Share for each BINGO Share they hold as at the Special Dividend Record Date that may be determined and paid by BINGO before the Scheme is implemented (**Special Dividend**); and
- consideration under the Scheme of \$3.45 per BINGO Share they hold as at the Scheme Record Date, less the amount of any Special Dividend that may be determined and paid by BINGO before the Scheme is implemented.

The BINGO Board currently intends to pay a fully franked Special Dividend of up to \$0.117 per BINGO Share prior to implementation of the Scheme, resulting in franking credits of approximately \$0.05 per BINGO Share.<sup>1</sup>

The All Cash Consideration of \$3.45 per BINGO Share implies an equity value on a 100% fully diluted basis of approximately \$2.3 billion and enterprise value of approximately \$2.6 billion,<sup>2</sup> and represents:

- a premium of 26% to the undisturbed closing price of a BINGO Share on 18 January 2021 (being the date prior to the announcement of the Initial Consortium Proposal) of \$2.74;
- a premium of 33% to the undisturbed 1-month VWAP of a BINGO Share to 18 January 2021 of \$2.59;
- a premium of 32% to the undisturbed 3-month VWAP of a BINGO Share to 18 January 2021 of \$2.62;
- a premium of 44% to the undisturbed 6-month VWAP of a BINGO Share to 18 January 2021 of \$2.39; and
- an implied EV/EBITDA multiple of approximately 19.5x BINGO's EBITDA for the 12 months ending 31 December 2020.<sup>3</sup>

## Overview of the Mixed Consideration

As an alternative to receiving the All Cash Consideration, Eligible BINGO Shareholders may elect (subject to certain limitations) to receive a mixed cash and unlisted scrip alternative (**Mixed Consideration**) which will enable BINGO Shareholders to retain an interest in the BINGO business after implementation of the Scheme.

The Mixed Consideration will have notional value of \$3.30 per BINGO Share (before including the value of the Earn-Out Dividend outlined further below), comprising:

- a fully franked Special Dividend of up to \$0.117 per BINGO Share for each BINGO Share held by a BINGO Shareholder as at the Special Dividend Record Date that may be determined and paid by BINGO before the Scheme is implemented;
- cash consideration under the Scheme of \$1.32 per BINGO Share held by a BINGO Shareholder as at the Scheme Record Date, less the amount of any Special Dividend that may be determined and paid by BINGO before the Scheme is implemented; and
- the remainder in unlisted scrip in Recycle and Resource Holdings Limited, the MIRA controlled entity which will indirectly own 100% of the issued capital in BINGO after implementation of the Scheme (**RollCo**). The unlisted scrip will comprise 1 Class B Share, 1 Preference Share and 1 Class C Share. These shares will have an aggregate issue price of \$1.98 per BINGO Share.<sup>4</sup>

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1 It remains at the discretion of the BINGO Board whether the Special Dividend is ultimately determined and paid. Whether shareholders will be able to realise the full benefit of the franking credits will depend on individual tax circumstances.

2 Implied equity value of \$2.3 billion based on the cash proposal of \$3.45 per share multiplied by 659,888,117 diluted shares on issue comprising 654,961,392 ordinary shares outstanding and 4,926,725 performance rights. Enterprise value calculated as implied equity value plus net debt of \$360 million comprising net bank debt of \$317 million and lease liabilities of \$43 million (as at 31 December 2020).

3 Based on post-AASB 16 EBITDA of \$135 million.

4 The aggregate issue price per Class B share and Preference Share will be the same as the aggregate issue price per Class A Share and Preference Share in RollCo paid by MIRA for the Class A Shares and Preference Shares that MIRA subscribes for to provide the equity funding for the Scheme Consideration.

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Each Class C Share will have a nominal issue price but will entitle the holder to receive an earn-out dividend of up to \$0.80 per Class C Share, subject to certain conditions (**Earn-Out Dividend**). The Earn-Out Dividend (if declared and paid by RollCo) is required to be franked to the maximum extent possible.

The Earn-Out Dividend is subject to risk, based on BINGO's future financial performance and may be payable by RollCo to shareholders electing the Mixed Consideration under the following scenarios:

- If BINGO achieves Underlying EBITDA of \$240 million or more in the financial year ending 30 June 2024, the entire \$0.80 per class C share of Earn-Out Dividend would be payable.
- If BINGO achieves Underlying EBITDA of between \$220-\$240 million in the financial year ending 30 June 2024, a straight-line pro-rata percentage of the Earn-Out Dividend between \$0.00 and \$0.80 per class C share would be payable.
- If BINGO achieves Underlying EBITDA of less than \$220 million in the financial year ending 30 June 2024, no Earn-Out Dividend would be payable.
- Early payment of the Earn-Out Dividend is possible if Underlying EBITDA of \$240 million or more is achieved in the financial year ending 30 June 2022 or the financial year ending 30 June 2023.

A detailed breakdown of the components that make up the Mixed Consideration, including value considerations for BINGO Shareholders, are set out in section 4.4(b).

BINGO Shareholders considering whether or not to make an election to receive the Mixed Consideration should note that the aggregate issue price of \$1.98 for the unlisted scrip in RollCo does not equal or otherwise reflect the underlying economic value of those shares. BINGO Shareholders should note the Independent Expert's assessment of the Mixed Consideration summarised below.

The Scheme is conditional on BINGO Shareholders holding, in aggregate, at least 30% of the total issued capital of BINGO validly electing to receive the Mixed Consideration.

Daniel Tartak, BINGO CEO and Managing Director, and Ian Malouf, BINGO Non-Executive Director, have stated to BINGO that they intend to elect to receive the Mixed Consideration in respect of their BINGO Shares (comprising, in aggregate, 31.53% of BINGO Shares on issue).<sup>5</sup>

If BINGO Shareholders holding, in aggregate, more than 40% of the total issued capital of BINGO validly elect to receive the Mixed Consideration, a scaleback mechanism will apply on a pro-rata basis and the relevant BINGO Shareholders will receive the All Cash Consideration for the remainder of their shares.

## Risks of electing the Mixed Consideration

Whether the Mixed Consideration is appropriate will depend significantly on the characteristics and risk profile of each individual BINGO Shareholder.

*It is important to understand that any investment in unlisted scrip in RollCo would represent a fundamentally different investment than your current investment in BINGO.*

You should form your own view as to whether you wish to make an election to receive the Mixed Consideration based on your own individual circumstances, financial situation, taxation position, investment objectives and risk profile.

Electing to receive the Mixed Consideration carries additional risks, including:

- there will be no public market for the trading of shares in RollCo (an unlisted public company) post-implementation of the Scheme, nor is there expected to be any such market in the future;
- there are restrictions on the disposal of shares in RollCo under the RollCo Shareholders' Deed that will restrict any prospective seller of shares in RollCo from trading in their shares in RollCo;
- BINGO Shareholders who receive shares in RollCo under the Scheme will become parties to the RollCo Shareholders Deed which is intended to govern the relationship between investors in RollCo, and will have fewer rights as a shareholder in RollCo when compared to your current investment in BINGO; and
- BINGO Shareholders who receive shares in RollCo under the Scheme will be subject to risks inherent in minority shareholdings (as BINGO Shareholders who receive shares in RollCo under the Scheme will collectively have no more than a 26% interest in RollCo).

BINGO Shareholders should carefully read sections 6.4 and 7 for additional information on the risks associated with an investment in RollCo (including the risks associated with the ACCC's investigation into BINGO and the EPA correspondence with BINGO as described in section 7.3) and consider obtaining appropriate professional advice before making any election to receive the Mixed Consideration.

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<sup>5</sup> As at 4 June 2021, Daniel Tartak holds or controls 129,804,220 BINGO shares (representing 19.819% of BINGO shares on issue) and Ian Malouf holds or controls 76,695,880 BINGO shares (representing 11.710% of BINGO shares on issue).

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# Letter from the Chairperson of the Independent Board Committee

## Recommendation of the BINGO IBC and other BINGO Directors

The BINGO IBC unanimously recommend that you **vote in favour of the Scheme**, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.

Daniel Tartak, BINGO Managing Director and Chief Executive Officer, Ian Malouf, BINGO Non-Executive Director, and Daniel Girgis, BINGO Non-Executive Director (together with the BINGO IBC, the **Recommending Directors**) also unanimously recommend that shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.

The Recommending Directors' unanimous recommendation is based on the quantum of the All Cash Consideration. The Recommending Directors make no recommendation in relation to the Mixed Consideration.<sup>6</sup>

Subject to the same qualifications, the Recommending Directors, who hold or control 31.57%<sup>7</sup> of BINGO Shares on issue in aggregate, each intend to vote all the BINGO Shares held or controlled by them in favour of the Scheme.

Michael Coleman, BINGO Independent Chairman and Non-Executive Director, has recused himself from discussions on the Scheme and abstains from giving a recommendation in respect of how BINGO Shareholders should vote on the Scheme given his position as a Non-Executive Director at Macquarie Group Limited (MIRA's parent company).

The interests of the BINGO IBC and other BINGO Directors (including Daniel Tartak, BINGO Managing Director and Chief Executive Officer) are disclosed in section 9.1. BINGO Shareholders should have regard to these interests when considering how to vote on the Scheme, including Mr Tartak's recommendation on the Scheme, which appears throughout this Scheme Booklet.<sup>8</sup>

## Independent Expert's opinion

The BINGO IBC's unanimous recommendation of the Scheme is supported by the conclusion of Lonergan Edwards & Associates Limited, the Independent Expert engaged by the BINGO IBC to assess the merits of the Scheme.

Based on the All Cash Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of BINGO Shareholders in the absence of a Superior Proposal.

The Independent Expert has assessed the value of a BINGO Share to be in the range of \$3.18 to \$3.50 per BINGO Share. The All Cash Consideration lies towards the high end of this range.

BINGO Shareholders should note that the Independent Expert has assessed the underlying value of the Mixed Consideration in the immediate or short-term post implementation of the Scheme at between \$3.28 and \$3.60 per BINGO Share. This assessment of the underlying value of the shares in RollCo assumes the holder has 100% control of RollCo and an unfettered ability to transact in the equity securities. It does not incorporate any minority interest or lack of marketability or illiquidity discount and accordingly, does not represent the value that may be realised if rolling BINGO Shareholders theoretically sought to dispose of their shares in RollCo in the immediate or short-term post implementation of the Scheme.

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6 As stated above, Daniel Tartak and Ian Malouf have stated to BINGO that they intend to elect to receive the Mixed Consideration in respect of their BINGO Shares based on their individual circumstances.

7 Elizabeth Crouch 19,315 BINGO shares (0.003%), Maria Atkinson 85,000 BINGO shares (0.013%), Barry Buffier 130,000 BINGO shares (0.020%), Daniel Tartak 129,804,220 BINGO shares (19.819%), Ian Malouf 76,695,880 BINGO shares (11.710%) and Daniel Girgis 55,555 BINGO shares (0.008%).

8 Subject to the Scheme becoming Effective and the terms of the relevant Performance Rights and STIs continuing to be satisfied at such time, Daniel Tartak, BINGO Managing Director and Chief Executive Officer:

- may be entitled to receive \$2,487,198 in connection with (i) the early vesting of his unvested LTI Performance Rights (payable on or around the Implementation Date), (ii) cash payments in relation to his FY21 STIs (payable on or around the Implementation Date) and (iii) the cash-settlement of his Deferred STI Performance Rights (payable in early July shortly after vesting); and
- may be entitled to receive cash bonus payments shortly after 30 June 2024 (or potentially earlier), subject to his continued service with the BINGO Group in connection with the early vesting of his unvested LTI Performance Rights. The amount of such cash payments will depend on the future performance of RollCo and the BINGO Group, and accordingly, cannot be calculated as at the date of this Scheme Booklet. Assuming the market value per Class B Share and per Preference Share was \$3.30 (in aggregate) at the relevant time and the full contingent cash bonus payment was payable, this would amount to cash bonus payments of \$1,955,370.

Please refer to sections 9.1 and 9.2 for further details.

The BINGO IBC considers that, despite these arrangements, it is appropriate for Mr Tartak to make a recommendation on the Scheme given his knowledge of BINGO and the industry, and that BINGO Shareholders would wish to know Mr Tartak's views in relation to the Scheme. Mr Tartak also considers that it is appropriate for him to make a recommendation on the Scheme.

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As noted above, BINGO Shareholders electing to receive shares in RollCo will collectively own a minority interest in an unlisted and illiquid entity, which carries risk and inherent uncertainty. The Independent Expert has therefore stated that in its opinion, the realisable value of the Mixed Consideration in the immediate or short-term post implementation of the Scheme:

- will be less than the All Cash Consideration at the low end of the range (because the underlying value prior to the application of any discount is already less than the All Cash Consideration); and
- is likely to be broadly consistent with the All Cash Consideration at the high end of the range (albeit subject to an inherent high level of uncertainty).

Having regard to the above, the Independent Expert has formed their conclusion by reference to the value of the All Cash Consideration only and offers no recommendation in relation to the Mixed Consideration alternative.

A copy of the Independent Expert's Report is included in Annexure 1.

## How to vote and approval requirements

Your vote is important and will determine the future ownership of BINGO. We encourage you to vote on the Scheme Resolution by completing the proxy form enclosed with this Scheme Booklet, or alternatively by participating in the Scheme Meeting via the online platform at [www.bingoscheme.com.au](http://www.bingoscheme.com.au).

The Scheme Meeting will be held at 10.00am (Sydney time) on Tuesday, 13 July 2021. Having regard to the uncertainty and potential health risks associated with large gatherings during the COVID-19 pandemic, BINGO Shareholders will not be able to attend the Scheme Meeting in person. BINGO Shareholders who participate in the Scheme Meeting via the online platform will be able to listen to the Scheme Meeting, cast an online vote and ask questions online.

The Scheme can only be implemented if approved by BINGO Shareholders by the Requisite Majorities at the Scheme Meeting and by the Court.<sup>9</sup> The Scheme is also subject to certain other conditions, as set out in section 4.6 of this Scheme Booklet.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution.

## Further information

If you have any questions in relation to the Scheme Booklet or the Scheme, please contact the BINGO Shareholder Information Line on +61 1300 361 735 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays).

BINGO Shareholders should also consider seeking independent financial, legal, accounting and taxation advice as appropriate, before making any decision in relation to their BINGO Shares.

On behalf of the BINGO IBC, I would like to take this opportunity to thank you for your ongoing support and commitment to BINGO and its business, and I look forward to your participation at the Scheme Meeting.

Yours sincerely



**Elizabeth Crouch, AM**

*Non-Executive Director*

BINGO Industries Limited

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<sup>9</sup> The Scheme Meeting may be postponed or adjourned, including if satisfaction of a condition precedent is delayed. Any such postponement or adjournment will be announced by BINGO to ASX.

# Key dates

| Event  | Time and date                    |
|--|----------------------------------|
| First Court Date (Court hearing to approve dispatch of this Scheme Booklet)  | 9 June 2021                      |
| Election Deadline (latest time and date for receipt of an Election Form)   | 7.00pm on Friday, 2 July 2021    |
| Announcement to ASX of Election results  | Monday, 5 July 2021              |
| Latest time and date for receipt of proxy forms or powers of attorney by the BINGO Share Registry for the Scheme Meeting | 10.00am on Sunday, 11 July 2021  |
| Time and date for determining eligibility to vote at the Scheme Meeting  | 7.00pm on Sunday, 11 July 2021   |
| Scheme Meeting   | 10.00am on Tuesday, 13 July 2021 |

## If the Scheme is approved by BINGO Shareholders

|  |                                  |
|--|----------------------------------|
| Second Court Date (Court hearing to approve the Scheme)  | Thursday, 15 July 2021           |
| <b>Effective Date</b>  | Thursday, 15 July 2021           |
| Court order lodged with ASIC and announcement to ASX   |                                  |
| Last day of trading in BINGO Shares – BINGO Shares will be suspended from trading on ASX from close of trading |                                  |
| Special Dividend Record Date (if the BINGO Directors decide to pay a Special Dividend)                         | 7.00pm on Monday, 19 July 2021   |
| Scheme Record Date (for determining entitlements to Scheme Consideration)                                      | 7.00pm on Thursday, 22 July 2021 |
| Special Dividend Payment Date (if the BINGO Directors decide to pay a Special Dividend)                        | Wednesday, 28 July 2021          |
| <b>Implementation Date</b> (provision of Scheme Consideration)   | Thursday, 5 August 2021          |

All times and dates in the above timetable are references to the time and date in Sydney, Australia and all such times and dates are subject to change and to regulatory approval. In particular, the date of the Scheme Meeting may be postponed or adjourned if satisfaction of the FIRB condition precedent is delayed. In addition, certain times and dates are conditional on the approval of the Scheme by BINGO Shareholders and by the Court. Any changes to the above key dates will be announced by BINGO to the ASX.

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# 1. Key considerations relevant to your vote

## 1.1. Summary of reasons why you might vote in favour of or against the Scheme

In summary, the key reasons for the recommendations of the Recommending Directors and why you may vote in favour of the Scheme are as follows:

- a. the All Cash Consideration of \$3.45 per BINGO Share offered to BINGO Shareholders represents an attractive premium to BINGO's historical trading prices as well as broker price targets prior to announcement of the Initial Consortium Proposal;
- b. the All Cash Consideration of \$3.45 per BINGO Share offered to BINGO Shareholders equates to an attractive acquisition multiple that compares favourably to relevant waste management services transactions in Australia and New Zealand (ANZ) as well as in recent transactions involving international waste management businesses primarily engaged in the provision of non-hazardous solid waste services;
- c. based on the All Cash Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders, in the absence of a Superior Proposal;
- d. the Recommending Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders;
- e. if a Special Dividend of up to \$0.117 is paid, those BINGO Shareholders who are able to realise the full benefit of franking credits could receive additional value of up to \$0.05 per BINGO Share;<sup>10</sup>
- f. no Superior Proposal has emerged as at the date of this Scheme Booklet;
- g. if the Scheme proceeds, BINGO Shareholders (other than those who make a valid Election to receive the Mixed Consideration) will receive a certain cash price for their investment in BINGO and will avoid ongoing risks and uncertainties associated with their investment in BINGO, whilst the Mixed Consideration provides BINGO Shareholders who wish to stay invested in BINGO over a longer-term with an alternate option;
- h. the BINGO share price will continue to be subject to market volatility and may fall if the Scheme is not implemented and in the absence of a Superior Proposal; and
- i. you will not incur any brokerage charges on the transfer of your BINGO Shares if the Scheme proceeds.

These reasons are described in further detail in section 1.2.

There are also reasons why BINGO Shareholders may not support the Scheme and may consider voting against the Scheme, including those set out below:

- a. you may wish to maintain your direct investment in BINGO as an ASX-listed company;
- b. you may believe that it is in your best interests to maintain your current investment and risk profile;
- c. you may believe that the Scheme or the All Cash Consideration is not in your individual best interests and disagree with the unanimous recommendation of the BINGO IBC to vote in favour of the Scheme, the recommendation of the other Recommending Directors to vote in favour of the Scheme and/or the Independent Expert's conclusion;
- d. you may believe there is the potential for a Superior Proposal to emerge; and
- e. the tax consequences of transferring your BINGO Shares pursuant to the Scheme may not be attractive to you given your particular circumstances including timing of the Scheme.

These reasons are described in further detail in section 1.3.

In considering the potential reasons why you may consider voting against the Scheme, you should be aware that even if you vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of BINGO Shareholders and by the Court. If this occurs, your BINGO Shares will be transferred to MIRA BidCo and you will receive the Scheme Consideration even though you voted against the Scheme.

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<sup>10</sup> It remains at the discretion of the BINGO Board whether the Special Dividend is ultimately determined and paid. Whether shareholders will be able to realise the full benefit of the franking credits will depend on individual tax circumstances.

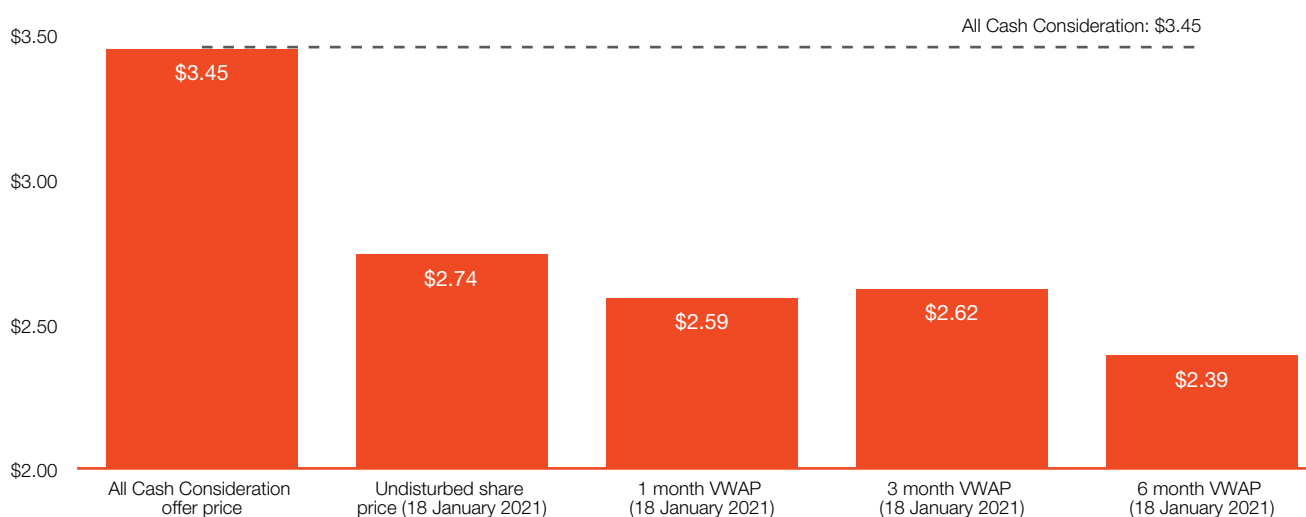
# 1. Key considerations relevant to your vote

## 1.2. Why you should vote in favour of the Scheme

### a. The All Cash Consideration of \$3.45 per BINGO Share represents an attractive premium to BINGO's historical trading prices as well as broker price targets

As set out in the chart below, the All Cash Consideration of \$3.45 per BINGO Share represents:

- a premium of 26% to the undisturbed closing price of a BINGO Share on 18 January 2021 (being the date prior to the announcement of the Initial Consortium Proposal) of \$2.74;
- a premium of 33% to the undisturbed 1-month VWAP of a BINGO Share to 18 January 2021 of \$2.59;
- a premium of 32% to the undisturbed 3-month VWAP of a BINGO Share to 18 January 2021 of \$2.62; and
- a premium of 44% to the undisturbed 6-month VWAP of a BINGO Share to 18 January 2021 of \$2.39.



**Source:** VWAP's based on IRESS data.

Since listing on the ASX in May 2017, BINGO Shares have never traded above the value of the All Cash Consideration. BINGO's highest closing share price prior to the announcement of the Initial Consortium Proposal was \$3.20 (being on 31 August 2018, 17 September 2018, 19 February 2020 and 21 February 2020). In addition, since its listing, BINGO's VWAP to 18 January 2021 was \$2.20.

The All Cash Consideration shown above does not include franking credits of up to \$0.05 per BINGO Share, which may be realised by those BINGO Shareholders who are able to realise the full benefit of franking credits, if a Special Dividend of up to \$0.117 is paid.

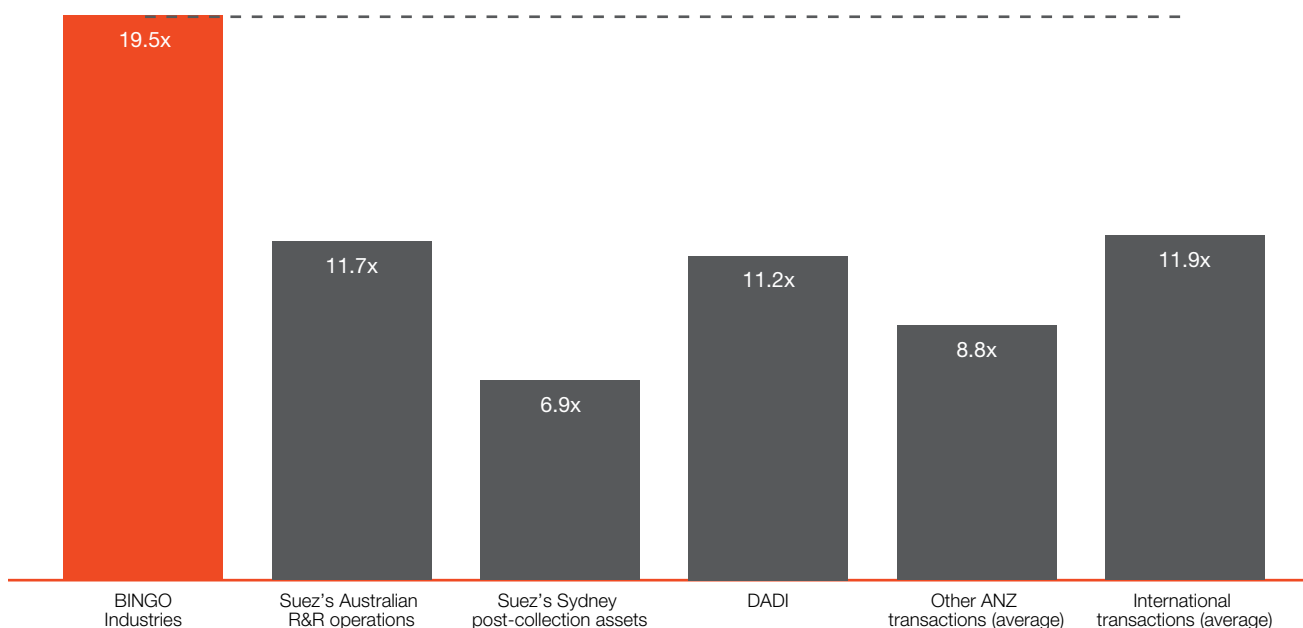
**b. The All Cash Consideration of \$3.45 per BINGO Share equates to an attractive acquisition multiple that compares favourably to relevant waste management services transactions in Australia and New Zealand (ANZ) as well as in recent transactions involving international waste management businesses primarily engaged in the provision of non-hazardous solid waste services<sup>11</sup>**

The All Cash Consideration of \$3.45 per BINGO Share implies an equity value (on a 100% fully diluted basis) of approximately \$2.3 billion and enterprise value (EV) of approximately \$2.6 billion, and represents an implied EV/EBITDA multiple of approximately 19.5x BINGO's EBITDA for the 12 months ending 31 December 2020.

This multiple is considered by the BINGO IBC to compare favourably to the multiples realised in comparable waste management services transactions in Australia and New Zealand (ANZ) as well as in recent transactions involving international waste management businesses primarily engaged in the provision of non-hazardous solid waste services. This is shown in the chart below which compares the EV/EBITDA multiple implied by the All Cash Consideration for the 12 months ending 31 December 2020 against the historical EV/EBITDA multiples realised in comparable ANZ waste management services transactions and recent international waste services transactions as set out in the Independent Expert's analysis in Annexure 1.

*Transaction EV/EBITDA multiples of comparable waste management transactions*

**Comparable waste management transactions – historical EV/EBITDA multiples**



**Source:** Appendix E of the Independent Expert's Report.

<sup>11</sup> The relevant waste management services transactions in Australia and New Zealand (ANZ) as well as in recent transactions involving international waste management businesses primarily engaged in the provision of non-hazardous solid waste services are those set out in Appendix E of the Independent Expert's Report.



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# 1. Key considerations relevant to your vote

## **c. Based on the All Cash Consideration, the Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, in BINGO Shareholders' best interests**

BINGO appointed Loneragan Edwards & Associates Pty Limited to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.

The Independent Expert has concluded that the All Cash Consideration is fair and reasonable and, therefore, the Scheme is in the best interests of BINGO Shareholders, in the absence of a Superior Proposal.

The Independent Expert has assessed the value of a BINGO Share to be in the range of \$3.18 to \$3.50 per BINGO Share. The All Cash Consideration lies towards the high end of this range.

BINGO Shareholders should note that the Independent Expert has assessed the underlying value of the Mixed Consideration in the immediate or short-term post implementation of the Scheme at between \$3.28 and \$3.60 per BINGO Share. This assessment of the underlying value of the shares in RollCo assumes the holder has 100% control of RollCo and an unfettered ability to transact in the equity securities. It does not incorporate any minority interest or lack of marketability or illiquidity discount and accordingly, does not represent the values that may be realised if rolling BINGO Shareholders theoretically sought to dispose of their shares in RollCo in the immediate or short-term post implementation of the Scheme.

BINGO Shareholders electing to receive shares in RollCo will collectively own a minority interest in an unlisted and illiquid entity, which carries risk and inherent uncertainty. The Independent Expert has therefore stated that in its opinion, the realisable value of the Mixed Consideration in the immediate or short-term post implementation of the Scheme:

- will be less than the All Cash Consideration at the low end of the range (because the underlying value prior to the application of any discount is already less than the All Cash Consideration); and
- is likely to be broadly consistent with the All Cash Consideration at the high end of the range (albeit subject to an inherent high level of uncertainty).

Having regard to the above, the Independent Expert has formed their conclusion by reference to the value of the All Cash Consideration only and offers no recommendation in relation to the Mixed Consideration alternative.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 1. The BINGO Directors encourage you to read this report in its entirety.

## **d. Your Recommending Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders**

Your Recommending Directors unanimously recommend that BINGO Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.

Subject to those same qualifications, each Recommending Director intends to vote all their BINGO Shares in favour of the Scheme. The interests of the BINGO Directors in BINGO Shares are set out in section 9.1.

The interests of the Recommending Directors (including Daniel Tartak, BINGO Managing Director and Chief Executive Officer) are disclosed in section 9.1. BINGO Shareholders should have regard to these interests when considering how to vote on the Scheme, including Mr Tartak's recommendation on the Scheme, which appears throughout this Scheme Booklet.<sup>12</sup>

The Recommending Directors' unanimous recommendation of the Scheme is based on the quantum of the All Cash Consideration. The Recommending Directors make no recommendation in relation to the Mixed Consideration.

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<sup>12</sup> Subject to the Scheme becoming Effective and the terms of the relevant Performance Rights and STIs continuing to be satisfied at such time, Daniel Tartak, BINGO Managing Director and Chief Executive Officer:

- may be entitled to receive certain cash payments in connection with (i) the early vesting of his unvested LTI Performance Rights (payable on or around the Implementation Date), (ii) cash payments in relation to his FY21 STIs (payable on or around the Implementation Date) and (iii) the cash-settlement of his Deferred STI Performance Rights (payable in early July shortly after vesting); and
- may be entitled to receive cash bonus payments shortly after 30 June 2024 (or potentially earlier), subject to his continued service with the BINGO Group in connection with the early vesting of his unvested Performance Rights.

Please refer to sections 9.1 and 9.2 for further details.

The BINGO IBC considers that, despite these arrangements, it is appropriate for Mr Tartak to make a recommendation on the Scheme given his knowledge of BINGO and the industry, and that BINGO Shareholders would wish to know Mr Tartak's views in relation to the Scheme. Mr Tartak also considers that it is appropriate for him to make a recommendation on the Scheme.

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The BINGO IBC note that whether the Mixed Consideration is appropriate will depend significantly on the characteristics and risk profile of individual BINGO Shareholders, noting that any investment in unlisted scrip in RollCo would represent a fundamentally different investment than the current investment in BINGO.

BINGO Shareholders should carefully read sections 4.4 and 6 and consider obtaining appropriate professional advice before making any election to receive the Mixed Consideration. BINGO Shareholders should carefully consider the risks associated with an investment in RollCo set out in sections 6.4 and 7.

**e. If a Special Dividend of up to \$0.117 is paid, those BINGO Shareholders who can realise the full benefit of franking credits could receive additional value of up to \$0.05 per BINGO Share**

The BINGO Board currently intends to pay a fully franked Special Dividend of up to \$0.117 per BINGO Share, subject to the Scheme being approved by BINGO Shareholders and the Court. A determination of whether or not to pay a Special Dividend will be made by the BINGO Directors and depends upon a number of factors. A determination of the BINGO Directors will be communicated to BINGO Shareholders by way of an ASX announcement before the Second Court Hearing.

If BINGO pays a Special Dividend of the maximum amount of \$0.117 per BINGO Share, those BINGO Shareholders who are entitled to the franking credits attached to the Special Dividend may be entitled to an Australian tax offset of up to approximately \$0.05 of additional value per BINGO Share.

In assessing the value to them of any Special Dividend, BINGO Shareholders should seek independent professional taxation advice as to whether the receipt of any Special Dividend and any entitlement to franking credits attached to it is beneficial to them based on their own circumstances. In particular, BINGO Shareholders should note that, depending on the timing of and price at which they acquired their BINGO Shares, there may be differences in the tax consequences for them. Refer to section 8 for further details.

**f. No Superior Proposal has emerged as at the date of this Scheme Booklet**

Since the announcement of the Initial Consortium Proposal on 19 January 2021 and up to the date of this Scheme Booklet, no Superior Proposal has emerged and the BINGO IBC is not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge.

In reaching a unanimous decision to recommend the Scheme to BINGO Shareholders subject to the qualifications described above, the BINGO IBC considered several alternatives to maximise value, including an assessment of standalone value creation opportunities and alternative proposals that were indicative, incomplete, confidential and non-binding. The MIRA backed Scheme was selected on the basis of it delivering the highest and most certain value to BINGO Shareholders.

**g. If the Scheme proceeds, BINGO Shareholders (other than those who make a valid Election to receive the Mixed Consideration) will receive a certain cash price for their investment in BINGO and will avoid ongoing risks and uncertainties associated with their investment in BINGO, whilst the Mixed Consideration provides BINGO Shareholders who wish to stay invested in BINGO over a longer-term with an alternate option**

The All Cash Consideration provides BINGO Shareholders with certainty of value and the opportunity to realise their investment in full for the All Cash Consideration.

In particular, the All Cash Consideration, with its substantial premium, provides certainty against the risks associated with the execution of BINGO's long term strategy as well as risks arising from external factors including from the market and the regulatory environment (including the risks associated with the ACCC's investigation into BINGO and the EPA correspondence with BINGO as described in section 7.3).

If the Scheme does not proceed, the amount which BINGO Shareholders will be able to realise in terms of price and future dividends will necessarily be uncertain and subject to risk including those related to the ongoing COVID-19 pandemic and general and specific risks relating to the business and operations of BINGO.

While BINGO remains well placed to benefit from a significant market recovery and its recent investments, the ability to realise these benefits remains subject to factors that are outside the control of BINGO. The Recommending Directors believe that the All Cash Consideration provides an attractive opportunity to realise a certain and immediate outcome that fairly values the growth potential in BINGO.

These risks are outlined in greater detail in section 7.

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# 1. Key considerations relevant to your vote

The Scheme removes these risks and uncertainties for BINGO Shareholders and allows BINGO Shareholders to exit their investment in BINGO at a price that the BINGO IBC considers attractive. However, by forgoing these risks, BINGO Shareholders will forgo any future benefits that may result from being a BINGO Shareholder.

Eligible BINGO Shareholders who wish to stay invested in BINGO over a longer-term will have an alternate option to elect to receive the Mixed Consideration. However, it is important to note the risks involved in electing to receive the Mixed Consideration as set out in section 7.4 and each investor must consider their own circumstances.

## **h. The BINGO share price will continue to be subject to market volatility and may fall if the Scheme is not implemented and in the absence of a Superior Proposal**

If the Scheme is not implemented, BINGO Shares will remain quoted on the ASX and will continue to be subject to market volatility, and the impact of general economic conditions (including the prevailing uncertainty with respect to the impact of COVID-19 and the timing of the economic recovery). These factors may have an impact on the BINGO share price in the short, medium and long term.

If the Scheme does not proceed, and no comparable proposal or Superior Proposal is received by the BINGO IBC, then the BINGO share price is expected to fall.

Since market close on 18 January 2021 (being the date before the Initial Consortium Proposal was announced), the BINGO share price has increased 26% up to a closing price of \$3.44 on 4 June 2021.

## **i. Brokerage charges will not apply to the transfer of your BINGO Shares**

You will not incur any brokerage charges on the transfer of your BINGO Shares to MIRA BidCo under the Scheme.

It is possible that such brokerage charges (and, potentially GST on those charges) would be incurred if you dispose of your BINGO Shares other than under the Scheme.

## 1.3. Why you may consider voting against the Scheme

### **a. You may wish to maintain your direct investment in BINGO as an ASX-listed company**

If the Scheme is implemented and you receive the All Cash Consideration, you will no longer be a BINGO Shareholder and will forgo any benefits that may result from being a BINGO Shareholder.

This will mean that you will not participate in the future performance of BINGO or retain any exposure to BINGO's business or assets or have the potential to share in the value that could be generated by BINGO in the future due to the implementation of the Scheme. However, there is no guarantee as to BINGO's future performance, as is the case with all investments.

By electing to receive the Mixed Consideration, Eligible BINGO Shareholders can choose to invest in RollCo, a newly formed, unlisted company. This will provide those shareholders with an indirect, minority interest in BINGO if the Scheme is implemented. However, an investment in RollCo is not the same as an investment in BINGO, and an investment in RollCo will have different characteristics (including with respect to your rights and the returns and liquidity profiles) than your current investment in BINGO. In particular, an investment in RollCo will not involve various protections which shareholders experience when investing in an ASX-listed company.

See sections 4.4, 6 and 7.4 for further information on the Mixed Consideration and the risks associated with holding unlisted scrip in RollCo.

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**b. You may believe it is in your best interests to maintain your current investment and risk profile**

You may prefer to keep your BINGO Shares to preserve your investment in a listed company with the specific characteristics of BINGO.

You may consider that, despite the risk factors relevant to BINGO's potential future operations (including those set out in section 7), BINGO may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate transactions in the future.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of BINGO or may incur transaction costs in undertaking any new investment.

**c. You may believe that the Scheme or the All Cash Consideration is not in your individual best interests and disagree with the unanimous recommendation of the BINGO IBC to vote in favour of the Scheme, the recommendation of the other Recommending Directors to vote in favour of the Scheme and/or the Independent Expert's conclusion**

Despite the unanimous recommendation of your Recommending Directors to vote in favour of the Scheme and the conclusion of the Independent Expert that the Scheme is fair and reasonable and, therefore, in the best interests of BINGO Shareholders,<sup>13</sup> you may believe that the Scheme is not in your best interests.

**d. You may believe that there is potential for a Superior Proposal to emerge**

You may consider that a Superior Proposal could emerge in the future. The BINGO IBC is, as at the date of this Scheme Booklet, not aware of, and have not received, any Superior Proposal.

**e. The tax consequences of transferring your BINGO Shares pursuant to the Scheme may not be attractive to you**

The tax consequences of the Scheme will depend on your personal situation. You may consider that the tax consequences of transferring your BINGO Shares to MIRA BidCo pursuant to the Scheme are not attractive to you.

BINGO Shareholders should read the Australian tax implications of the Scheme outlined in section 8. However, section 8 is general in nature, and BINGO Shareholders should consult their own independent taxation advisers regarding the tax implications of the Scheme.

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<sup>13</sup> As set out in the Letter from the Chairperson of the BINGO IBC and section 1.2(c), the Independent Expert has formed their conclusion by reference to the value of the All Cash Consideration only and offers no recommendation in relation to the Mixed Consideration alternative.

## 2. Frequently asked questions

This section 2 answers some frequently asked questions relating to the Scheme. It is not intended to address all relevant issues for BINGO Shareholders. This section 2 should be read together with all other parts of this Scheme Booklet.

| Question  | Answer   | More information         |
|---|--|--------------------------|
| <b>Overview of the Scheme</b>   |  |                          |
| <b>Why have I received this Scheme Booklet?</b>                           | <p>This Scheme Booklet has been sent or made available to you because you are a BINGO Shareholder and you are being asked to vote on the Scheme.</p> <p>This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting.</p>   | Section 4                |
| <b>What is the Scheme?</b>  | <p>The Scheme is a scheme of arrangement between BINGO and the Scheme Shareholders, being those BINGO Shareholders who hold BINGO Shares as at the Scheme Record Date.</p> <p>A “scheme of arrangement” is a statutory procedure in the Corporations Act that is commonly used in transactions in Australia that may result in a change of ownership or control of a company. In addition to requiring Court approval, schemes of arrangement require a shareholder vote in favour of a resolution to implement the scheme of arrangement by the Requisite Majorities.</p> <p>If the Scheme becomes Effective, MIRA BidCo will acquire all of the Scheme Shares for the Scheme Consideration. BINGO will be delisted from the ASX and will become a wholly owned subsidiary of MIRA BidCo.</p>   | Section 4 and Annexure 2 |
| <b>Who are MIRA, the Consortium, MIRA BidCo and RollCo?</b>               | <p>MIRA is an alternative asset manager that specialises in infrastructure and renewables, real estate, agriculture, transportation finance and private credit. MIRA is part of Macquarie Asset Management, the asset management business of Macquarie Group (ASX:MQG). Macquarie Asset Management has been managing assets for institutional and retail investors since 1980 in Australia. As at 31 March 2021, MIRA had \$195 billion of assets under management.</p> <p>The Consortium comprises MAIF3 and MAIT2, which are indirect wholly-owned subsidiaries of funds managed by a wholly owned subsidiary of Macquarie Group that is part of MIRA.</p> <p>MIRA BidCo is an Australian proprietary company incorporated for the purpose of acquiring all of the BINGO Shares.</p> <p>RollCo is an unlisted Australian public company incorporated for the purpose of indirectly holding all shares in MIRA BidCo, as well as issuing the Class B Shares, Preference Shares and Class C Shares to BINGO Shareholders who make a valid Election to receive the Mixed Consideration.</p> | Section 6                |
| <b>What are MIRA BidCo's intentions for BINGO if the Scheme proceeds?</b> | <p>The intentions of MIRA BidCo for BINGO if the Scheme proceeds are set out in section 6.6.</p>   | Section 6.6              |

| Question   | Answer   | More information  |
|--|--|---|
| <b>Recommendations and intentions</b>  |  |   |
| <b>What do the Recommending Directors recommend in relation to the Scheme?</b>               | <p>The Recommending Directors unanimously recommend that you <b>vote in favour</b> of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.</p> <p>The interests of the Recommending Directors (including Daniel Tartak, BINGO Managing Director and Chief Executive Officer) are disclosed in section 9.1. BINGO Shareholders should have regard to these interests when considering how to vote on the Scheme, including Mr Tartak's recommendation on the Scheme, which appears throughout this Scheme Booklet.<sup>14</sup></p> <p>Michael Coleman, BINGO Independent Chairman and Non-Executive Director, has recused himself from discussions on the Scheme and abstains from giving a recommendation in respect of how BINGO Shareholders should vote on the Scheme given his position as a Non-Executive Director at Macquarie Group Limited (MIRA's parent company).</p> | Letter from the Chairperson of the BINGO IBC and section 1.2(d) |
| <b>What do the Recommending Directors recommend in relation to the Scheme Consideration?</b> | <p>The Recommending Directors' unanimous recommendation to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders is based on the quantum of the All Cash Consideration. The Recommending Directors make no recommendation in relation to the Mixed Consideration.</p> <p>If the Scheme is implemented, you will automatically receive the All Cash Consideration if you do not make a valid Election to receive the Mixed Consideration.</p>   | Letter from the Chairperson of the BINGO IBC and section 1.2(d) |
| <b>What are the intentions of the Recommending Directors?</b>                                | Each Recommending Director intends to vote, or procure the voting of, any BINGO Shares held or controlled by him or her at the time of the Scheme Meeting in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.  | Letter from the Chairperson of the BINGO IBC and section 1.2(a) |

<sup>14</sup> Subject to the Scheme becoming Effective and the terms of the relevant Performance Rights and STIs continuing to be satisfied at such time, Daniel Tartak, BINGO Managing Director and Chief Executive Officer:

- may be entitled to receive certain cash payments in connection with (i) the early vesting of his unvested LTI Performance Rights (payable on or around the Implementation Date), (ii) cash payments in relation to his FY21 STIs (payable on or around the Implementation Date) and (iii) the cash-settlement of his Deferred STI Performance Rights (payable in early July shortly after vesting); and
- may be entitled to receive cash bonus payments shortly after 30 June 2024 (or potentially earlier), subject to his continued service with the BINGO Group in connection with the early vesting of his unvested Performance Rights.

Please refer to sections 9.1 and 9.2 for further details.

The BINGO IBC considers that, despite these arrangements, it is appropriate for Mr Tartak to make a recommendation on the Scheme given his knowledge of BINGO and the industry, and that BINGO Shareholders would wish to know Mr Tartak's views in relation to the Scheme. Mr Tartak also considers that it is appropriate for him to make a recommendation on the Scheme.

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## 2. Frequently asked questions

| Question                                    | Answer   | More information          |
|---|--|---------------------------|
| <b>Overview of the Scheme Consideration</b> |  |                           |
| <b>What is the Scheme Consideration?</b>    | <p>If the Scheme is implemented, you will receive (unless you make a valid Election to receive the Mixed Consideration) the All Cash Consideration of \$3.45 in cash per BINGO Share, comprising:</p> <ul style="list-style-type: none"><li>• a Special Dividend of up to \$0.117 per BINGO Share for each BINGO Share you hold as at the Special Dividend Record Date that may be determined and paid by BINGO before the Scheme is implemented; and</li><li>• consideration under the Scheme of \$3.45 per BINGO Share you hold as at the Scheme Record Date, less the amount of any Special Dividend that may be determined and paid by BINGO before the Scheme is implemented.</li></ul> <p>As an alternative to receiving the All Cash Consideration, you may, if you are not an Ineligible Foreign Shareholder (and subject to certain limitations), make an Election to receive the Mixed Consideration comprising cash and unlisted scrip in RollCo.</p>   | Sections 4.2, 4.3 and 4.4 |
| <b>What is the Mixed Consideration?</b>     | <p>The Mixed Consideration is an alternative to receiving the All Cash Consideration and will only be available to you if you make a valid Election to receive the Mixed Consideration.</p> <p>The Mixed Consideration will have a notional value of \$3.30 per BINGO Share, comprising:</p> <ul style="list-style-type: none"><li>• a Special Dividend of up to \$0.117 per BINGO Share for each BINGO Share you hold as at the Special Dividend Record Date that may be determined and paid by BINGO before the Scheme is implemented;</li><li>• cash consideration under the Scheme of \$1.32 per BINGO Share you hold as at the Scheme Record Date, less the amount of any Special Dividend that may be determined and paid by BINGO before the Scheme is implemented; and</li><li>• the remainder in unlisted scrip in RollCo, comprising 1 Class B Share, 1 Preference Share and 1 Class C Share with an aggregate issue price of \$1.98 per BINGO Share.</li></ul> <p>Each Class C Share will entitle the holder to receive an Earn-Out Dividend of up to \$0.80 per Class C Share, subject to certain conditions based on BINGO's future financial performance.</p> <p>BINGO Shareholders who elect to receive the Mixed Consideration may be subject to the scaleback arrangements described in section 4.4(e).</p> | Section 4.4               |

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| Question  | Answer   | More information   |
|---|--|--|
| <b>What should I consider when deciding whether to make an Election to receive the Mixed Consideration?</b> | <p>Whether the Mixed Consideration is appropriate will depend significantly on the characteristics and risk profile of each individual BINGO Shareholder.</p> <p>It is important to understand that any investment in unlisted scrip in RollCo would represent a fundamentally different investment than your current investment in BINGO.</p> <p>You should form your own view as to whether you wish to make an Election to receive the Mixed Consideration based on your own individual circumstances, financial situation, taxation position, investment objectives and risk profile.</p> <p>BINGO Shareholders should carefully read sections 6.4 and 7 for additional information on the risks associated with an investment in RollCo (including the risks associated with the ACCC's investigation into BINGO and the EPA correspondence with BINGO as described in section 7.3) and consider obtaining appropriate professional advice before making any Election to receive the Mixed Consideration.</p> | Letter from the Chairperson of the BINGO IBC and sections 4.4, 6.4 and 7 |
| <b>What is the Minimum Scrip Condition?</b>   | <p>The Scheme is conditional on BINGO Shareholders holding, in aggregate, at least 30% of the total issued capital of BINGO making an Election to receive the Mixed Consideration.</p> <p>Daniel Tartak, BINGO CEO and Managing Director, and Ian Malouf, BINGO Non-Executive Director, have stated to BINGO that they intend to elect to receive the Mixed Consideration in respect of their BINGO Shares (comprising, in aggregate, 31.53% of BINGO Shares on issue).<sup>15</sup></p>   | Letter from the Chairperson of the BINGO IBC and section 4.6             |
| <b>What is the Maximum Scrip Threshold and Scaleback Mechanism?</b>   | If BINGO Shareholders holding, in aggregate, more than 40% of the total issued capital of BINGO validly elect to receive the Mixed Consideration, a scaleback mechanism will apply on a pro-rata basis and the relevant BINGO Shareholders will receive the All Cash Consideration for the remainder of their shares.  | Letter from the Chairperson of the BINGO IBC and section 4.4(e)          |
| <b>What is the RollCo Shareholders' Deed?</b>   | BINGO Shareholders that receive shares in RollCo will become parties to the RollCo Shareholders' Deed, the executed copy of which is set out in Annexure 4. See section 6.4 for a summary of the key terms and conditions of the RollCo Shareholders' Deed.  | Section 6.4 and Annexure 4   |
| <b>Who is an Ineligible Foreign Shareholder and how will they be treated under the Scheme?</b>              | <p>You will be an Ineligible Foreign Shareholder if your address, as shown in the BINGO Share Register as at the Scheme Record Date, is a place outside Australia or New Zealand, unless BINGO and MIRA BidCo agree otherwise.</p> <p>If you are an Ineligible Foreign Shareholder, you will receive the All Cash Consideration for all of your Scheme Shares.</p>   | Sections 4.4(d) and 9.9  |

<sup>15</sup> As at 4 June 2021, Daniel Tartak holds or controls 129,804,220 BINGO Shares (representing 19.819% of BINGO Shares on issue) and Ian Malouf holds or controls 76,695,880 BINGO Shares (representing 11.710% of BINGO Shares on issue).



## 2. Frequently asked questions

| Question  | Answer  | More information |
|---|---|------------------|
| <b>How do I make an Election?</b>                           | <p>If you wish to make an Election to receive either the All Cash Consideration or the Mixed Consideration, you need to either submit an Election online at <a href="http://www.bingoscheme.com.au">www.bingoscheme.com.au</a> or complete an Election Form in accordance with the instructions set out in the form and return it to the BINGO Share Registry by no later than the Election Deadline (being 7.00pm (Sydney time) on Friday, 2 July 2021).</p> <p>If you do not make an Election or make an invalid Election and the Scheme is implemented, you will receive the All Cash Consideration for all BINGO Shares you hold on the Scheme Record Date.</p>   | Section 4.4(d)   |
| <b>When and how will I receive my Scheme Consideration?</b> | <p>If the Scheme becomes Effective:</p> <ul style="list-style-type: none"><li>• Scheme Shareholders will be sent and/or issued (as applicable) the Scheme Consideration on the Implementation Date (currently expected to be Thursday, 5 August 2021); and</li><li>• if the BINGO Directors decide to pay a Special Dividend, BINGO Shareholders on the BINGO Share Register as at the Special Dividend Record Date will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be Wednesday, 28 July 2021).</li></ul> <p>Scheme Shareholders receiving the All Cash Consideration that have validly registered their bank account details with the BINGO Share Registry before the Scheme Record Date may have their All Cash Consideration sent directly to their bank account. Otherwise, Scheme Shareholders will have their All Cash Consideration sent by cheque to their address shown on the BINGO Share Register.</p> <p>Scheme Shareholders receiving the Mixed Consideration will have the cash portion of the Mixed Consideration sent to them as above and will receive notification of their holding of the unlisted scrip in RollCo shortly after the Implementation Date.</p> | Section 4.5      |
| <b>How is MIRA BidCo funding the Scheme Consideration?</b>  | MIRA BidCo intends to fund the Scheme Consideration through a combination of equity committed by the Consortium Members and third party debt financing.   | Section 6.5      |
| <b>Will I have to pay brokerage?</b>                        | You will not have to pay brokerage on the transfer of your BINGO Shares to MIRA BidCo under the Scheme.   | Section 1.2(i)   |

| Question   | Answer   | More information |
|--|--|------------------|
| <b>What are the taxation implications of the Scheme?</b> | <p>The taxation implications of the Scheme will depend on your particular circumstances.</p> <p>Section 8 provides a general description of the Australian taxation consequences for Scheme Shareholders.</p> <p>You should seek independent professional taxation advice with respect to your particular circumstances.</p> <p>BINGO has applied to the ATO requesting a class ruling to confirm the key taxation implications of the Scheme and any Special Dividend.</p> <p>The class ruling has not been finalised as at the date of this Scheme Booklet. BINGO expects that the ATO will provide a draft of the class ruling prior to the Scheme Meeting. BINGO will make an announcement to the ASX if it receives a draft of the class ruling before the Scheme Meeting.</p> <p>When the final class ruling is published by the ATO, it will be available on the ATO's website at <a href="http://www.ato.gov.au">www.ato.gov.au</a>.</p> | Section 8        |

## Special Dividend

### What is the Special Dividend?

The BINGO Board currently intends to pay a fully franked Special Dividend of up to \$0.117 per BINGO Share prior to implementation of the Scheme, if the Scheme is approved by BINGO Shareholders and the Court.

A determination of whether or not to pay a Special Dividend will be made by the BINGO Directors and will depend upon a number of factors.

A determination of the BINGO Directors will be communicated to BINGO Shareholders by way of an ASX announcement before the Second Court Hearing.

Letter from the Chairperson of the BINGO IBC and section 4.3

### Will any Special Dividend be franked?

The BINGO Directors currently intend that, if any Special Dividend is to be paid, it will be fully franked.

This means that, depending on the individual circumstances of the BINGO Shareholder, each BINGO Shareholder may also receive a franking credit of up to approximately \$0.05 per BINGO Share.

In assessing the value to you of any Special Dividend or franking credits, you should seek independent professional taxation advice as to whether the receipt of any Special Dividend and any entitlement to franking credits attached thereto is beneficial to you based on your own circumstances. In particular, you should note that, depending on the timing of and price at which you acquired your BINGO Shares, there may be differences in the tax consequences for you.

Sections 4.3 and 8

## 2. Frequently asked questions

| Question   | Answer   | More information |
|--|--|------------------|
| <b>Conditions to the Scheme</b>  |  |                  |
| <b>Are there any conditions to the Scheme?</b>   | <p>The Scheme is subject to various conditions precedent that must be satisfied or waived (if capable of waiver) in order for the Scheme to be implemented. The conditions to the Scheme are summarised in section 4.6 and set out in full in clause 3.1 of the Scheme Implementation Deed.</p> <p>As at the date of this Scheme Booklet, the BINGO Directors are not aware of any reason why any condition to the Scheme will not be satisfied or waived (if capable of waiver).</p>  | Section 4.6      |
| <b>Are there any regulatory approvals required for the Scheme to become Effective?</b> | <p>The Scheme is subject to approval from the Australian Foreign Investment Review Board (<b>FIRB</b>). As at the date of this Scheme Booklet, the FIRB condition precedent remains outstanding. While BINGO is not aware of any circumstances which would cause the FIRB condition precedent not to be satisfied as at the date of this Scheme Booklet, it is possible that the requirement for approval from FIRB for the Scheme to proceed may be delayed and that this may result in a delay to the date of the Scheme Meeting. BINGO Shareholders should note that the FIRB condition precedent will need to be satisfied in order for the Scheme to proceed.</p> <p>The Scheme is not conditional on any other regulatory approvals.</p>   | Section 4.6      |
| <b>What is required for the Scheme to become Effective?</b>                            | <p>The Scheme will become Effective if:</p> <ul style="list-style-type: none"> <li>the Scheme is approved by the Requisite Majorities of BINGO Shareholders at the Scheme Meeting to be held on 13 July 2021;</li> <li>the Court approves the Scheme at the Second Court Hearing; and</li> <li>all of the other conditions precedent to the Scheme are satisfied or waived (if capable of waiver).</li> </ul>  | N/A              |
| <b>When and where will the Scheme Meeting be held?</b>                                 | <p>Having regard to the uncertainty and potential health risks associated with large gatherings during the COVID-19 pandemic, shareholders will not be able to attend the Scheme Meeting in person.</p> <p>BINGO Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the Scheme Meeting online at <a href="http://www.bingoscheme.com.au">www.bingoscheme.com.au</a>. BINGO Shareholders who participate in the Scheme Meeting via the online platform will be able to listen to the Scheme Meeting, cast an online vote and ask questions online. Please monitor BINGO's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.</p> <p>Please see the Notice of Scheme Meeting in Annexure 5 and the Scheme Meeting Online Guide (which has been released to the ASX and will be available at <a href="http://www.bingoscheme.com.au">www.bingoscheme.com.au</a>) for further details relating to the conduct of the Scheme Meeting.</p> <p>The Scheme Meeting may be postponed or adjourned, including if satisfaction of a condition precedent is delayed. Any such postponement or adjournment will be announced by BINGO to the ASX.</p> | Annexure 5       |

| Question   | Answer  | More information        |
|--|---|-------------------------|
| <b>What will BINGO Shareholders be asked to vote on at the Scheme Meeting?</b>   | At the Scheme Meeting, BINGO Shareholders will be asked to vote on whether to approve the Scheme.   | Annexure 5              |
| <b>What is the BINGO Shareholder approval threshold for the Scheme?</b>  | <p>To become Effective, the Scheme must be approved by the Requisite Majorities, being:</p> <ul style="list-style-type: none"> <li>• unless the Court orders otherwise, a majority in number (more than 50%) of BINGO Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate BINGO Shareholders, body corporate representative); and</li> <li>• at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by BINGO Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate BINGO Shareholders, body corporate representative).</li> </ul> <p>Even if the Scheme is approved by the Requisite Majorities of BINGO Shareholders at the Scheme Meeting, the Scheme is still subject to the approval of the Court.</p> | Section 4.8(a)          |
| <b>Am I entitled to vote at the Scheme Meeting?</b>  | If you are registered as a BINGO Shareholder on the BINGO Share Register as at 7.00pm (Sydney time) on Sunday, 11 July 2021, you will be entitled to participate in the Scheme Meeting.   | Annexure 5              |
| <b>How can I vote if I can't attend the Scheme Meeting?</b>  | If you would like to vote but cannot participate in the Scheme Meeting via the online platform, or will not have access to a device or the internet, you can vote by appointing a proxy (including by lodging your proxy form online at <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a> ) or an attorney to participate on your behalf. You may also vote by corporate representative if that option is applicable to you.   | Annexure 5              |
| <b>When will the results of the Scheme Meeting be known?</b>   | The results of the Scheme Meeting are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX ( <a href="http://www.asx.com.au">www.asx.com.au</a> ) once available.   | N/A                     |
| <b>What happens to my BINGO Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes Effective and is implemented?</b> | <p>If you do not vote, or vote against the Scheme, and the Scheme becomes effective and is implemented, any Scheme Shares held by you on the Scheme Record Date (currently expected to be 7.00pm (Sydney time) on Thursday, 22 July 2021) will be transferred to MIRA BidCo and you will receive the Scheme Consideration, despite not having voted or having voted against the Scheme.</p> <p>If you have not made a valid Election, you will receive the All Cash Consideration.</p>  | Section 4.8(a)          |
| <b>What happens if the Scheme does not become Effective?</b>   | <p>If the Scheme is not approved by the Requisite Majorities of BINGO Shareholders or the Court:</p> <ul style="list-style-type: none"> <li>• BINGO will remain an ASX-listed company and you will remain a BINGO Shareholder;</li> <li>• BINGO Shareholders will not receive the Scheme Consideration; and</li> <li>• a break fee of \$20 million (excluding GST) or a partial break fee of \$5 million (excluding GST) may be payable to MIRA BidCo in certain circumstances.</li> </ul>  | Sections 4.7 and 9.4(d) |

## 2. Frequently asked questions

| Question   | Answer  | More information           |
|--|---|----------------------------|
| <b>If the Scheme is implemented, will BINGO Shares cease trading on the ASX?</b> | BINGO intends to apply to ASX for BINGO Shares to be suspended from trading on ASX from close of trading on the Effective Date. Following the Implementation Date, BINGO will apply for termination of the official quotation of BINGO Shares on ASX and for BINGO to be removed from the official list of ASX.   | Section 4.10               |
| <b>Other questions</b>   |   |                            |
| <b>What happens if a Competing Proposal is received?</b>                         | <p>If a Competing Proposal is received, the BINGO IBC will carefully consider it. BINGO must notify MIRA BidCo of that Competing Proposal in accordance with the Scheme Implementation Deed.</p> <p>BINGO Shareholders should note that BINGO has agreed to certain exclusivity and break fee provisions in favour of MIRA BidCo under the Scheme Implementation Deed.</p>  | Sections 9.4(b) and 9.4(d) |
| <b>Can I sell my BINGO Shares now?</b>   | <p>Yes.</p> <p>You can sell your BINGO Shares on market at any time before the close of trading on the ASX on the Effective Date at the then prevailing market price (which may vary from the All Cash Consideration).</p> <p>BINGO intends to apply to the ASX for BINGO Shares to be suspended from trading on the ASX from close of trading on the Effective Date. You will not be able to sell your BINGO Shares on market after this date.</p> <p>If you sell your BINGO Shares on market, you may pay brokerage on the sale, you will not receive the All Cash Consideration and there may be different tax consequences compared to those that would arise if you retain those shares until the Scheme is implemented.</p> | N/A                        |
| <b>What if I have further questions about the Scheme?</b>                        | <p>For further information, please contact the BINGO Shareholder Information Line on +61 1300 361 735 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays).</p> <p>If you are in doubt about anything in this Scheme Booklet, please contact your broker, financial, legal, taxation, accounting and/or other professional adviser immediately.</p>  | N/A                        |

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## 3. What should you do?

### 3.1. Step 1: Carefully read and consider this Scheme Booklet

This is an important document. You should carefully read this Scheme Booklet in its entirety (including the Independent Expert's Report included in Annexure 1) before deciding whether to vote in favour of the Scheme.

If you have any questions, please contact the BINGO Shareholder Information Line on +61 1300 361 735 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays).

If you are in any doubt as to what you should do, please consult your broker, legal, financial, tax, accounting and/or other professional adviser without delay.

### 3.2. Step 2: Vote on the Scheme

#### a. Your vote is important

For the Scheme to proceed, it is necessary that sufficient BINGO Shareholders vote in favour of the Scheme.

#### b. Who is entitled to vote?

If you are registered on the BINGO Share Register at 7.00pm (Sydney time) on Sunday, 11 July 2021, you will be entitled to vote on the Scheme.

#### c. How to vote

You may vote:

- **online**, by participating in the Scheme Meeting and voting via the online platform at [www.bingoscheme.com.au](http://www.bingoscheme.com.au);
- **by proxy**, by lodging a proxy form online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by completing, signing and lodging a proxy form for the Scheme Meeting in accordance with the instructions set out on the form. To be valid, your proxy form must be received by the BINGO Share Registry by 10.00am (Sydney time) on Sunday, 11 July 2021;
- **by attorney**, by appointing an attorney to participate in the Scheme Meeting on your behalf and providing a duly executed power of attorney to the BINGO Share Registry by 10.00am (Sydney time) on Sunday, 11 July 2021; or
- **by corporate representative**, in the case of a body corporate which is a BINGO Shareholder, by appointing a corporate representative to vote at the Scheme Meeting on behalf of that BINGO Shareholder and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to the Scheme Meeting.

Further details on how to vote using each of these methods is contained in the Notice of Scheme Meeting attached as Annexure 5.

### 3.3. Step 3: Consider whether to make an Election

If you are a Scheme Shareholder (other than an Ineligible Foreign Shareholder), you can make an Election to receive either the All Cash Consideration or Mixed Consideration.

If you do not make a valid Election and the Scheme is implemented, you will receive the All Cash Consideration by default.

For further information on how to make a valid Election, see section 4.4(d).

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# 4. Overview of the Scheme

## 4.1. Background to the Scheme

On 27 April 2021, BINGO and MIRA BidCo entered into the Scheme Implementation Deed, under which the parties have agreed to implement the Scheme between BINGO and the Scheme Shareholders. A full copy of the Scheme Implementation Deed was attached to BINGO's announcement to the ASX relating to the Scheme on 27 April 2021. A full copy of the Scheme Implementation Deed can be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)).

## 4.2. Overview of the Scheme Consideration

If the Scheme is implemented, Scheme Shareholders will be entitled to receive either:

- the All Cash Consideration of \$3.45 cash per BINGO Share held by them on the Scheme Record Date and the Special Dividend Record Date, comprising:

**(if a Special Dividend is paid)**

- \$3.45 in cash per BINGO Share held by them on the Scheme Record Date less the cash amount of the Special Dividend (payable by MIRA BidCo); and
- the amount of the Special Dividend in cash per BINGO Share held by them on the Special Dividend Record Date (payable by BINGO); or

**(if a Special Dividend is not paid)**

- \$3.45 in cash per BINGO Share held by them on the Scheme Record Date (payable by MIRA BidCo); or
- if they make a valid Election and certain other conditions are satisfied, the Mixed Consideration (see section 4.4 for further details).

If the Scheme is implemented, Scheme Shareholders will receive the All Cash Consideration unless they make a valid Election to receive the Mixed Consideration (see section 4.4).

Scheme Shareholders receiving the All Cash Consideration will receive, if the Scheme is implemented and they hold BINGO Shares on both the Scheme Record Date and the Special Dividend Record Date, an amount of \$3.45 in cash per BINGO Share regardless of whether a Special Dividend is paid, or the amount of any Special Dividend. This is because the Scheme Consideration payable by MIRA BidCo per BINGO Share will, if the Scheme is implemented, be \$3.45 less the cash amount of any Special Dividend paid by BINGO before the Implementation Date.

## 4.3. Special Dividend

### a. Introduction

The BINGO Board currently intends to pay a fully franked Special Dividend of up to \$0.117 per BINGO Share prior to the Implementation Date, if the Scheme is approved by BINGO Shareholders and the Court. A determination of whether or not to pay a Special Dividend will be made by the BINGO Directors and will depend upon a number of factors.

### b. Corporations Act requirements

Under section 254T of the Corporations Act, dividends may only be paid by a company if:

- the company's assets exceed its liabilities immediately before the dividend is determined and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

In addition, section 260A of the Corporations Act enables a company to financially assist a person to acquire shares in the company or a holding company only if certain conditions are satisfied. Financial assistance of this kind would be permitted if the giving of assistance does not materially prejudice:

- the interests of the company;
- the interests of its shareholders; or
- the company's ability to pay its creditors.

The Corporations Act specifically contemplates that financial assistance (of the kind that is regulated under section 260A of the Corporations Act) may take the form of paying a dividend which may be given before the acquisition of shares. BINGO only intends to pay a Special Dividend if they can do so in compliance with section 260A.

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The BINGO Directors will determine (in their absolute discretion) whether to pay any Special Dividends after assessing the financial position of the BINGO Group and the expected impact on creditors. However, based on the information currently available, the BINGO Directors expect to be able to determine that paying a Special Dividend of up to \$0.117 per BINGO Share is in the best interests of BINGO and does not materially prejudice the interests of BINGO or BINGO Shareholders and does not materially prejudice BINGO's ability to pay its creditors.

#### **c. Announcement regarding any Special Dividend**

A determination of the BINGO Directors regarding the payment of any Special Dividend will be communicated to BINGO Shareholders by way of an ASX announcement before the Second Court Hearing.

#### **d. Impact of any Special Dividend**

If the BINGO Directors decide to pay a Special Dividend and the Scheme is approved by BINGO Shareholders and the Court, the Scheme Consideration payable by MIRA BidCo per BINGO Share will be \$3.45 less the cash amount of the Special Dividend.

By way of example, if the BINGO Directors decide to pay a Special Dividend of \$0.117 per BINGO Share, BINGO Shareholders who are recorded on the BINGO Share Register as at both the Scheme Record Date and the Special Dividend Record Date will receive the All Cash Consideration of \$3.45 per BINGO Share, comprising:

- an amount of \$3.333 in cash per BINGO Share held by them on the Scheme Record Date (payable by MIRA BidCo); and
- a fully franked Special Dividend of \$0.117 in cash per BINGO Share held by them on the Special Dividend Record Date (payable by BINGO).

The All Cash Consideration BINGO Shareholders receive will, if the Scheme is implemented and you hold BINGO Shares on both the Scheme Record Date and the Special Dividend Record Date, be an amount of \$3.45 in cash per BINGO Share regardless of whether a Special Dividend is paid, or the amount of any Special Dividend. This is because the Scheme Consideration payable by MIRA BidCo per BINGO Share will, if the Scheme is implemented, be \$3.45 less the cash amount of any Special Dividend paid by BINGO before the Implementation Date.

Accordingly, if the BINGO Directors decide not to pay any Special Dividend, BINGO Shareholders who are recorded in the BINGO Share Register as at the Scheme Record Date will be paid a cash payment of \$3.45 for each BINGO Share held on the Scheme Record Date (payable by MIRA BidCo).

## **4.4. Mixed Consideration**

### **a. Overview of the Mixed Consideration**

Instead of receiving the All Cash Consideration under the Scheme, Scheme Shareholders (other than Ineligible Foreign Shareholders) may make an Election (subject to certain limitations) to receive the Mixed Consideration.

The Mixed Consideration will have notional value of \$3.30 per BINGO Share (before including the value of the Earn-Out Dividend outlined further below), comprising:

- a Special Dividend of up to \$0.117 per BINGO Share for each BINGO Share they hold as at the Special Dividend Record Date that may be determined and paid by BINGO before the Scheme is implemented;
- cash consideration under the Scheme of \$1.32 per BINGO Share they hold as at the Scheme Record Date, less the amount of any Special Dividend that may be determined and paid by BINGO before the Scheme is implemented; and
- the remainder in unlisted scrip in RollCo, the MIRA controlled entity which will indirectly own 100% of the issued capital in BINGO after implementation of the Scheme. The unlisted scrip will comprise 1 Class B Share, 1 Preference Share and 1 Class C Share. These shares will have an aggregate issue price of \$1.98 per BINGO Share.

Each Class C Share will have a nominal issue price but will entitle the holder to receive an Earn-Out Dividend of up to \$0.80 per Class C Share, subject to certain conditions (summarised below). The Earn-Out Dividend (if declared and paid by RollCo) is required to be franked to the maximum extent possible.

The Earn-Out Dividend is subject to risk, based on BINGO's future financial performance and may be payable by RollCo to BINGO Shareholders electing the Mixed Consideration under the following scenarios:

- If BINGO achieves Earn-Out EBITDA of \$240 million or more in the financial year ending 30 June 2024 (**FY2024 \$240m Earn-Out Threshold**), the entire \$0.80 per Class C Share of Earn-Out Dividend would be payable.
- If BINGO achieves Earn-Out EBITDA of between \$220-\$240 million in the financial year ending 30 June 2024 (**FY2024 \$220-240m Earn-Out Threshold**), a straight-line pro-rata percentage of the Earn-Out Dividend between \$0.00 and \$0.80 per Class C Share would be payable.



## 4. Overview of the Scheme

- If BINGO achieves Earn-Out EBITDA of less than \$220 million in the financial year ending 30 June 2024, no Earn-Out Dividend would be payable.
- Early payment of the Earn-Out Dividend is possible if Earn-Out EBITDA of \$240 million or more is achieved in the financial year ending 30 June 2022 or the financial year ending 30 June 2023 (**FY2022-23 \$240m Earn-Out Threshold**).

The aggregate issue price per Class B Share and Preference Share will be the same as the aggregate issue price per Class A Share and Preference Share paid by MIRA for the Class A Shares and Preference Shares that MIRA subscribes for to provide the equity funding for the Scheme Consideration.

A detailed breakdown of the components that make up the Mixed Consideration, including value considerations for BINGO Shareholders, are set out in section 4.4(b) below.

The aggregate issue price of \$1.98 for the unlisted scrip in RollCo does not equal or otherwise reflect the underlying economic value of those shares. In particular, BINGO Shareholders should note that the Independent Expert has assessed the underlying value of the Mixed Consideration in the immediate or short-term post implementation of the Scheme at between \$3.28 and \$3.60 per BINGO Share, which includes underlying value for the shares in RollCo of between \$1.96 and \$2.28 per RollCo share.

**This assessment of the underlying value of the shares in RollCo assumes the holder has 100% control of RollCo and an unfettered ability to transact in the equity securities. It does not incorporate any minority interest or lack of marketability or illiquidity discount and accordingly, does not represent the values that may be realised if rolling BINGO Shareholders theoretically sought to dispose of their shares in RollCo in the immediate or short-term post implementation of the Scheme.**

BINGO Shareholders electing to receive shares in RollCo will collectively own a minority interest in an unlisted and illiquid entity, which carries risk and inherent uncertainty. The Independent Expert has therefore stated that in its opinion, the realisable value of the Mixed Consideration in the immediate or short-term post implementation of the Scheme:

- will be less than the All Cash Consideration at the low end of the range (because the underlying value prior to the application of any discount is already less than the All Cash Consideration); and
- is likely to be broadly consistent with the All Cash Consideration at the high end of the range (albeit subject to an inherent high level of uncertainty).

RollCo is a newly formed unlisted Australian public company which will provide those BINGO Shareholders who make a valid Election to receive the Mixed Consideration with a continuing indirect minority interest in BINGO. See section 6.4 for a summary of the rights and liabilities attaching to the Class B Shares, Class C Shares and Preference Shares.

BINGO Shareholders that receive shares in RollCo will become parties to the RollCo Shareholders' Deed, the executed copy of which is set out in Annexure 4. See section 6.4 for a summary of the key terms and conditions of the RollCo Shareholders' Deed.

### b. Notional value and value considerations for each component of the Mixed Consideration

Further information on each component of the Mixed Consideration that a BINGO Shareholder will receive for each BINGO Share the subject of a valid Election are set out in the table below, assuming that the Scaleback Mechanism does not apply in relation to such Election.

| Component        | Breakdown of the notional value per BINGO Share under the Mixed Consideration | Key considerations   |
|------------------|---|--|
| Cash             | \$1.32 (less the value of any Special Dividend)                               | <ul style="list-style-type: none"><li>• BINGO Shareholders will receive certain value of \$1.32 for each BINGO Share the subject of a valid Election</li></ul>   |
| Special Dividend | Up to \$0.117   | <ul style="list-style-type: none"><li>• The BINGO Board currently intends to pay a fully franked Special Dividend of up to \$0.117 per BINGO Share prior to implementation of the Scheme, resulting in franking credits of approximately \$0.05 per BINGO Share<sup>16</sup></li></ul> |

<sup>16</sup> It remains at the discretion of the BINGO Board whether the Special Dividend is ultimately determined and paid. Whether shareholders will be able to realise the full benefit of the franking credits will depend on individual tax circumstances.

| Component  | Breakdown of the notional value per BINGO Share under the Mixed Consideration | Key considerations   |
|--|---|--|
| <b>Class B Share</b>                               | \$1.089   |  |
| <b>Preference Share</b>                            | \$0.891   |  |
| <b>Class C Share (excluding Earn-Out Dividend)</b> | Nominal   | <ul style="list-style-type: none"> <li>• Shareholders will receive 1 Class B Share, 1 Preference Share and 1 Class C Share in RollCo with an aggregate issue price of \$1.98</li> <li>• The aggregate issue price per Class B Share and Preference Share will be the same as the aggregate issue price per Class A Share and Preference Share in RollCo paid by MIRA for the Class A Shares and Preference Shares that MIRA subscribes for to provide the equity funding for the scheme consideration</li> <li>• The aggregate issue price per Class B Share and Preference Share reflects the paid-up capital that is attributed to these shares in RollCo that will determine the share capital structure of RollCo after the Implementation Date</li> <li>• The actual capital structure of RollCo after the Implementation Date will depend on a number of factors. Refer to section 6.4 for further information</li> <li>• BINGO Shareholders should be aware that the aggregate issue price of \$1.98 for the unlisted scrip in RollCo does not equal or otherwise reflect the underlying economic value of those shares</li> <li>• In particular, BINGO Shareholders should note that relative to their current investment in BINGO, the economic value of unlisted scrip in RollCo immediately following the Implementation Date will be negatively impacted as a result of: <ul style="list-style-type: none"> <li>– Lack of liquidity and marketability given the unlisted nature of RollCo and limited liquidity mechanisms provided for under the RollCo Shareholders' Deed; and</li> <li>– The minority position that Rollover Shareholders will have in RollCo (which is normally discounted relative to the pro-rata value of 100% of BINGO)</li> </ul> </li> <li>• The Independent Expert has assessed the underlying value of the Mixed Consideration in the immediate or short-term post implementation of the Scheme at between \$3.28 and \$3.60 per BINGO Share, which includes underlying value for the shares in RollCo of between \$1.96 and \$2.28 per RollCo share. This assessment of the underlying value of the shares in RollCo assumes the holder has 100% control of RollCo and an unfettered ability to transact in the equity securities</li> <li>• BINGO Shareholders electing to receive shares in RollCo will collectively own a minority interest in an unlisted and illiquid entity, which carries risk and inherent uncertainty. The Independent Expert has therefore stated that in its opinion, the realisable value of the Mixed Consideration in the immediate or short-term post implementation of the Scheme: <ul style="list-style-type: none"> <li>– will be less than the All Cash Consideration at the low end of the range (because the underlying value prior to the application of any discount is already less than the All Cash Consideration); and</li> <li>– is likely to be broadly consistent with the All Cash Consideration at the high end of the range (albeit subject to an inherent high level of uncertainty)</li> </ul> </li> </ul> |

## 4. Overview of the Scheme

| Component   | Breakdown of the notional value per BINGO Share under the Mixed Consideration | Key considerations   |
|---|---|--|
| <b>Total notional value (excluding Earn-Out Dividend)</b> | \$3.30  |  |
| <b>Class C Share Earn-Out Dividend</b>                    | Nil – \$0.80 (paid at a future date)  | <ul style="list-style-type: none"> <li>The Earn-Out Dividend of up to \$0.80 per Class C Share may be paid at a future date subject to certain conditions (summarised in section 4.4(a) above)</li> <li>The Earn-Out Dividend is subject to risk and BINGO Shareholders electing the Mixed Consideration alternative need to form their own opinion on the likelihood of achieving the Earn-Out Dividend conditions</li> <li>BINGO Shareholders should note that any Earn-Out Dividend will be funded by RollCo, which will be 19-26% owned by Rollover Shareholders (and hence Rollover Shareholders will be funding this proportion of the Earn-Out Dividend)</li> <li>The Earn-Out Dividend will be paid after 30 June 2024 (subject to the achievement of the Earn-Out EBITDA target and unless the Earn-Out EBITDA target is achieved earlier). BINGO Shareholders should therefore consider that any value attributed to the Earn-Out Dividend in the future would need to be discounted in considering the value of the amount today</li> </ul> |

### c. Eligibility and limitations

A Scheme Shareholder is only entitled to receive the Mixed Consideration if the Scheme Shareholder is not an Ineligible Foreign Shareholder and has made a valid Election in respect of all of its BINGO Shares held on the Scheme Record Date.

### d. Making an Election

If you are a Scheme Shareholder (other than an Ineligible Foreign Shareholder), you may make an Election to receive either the All Cash Consideration or the Mixed Consideration by either submitting an Election online at [www.bingoscheme.com.au](http://www.bingoscheme.com.au) or completing an Election Form in accordance with the instructions set out in the form and returning it to the BINGO Share Registry by no later than the Election Deadline (being 7.00pm (Sydney time) on Friday, 2 July 2021). If you are not a Scheme Shareholder or you are an Ineligible Foreign Shareholder, you are not eligible to make an Election or to receive the Mixed Consideration. If you are an Ineligible Foreign Shareholder, you will receive the All Cash Consideration if the Scheme is implemented.

### e. Scaleback arrangements

MAIF3 and MAIT2 intend to own at least 74% of RollCo between them on implementation of the Scheme. There will be a scaleback if the aggregate amount of Elections to receive Mixed Consideration would otherwise result in Scheme Shareholders owning more than 26%, and therefore MAIF3 and MAIT2 owning less than 74%, of RollCo on implementation of the Scheme.

This means that there will be a scaleback if valid Elections are made to receive Mixed Consideration for more than 40% of issued BINGO Shares as at the date of this Scheme Booklet. Any scaleback will be on a pro-rata basis. If there is a scaleback, you will receive the All Cash Consideration in place of the Mixed Consideration which you would have received, but which were not issued to you due to the scaleback.

Where the calculation of the number of BINGO Shares that are subject to the scaleback would result in the Scheme Shareholder becoming entitled to receive the Mixed Consideration in relation to a fraction of a share, then the fractional entitlement will be rounded to the nearest whole number, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number.

BINGO intends to announce to ASX ([www.asx.com.au](http://www.asx.com.au)) the amount of Elections to receive Mixed Consideration made by Scheme Shareholders on Monday, 5 July 2021.

See clause 5.5 of the Scheme of Arrangement for further details on the scaleback.

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## 4.5. Provision of the Scheme Consideration and Special Dividend

### a. Cash Consideration

All cash to be paid under the All Cash Consideration or Mixed Consideration (in each case, excluding the amount of any Special Dividend) (**Cash Consideration**) will be sent to Scheme Shareholders on the Implementation Date (currently expected to be Thursday, 5 August 2021). Scheme Shareholders who have validly registered their bank account details with the BINGO Share Registry before the Scheme Record Date may have their Cash Consideration sent directly to their bank account. Otherwise, Scheme Shareholders will have their Cash Consideration sent by cheque to their address shown on the BINGO Share Register.

It is important to note that you will only receive the Cash Consideration if you are a Scheme Shareholder. You will be a Scheme Shareholder if you hold BINGO Shares at the Scheme Record Date (currently expected to be 7.00pm (Sydney time) on Thursday, 22 July 2021) or such other time and date as BINGO and MIRA BidCo agree in writing).

If you are a BINGO Shareholder, you should ensure your personal contact and bank account details are up to date in the records held by the BINGO Share Registry or in your trading account.

### b. Unlisted scrip

The unlisted scrip in RollCo under the Mixed Consideration will be issued on the Implementation Date. Scheme Shareholders who receive the Mixed Consideration will receive notification of their holding of the unlisted scrip in RollCo shortly after that date.

### c. Special Dividend

If the BINGO Directors decide to pay a Special Dividend, BINGO Shareholders on the BINGO Share Register as at the Special Dividend Record Date (currently expected to be 7.00pm (Sydney time) on Monday, 19 July 2021) will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be Wednesday, 28 July 2021).

## 4.6. Conditions to the Scheme

Implementation of the Scheme is subject to the following conditions precedent:

**a. FIRB:** before 5.00pm on the Business Day before the Second Court Date one of the following has occurred:

1. MIRA BidCo has received written notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**), by or on behalf of the Treasurer of the Commonwealth of Australia (**Treasurer**), advising that the Commonwealth Government has no objections to the Transaction, either unconditionally or on terms that are acceptable to MIRA BidCo acting reasonably (subject to certain limitations);
2. the Treasurer becomes precluded by the passage of time from making an order or decision under Part 3 of the FATA in relation to the Transaction and the Transaction is not prohibited by section 82 of the FATA; or
3. where an interim order is made under section 68 of the FATA in respect of the Transaction, the subsequent period for making an order or decision under Part 3 of the FATA elapses without the Treasurer making such an order or decision;

**b. Shareholder approval:** BINGO Shareholders approve the Scheme Resolution at the Scheme Meeting by the Requisite Majorities;

**c. Valid Elections:** BINGO Shareholders holding at least 30% of the issued BINGO Shares make valid Elections to receive the Mixed Consideration under the Scheme;

**d. Independent Expert:** the Independent Expert:

1. issues an Independent Expert's Report which concludes that the Scheme is in the best interests of BINGO Shareholders before the time when the Scheme Booklet is registered by ASIC; and
2. does not formally change its conclusion or withdraw its Independent Expert's Report before 8.00am on the Second Court Date;

**e. Court approval:** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act (either unconditionally and without modification or with modifications or conditions consented to by MIRA BidCo);

**f. Restraints:** no law, rule, regulation, restraining order, preliminary or permanent injunction or other preliminary or final decision, order or decree is made by an Australian court of competent jurisdiction or Australian Government Agency, which restrains, prohibits, impedes or otherwise materially adversely impacts upon (or could reasonably be expected to restrain, prohibit or otherwise materially adversely impede or impact upon) implementation of the Scheme, is in effect at 8.00am on the Second Court Date;

**g. No BINGO Material Adverse Change:** no BINGO Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to MIRA BidCo between (and including) 27 April 2021 and 8.00am on the Second Court Date (subject to certain limitations); and

**h. No BINGO Prescribed Occurrence:** no BINGO Prescribed Occurrence occurs between (and including) 27 April 2021 and 8.00am on the Second Court Date (subject to certain limitations).

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## 4. Overview of the Scheme

The Scheme will not proceed unless all of the conditions precedent to the Scheme are satisfied or waived (if capable of waiver) in accordance with the Scheme Implementation Deed.

The Scheme was subject to each of the RollCo Shareholders' Deed and RollCo Constitution being duly executed or adopted (as applicable) no later than 4 May 2021. This condition has been satisfied.

As at the date of this Scheme Booklet, none of the BINGO Directors or MIRA BidCo Directors are aware of any circumstances which would cause any condition precedent not to be satisfied.

### 4.7. Implications if the Scheme is not implemented

If the Scheme is not implemented:

- unless BINGO Shareholders choose to sell their BINGO Shares on the ASX, BINGO Shareholders will continue to hold BINGO Shares and will be exposed to a number of risks (including those set out in section 7) as well as potential future benefits in retaining exposure to BINGO's business and assets;
- BINGO Shareholders will not receive the Scheme Consideration;
- a break fee of \$20 million (excluding GST) or partial break fee of \$5 million (excluding GST) may be payable by BINGO to MIRA BidCo under certain circumstances. Those circumstances do not include the failure by BINGO Shareholders to approve the Scheme at the Scheme Meeting;
- BINGO will continue as an ASX-listed entity with management intending to continue to implement the business plan and financial and operating strategies it had in place prior to 27 April 2021, being the date of announcement of the Scheme to the ASX; and
- the price of a BINGO Share on the ASX will continue to be subject to market volatility and may fall in the absence of a Superior Proposal.

### 4.8. Key steps in the Scheme

#### a. Scheme Meeting and Scheme approval requirements

The Court has ordered BINGO to convene the Scheme Meeting at which BINGO Shareholders will be asked to approve the Scheme.

The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting in Annexure 5.

The Scheme will only become Effective and be implemented if:

- it is approved by the Requisite Majorities of BINGO Shareholders at the Scheme Meeting to be held on 13 July 2021;
- it is approved by the Court at the Second Court Hearing; and
- the other conditions precedent to the Scheme outlined in section 4.5 are satisfied or waived (if capable of waiver).

The Requisite Majorities of BINGO Shareholders to approve the Scheme are:

- unless the Court orders otherwise, a majority in number (more than 50%) of BINGO Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate BINGO Shareholders, body corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by BINGO Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate BINGO Shareholders, body corporate representative).

The Court has the power to waive the first requirement.

The entitlement of BINGO Shareholders to participate in the Scheme Meeting is set out in the Notice of Scheme Meeting in Annexure 5.

Voting is not compulsory. However, your Recommending Directors unanimously recommend that BINGO Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of BINGO Shareholders and the Court. If this occurs, your BINGO Shares will be transferred to MIRA BidCo and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme. If you do not make a valid Election, you will receive the All Cash Consideration.

The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to the ASX ([www.asx.com.au](http://www.asx.com.au)) once available.

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Please note that the Scheme Meeting may be postponed or adjourned, including if satisfaction of a condition precedent is delayed. Any such postponement or adjournment will be announced by BINGO to the ASX.

#### **b. Court approval of the Scheme**

In the event that:

- the Scheme is approved by the Requisite Majorities of BINGO Shareholders at the Scheme Meeting; and
- it can reasonably be expected that all other conditions precedent to the Scheme (except Court approval of the Scheme) will be satisfied or waived (if capable of waiver),

then BINGO will apply to the Court for orders approving the Scheme.

Each BINGO Shareholder has the right to appear at the Second Court Hearing.

#### **c. Effective Date**

If the Court approves the Scheme, the Scheme will become Effective on the Effective Date, being the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. BINGO will, on the Scheme becoming Effective, give notice of that event to the ASX.

BINGO intends to apply to the ASX for BINGO Shares to be suspended from trading on the ASX from close of trading on the Effective Date.

#### **d. Special Dividend Record Date, entitlement to any Special Dividend and Special Dividend Payment Date**

If the BINGO Directors decide to pay a Special Dividend, those BINGO Shareholders who are recorded on the BINGO Share Register on the Special Dividend Record Date (currently expected to be 7.00pm (Sydney time) on Monday, 19 July 2021) will be entitled to receive the Special Dividend in respect of the BINGO Shares they hold at that time and will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be Wednesday, 28 July 2021).

#### **e. Scheme Record Date and entitlement to Scheme Consideration**

Those BINGO Shareholders who are recorded on the BINGO Share Register on the Scheme Record Date (currently expected to be 7.00pm (Sydney time) on Thursday, 22 July 2021) or such other time and date as the parties agree in writing) will be entitled to receive the Scheme Consideration in respect of the BINGO Shares they hold at that time.

##### **1. Dealings on or prior to the Scheme Record Date**

For the purposes of determining which BINGO Shareholders are eligible to participate in the Scheme, dealings in BINGO Shares will be recognised only if:

- in the case of dealings of the type to be effected using Clearing House Electronic Subregister System, the transferee is registered on the BINGO Share Register as the holder of the relevant BINGO Shares before the Scheme Record Date; and
- in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received by the BINGO Share Registry before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, BINGO will not accept for registration or recognise any transfer or transmission applications in respect of BINGO Shares received after the Scheme Record Date.

##### **2. Dealings after the Scheme Record Date**

For the purpose of determining entitlements to the Scheme Consideration, BINGO must maintain the BINGO Share Register in its form as at the Scheme Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The BINGO Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- all statements of holding for BINGO Shares (other than statements of holding in favour of MIRA BidCo) will cease to have effect as documents relating to title in respect of such BINGO Shares; and
- each entry on the BINGO Share Register (other than entries on the BINGO Share Register in respect of MIRA BidCo) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the BINGO Shares relating to that entry.

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## 4. Overview of the Scheme

### f. Implementation Date

By no later than the Business Day before the Implementation Date (currently expected to be Thursday, 5 August 2021), MIRA BidCo will deposit (or will procure the deposit) into a BINGO operated Australian dollar denominated trust account with an authorised deposit-taking institution in Australia as trustee for the Scheme Shareholders, an amount equal to the aggregate Scheme Consideration payable in cash to be sent to Scheme Shareholders.

On the Implementation Date:

- Scheme Shareholders will be sent the aggregate Scheme Consideration payable in cash; and
- before 12.00pm (or such other time as MIRA BidCo and BINGO may agree in writing), RollCo will issue the scrip consideration to each Scheme Shareholder entitled to receive scrip consideration as part of their valid Election to receive the Mixed Consideration under the Scheme and subject to the scaleback arrangements.

Immediately after the Scheme Consideration is provided to Scheme Shareholders, the Scheme Shares will be transferred to MIRA BidCo.

### g. Deed Poll

As at the date of this Scheme Booklet, a Deed Poll has been entered into by MIRA BidCo and RollCo in favour of the Scheme Shareholders, to:

- provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme by:
  - in relation to the aggregate of the Scheme Consideration payable in cash, depositing, or procuring the deposit, the aggregate amount of the Scheme Consideration payable in cash to all Scheme Shareholders; and
  - in relation to the scrip consideration, and subject to the scaleback arrangements, issuing, or procuring the issue of, the scrip consideration to each Scheme Shareholder entitled to receive the scrip consideration; and
- undertake all other actions attributed to MIRA BidCo and RollCo under the Scheme.

A copy of the Deed Poll is contained in Annexure 3.

## 4.9. Warranties by Scheme Shareholders

Under the terms of the Scheme, each Scheme Shareholder is taken to have warranted to BINGO and MIRA BidCo, and appointed and authorised BINGO as its attorney and agent to warrant to MIRA BidCo, on the Implementation Date, that:

- all their BINGO Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
- they have full power and capacity to transfer their Scheme Shares to MIRA BidCo together with any rights attaching to those shares.

## 4.10. Delisting of BINGO

BINGO will apply for the termination of the official quotation of BINGO Shares on the ASX and for BINGO to be removed from the official list of the ASX, each to occur on a date after the Implementation Date.

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# 5. Information about BINGO

## 5.1. Introduction

BINGO was founded in 2005 and has evolved from a small family-owned business focused on Building & Demolition (**B&D**) waste collections in Sydney to a recycling and waste management company operating across the B&D and Commercial & Industrial (**C&I**) waste sectors. BINGO's growth has been complemented by targeted bolt-on acquisitions, which have accelerated the growth of BINGO across different waste management sectors and enhanced vertical integration across collections, recycling, product manufacturing, disposal and waste equipment manufacturing.

In 2017, the Company underwent an initial public offering (**IPO**) which facilitated BINGO's growth strategy with entry into Victoria (**VIC**) and enhancements to BINGO's post-collections network in New South Wales (**NSW**).

The acquisition of Dial-A-Dump Industries (**DADI**) in 2019 saw BINGO increase its asset base, including acquiring an integrated master asset at Eastern Creek. The Eastern Creek recycling and landfill asset spans approximately 55 hectares with approved capacity of up to 2 million tonnes per annum. BINGO has recently constructed a second Material Processing Centre (**MPC 2**) on the site.

## 5.2. Business overview

BINGO is an ASX-200 listed company with operations in NSW and VIC, providing end-to-end solutions across the resource recovery and waste management supply chain. This includes collections, processing and recovery, waste equipment manufacturing, recycled product manufacturing and waste disposal. BINGO employs approximately 1,100 people with a fleet of approximately 320 trucks.

BINGO currently operates a vertically integrated network of 15 transfer facilities, advanced recycling facilities and landfill assets across Greater Sydney and Melbourne. BINGO has invested in its post-collections network capacity, which is now 4.6 million tonnes per annum across NSW and VIC.

BINGO's vision is '*Pushing for a waste free Australia*'. Through its investment in advanced recycling technology, BINGO achieves recovery rates of greater than 80% across its advanced recycling facilities. All BINGO operations and sites are International Organisation for Standardisation (**ISO**) certified under the relevant environment, safety and quality management systems.

BINGO operates across three core business segments: Collections, Post-Collections and Other, which includes the BINGO Group's property portfolio, TORO Waste Equipment (**TORO**) and corporate costs.

### a. Collections

BINGO collects and transports waste across NSW and VIC to Post-Collections facilities across two waste streams – B&D and C&I.

- B&D Collections includes the collection of non-putrescible construction and demolition waste from a range of projects including large construction sites (residential and non-residential), civil and infrastructure projects and household projects. BINGO's B&D fleet consists of approximately 245 trucks across NSW and VIC.
- C&I Collections provides collection of putrescible and non-putrescible C&I waste from customers across a number of sectors including commercial offices, hospitality, education, health, property services, retail and manufacturing. BINGO's C&I Collections business consists of a fleet of approximately 75 trucks across NSW and VIC.

The Collections segment transport non-putrescible B&D and C&I waste to BINGO's post-collections network to be tipped, sorted, recycled or landfilled at locations in Sydney and Melbourne.

### b. Post-Collections

BINGO's Post-Collections business consists of a network of waste infrastructure assets including transfer stations, advanced recycling centres and landfill facilities located across NSW and VIC. BINGO diverts waste from landfill by sorting and processing mixed waste received from the B&D and C&I market to be reused, recycled or reprocessed into recycled products.

BINGO's Post-Collections network currently consists of 10 recycling and transfer facilities and two disposal assets in NSW and five recycling and transfer facilities in VIC.

### c. Other

Other includes the manufacture and sale of bins for both BINGO's collections operations and for external customers through TORO. The Other segment also includes sales from BINGO's property portfolio together with corporate related costs. TORO has three manufacturing facilities located in NSW, VIC and Queensland (**QLD**). TORO manufactures a wide range of waste equipment including plastic and steel bins Australia wide.



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## 5. Information about BINGO

### 5.3. BINGO's strategy

BINGO's strategic intent is diversion of waste from landfill through a recycling-led solution, investment in technology, continuous innovation to enhance sustainability outcomes and maximising returns.

BINGO's strategy is informed by its strategic framework which consists of three key enablers:

- **Protect and optimise the core:** preservation of BINGO's competitive edge – customer and technology centric business model with a recycling-led solution.
- **Enhanced vertical integration:** greater internalisation of volumes and increased diversion from landfill for both putrescible and non-putrescible waste.
- **Geographic expansion:** expansion of BINGO's operating footprint along the East Coast of Australia, concentrating on markets with favourable growth drivers.

The strategic framework in relation to each of the above can be found on BINGO's website ([www.bingoindustries.com.au](http://www.bingoindustries.com.au)) or the ASX website ([www.asx.com.au](http://www.asx.com.au)).

BINGO is three years into its five-year strategy and has achieved a number of goals across its strategic enablers.

BINGO's key strategic priorities that underpin this framework are: zero harm and develop and retain talent, exceptional customer experience, sustainability and growth and innovation.

BINGO has invested approximately \$1 billion in its Post-Collections network since its IPO on the acquisition and development of recycling assets in NSW and VIC.

MPC 2 at Eastern Creek commenced commissioning in May 2021, which is BINGO's largest and most advanced recycling asset at 9,000m<sup>2</sup> and is capable of processing approximately 1.5 million tonnes per annum of B&D and dry C&I waste. BINGO is investing over \$100 million to build this facility and its surrounding infrastructure, and expects to achieve recycling rates of approximately 85% or more. The majority of materials recovered will be repurposed into new landscaping and building products as part of BINGO's ECO Product range of aggregates, road base and mulch, with the residual going to landfill.

MPC 2 is part of BINGO's current plans to develop a fully-integrated Recycling Ecology Park at Eastern Creek. The Recycling Ecology Park, if completed (which, to do so, would require significant further capital expenditure), is anticipated to broaden BINGO's range of processed end products.

Sustainability is at the core of BINGO's operations and strategy. The increasing importance of Environment, Social and Governance (ESG) principles to our key stakeholders is reflected in the emphasis placed on these elements within our business. Recent achievements include:

- BINGO committed to continuous improvement through maintaining responsible and transparent supply chains, including the development and implementation of our Responsible Sourcing Program.
- Strengthening BINGO's social credentials, particularly in our engagement with social enterprises. BINGO have actively engaged with diverse supplier groups, including Aboriginal and Torres Strait Islander Peoples, those with disabilities, ex-offenders and those who have sought refuge in Australia.
- Progress in the implementation of our INNOVATE Reconciliation Action Plan (RAP) which outlines the meaningful opportunities being created by BINGO for Aboriginal and Torres Strait Islander Peoples and businesses to assist in closing the gap of disadvantage.
- BINGO's continuing commitment to increasing female participation across all levels of the business. Female representation in senior management and leadership positions is 23% and representation of females on our Board is 29%.<sup>17</sup>

BINGO's commitments and positioning for the future of sustainability within the business include:

- BINGO's investment in processing and recycling infrastructure. A key element of BINGO's long-term growth strategy is the development of a Recycling Ecology Park at our Eastern Creek facility in Western Sydney. The Recycling Ecology Park, if completed (which, to do so, would require significant further capital expenditure), is intended be a fully integrated waste infrastructure site capable of accepting and processing several new waste streams.
- BINGO recognises that climate change is one of the most significant challenges facing the world today and presents serious social, economic and environmental risks to our planet. This year, BINGO will establish Science Based Targets to provide a roadmap to reducing greenhouse gas emissions. BINGO will also report to the Carbon Disclosure Project as part of its commitment to transparent reporting.
- BINGO joined RE100 and is committed to achieving 100% renewable energy across all facilities by 2025.

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<sup>17</sup> As at 31 March 2021.

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## 5.4. BINGO Board and senior management

### a. BINGO Board

The BINGO Board comprises the following directors, as at the date of this Scheme Booklet:

| Name                | Position                                      |
|---------------------|---|
| Michael Coleman     | Independent Chair and Non-Executive Director  |
| Maria Atkinson AM   | Independent and Non-Executive Director        |
| Daniel Girgis       | Non-Executive Director                        |
| Ian Malouf          | Non-Executive Director                        |
| Barry Buffier AM    | Independent and Non-Executive Director        |
| Elizabeth Crouch AM | Independent and Non-Executive Director        |
| Daniel Tartak       | Managing Director and Chief Executive Officer |

### b. BINGO senior management

BINGO's senior management comprises the following members, as at the date of this Scheme Booklet:

| Name                    | Position                                      |
|-------------------------|---|
| Daniel Tartak           | Managing Director and Chief Executive Officer |
| Chris Jeffrey           | Chief Financial Officer                       |
| Geoff Hill              | Chief Executive Victoria                      |
| John Hassett            | Chief Executive Building & Demolition NSW     |
| Declan Hogan            | Chief Information Officer                     |
| Jo Cairns <sup>18</sup> | Chief People and Culture Officer              |
| Rodney Johnson          | Head of Engineering and Construction          |
| Jim Sarkis              | Chief Safety, Environment and Quality Officer |
| Chris Gordon            | General Manager, Corporate Development        |
| Jamie Reynolds          | General Manager, Commercial and Industrial    |

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<sup>18</sup> Elise Heydon, BINGO Chief People and Culture Officer, is currently on maternity leave with Jo Cairns appointed to this role on an interim basis.

## 5. Information about BINGO

### 5.5. Historical financial information

#### a. Basis of preparation

This section 5.5 sets out a summary of historical financial information in relation to BINGO for the purpose of this Scheme Booklet. The financial information has been derived from BINGO's financial statements for the financial years ended 30 June 2018, 30 June 2019 and 30 June 2020, which were audited by Deloitte Touche Tohmatsu Australia.

The historical financial information of BINGO is presented in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. BINGO considers that for the purposes of this Scheme Booklet the historical financial information presented in an abbreviated form is more meaningful to BINGO Shareholders.

Further detail on BINGO's financial performance, including all notes to those accounts, can be found in:

- the financial statements for the year ended 30 June 2020 (included in the Annual Financial Report released to the ASX on 12 October 2020 and the Annual Report released to the ASX on 12 October 2020);
- the financial statements for the year ended 30 June 2019 (included in the Annual Financial Report released to the ASX on 4 October 2019 and the Annual Report released to the ASX on 4 October 2019); and
- the financial statements for the year ended 30 June 2018 (included in the Annual Financial Report released to the ASX on 12 October 2018 and the Annual Report released to the ASX on 12 October 2018),

each of which can be found on BINGO's website ([www.bingoindustries.com.au](http://www.bingoindustries.com.au)) or the ASX website ([www.asx.com.au](http://www.asx.com.au)).

#### b. Historical consolidated income statement

|  | 2020<br>\$'000   | 2019<br>\$'000   | 2018<br>\$'000   |
|--|------------------|------------------|------------------|
| Revenue  | 478,629          | 395,739          | 300,203          |
| Other income   | 31,053           | 6,419            | 3,641            |
| <b>Total revenue and other income</b>  | <b>509,682</b>   | <b>402,158</b>   | <b>303,844</b>   |
| Tipping and transportation costs   | (180,541)        | (172,074)        | (112,679)        |
| Employee benefits expenses   | (112,113)        | (96,489)         | (76,164)         |
| Depreciation and amortisation expenses   | (61,769)         | (35,827)         | (21,875)         |
| Trucks and machinery costs   | (15,441)         | (13,012)         | (9,691)          |
| Finance costs  | (11,827)         | (6,791)          | (6,799)          |
| Acquisition costs  | 2,249            | (21,156)         | (2,313)          |
| Rent and outgoing  | (984)            | (3,262)          | (2,093)          |
| Capital raising costs  | –                | (683)            | (813)            |
| Other expenses   | (34,147)         | (22,069)         | (16,191)         |
| <b>Total expenses</b>  | <b>(414,573)</b> | <b>(371,363)</b> | <b>(248,618)</b> |
| Profit before income tax   | 95,109           | 30,795           | 55,226           |
| Income tax expense   | (29,095)         | (8,530)          | (17,223)         |
| <b>Profit for the year attributable to owners of the Company</b>                         | <b>66,014</b>    | <b>22,265</b>    | <b>38,003</b>    |
| <b>Other comprehensive income</b>  |                  |                  |                  |
| <i>Items that may be reclassified to profit or loss</i>                                  |                  |                  |                  |
| (Loss)/Gain on Cash flow hedges  | (11)             | –                | –                |
| Income tax relating to these items   | 3                | –                | –                |
| <b>Other comprehensive income, net of tax</b>  | <b>(8)</b>       | <b>–</b>         | <b>–</b>         |
| <b>Total comprehensive income for the year attributable to the owners of the Company</b> | <b>66,006</b>    | <b>22,265</b>    | <b>38,003</b>    |

**c. Comparison of historical Statutory to Underlying Financial Performance**

|                          | Full year<br>ended<br>30 June 2020<br>\$ millions | Full year<br>ended<br>30 June 2019<br>\$ millions | Full year<br>ended<br>30 June 2018<br>\$ millions |
|--------------------------|---|---|---|
| <b>BINGO Group</b>       |   |   |   |
| <b>Statutory</b>         |   |   |   |
| Revenue and other income | 509.7   | 402.2   | 303.8   |
| EBITDA                   | 168.8   | 74.4  | 84.9  |
| EBITDA margin            | 33%   | 18%   | 28%   |
| EBIT                     | 106.9   | 37.6  | 61.9  |
| NPAT                     | 66  | 22.3  | 38  |
| <b>Underlying</b>        |   |   |   |
| Revenue and other income | 486.7   | 402.2   | 303.8   |
| EBITDA                   | 152.1   | 108.0   | 93.7  |
| EBITDA margin            | 31%   | 27%   | 31%   |
| EBIT                     | 90.3  | 72.3  | 71.8  |
| NPAT                     | 53.5  | 53.2  | 45.6  |
| NPATA                    | 58.8  | 56.9  | 48.2  |

## 5. Information about BINGO

### d. Historical consolidated statement of financial position

|                                      | 2020<br>\$'000   | 2019<br>\$'000   | 2018<br>\$'000 |
|--------------------------------------|------------------|------------------|----------------|
| <b>Assets</b>                        |                  |                  |                |
| <b>Current assets</b>                |                  |                  |                |
| Cash and cash equivalents            | 56,848           | 39,189           | 21,443         |
| Trade and other receivables          | 64,618           | 71,317           | 47,013         |
| Contract assets                      | 569              | 530              | –              |
| Inventories                          | 6,643            | 7,552            | 5,595          |
| Assets held for sale                 | 9,189            | 24,928           | 4,674          |
| Other assets                         | 9,947            | 12,248           | 11,957         |
| <b>Total current assets</b>          | <b>147,814</b>   | <b>155,764</b>   | <b>90,682</b>  |
| <b>Non-current assets</b>            |                  |                  |                |
| Property, plant and equipment        | 705,667          | 691,328          | 364,706        |
| Right-of-use assets                  | 39,707           | –                | 121,870        |
| Intangible assets                    | 502,480          | 486,035          | 497            |
| <b>Total non-current assets</b>      | <b>1,247,854</b> | <b>1,177,363</b> | <b>487,073</b> |
| <b>Total assets</b>                  | <b>1,395,668</b> | <b>1,333,127</b> | <b>577,755</b> |
| <b>Liabilities</b>                   |                  |                  |                |
| <b>Current liabilities</b>           |                  |                  |                |
| Trade and other payables             | 70,943           | 143,659          | 75,138         |
| Contract liabilities                 | –                | –                | 2,534          |
| Borrowings                           | –                | –                | 2,388          |
| Income tax payable                   | 7,722            | 6,391            | 10,591         |
| Provisions                           | 5,010            | 5,011            | 3,108          |
| <b>Total current liabilities</b>     | <b>83,675</b>    | <b>155,061</b>   | <b>93,759</b>  |
| <b>Non-current liabilities</b>       |                  |                  |                |
| Borrowings                           | 363,722          | 313,255          | 174,137        |
| Deferred tax liabilities             | 32,122           | 26,352           | –              |
| Provisions                           | 13,907           | 9,987            | 695            |
| Other payables                       | 43,330           | 2,022            | 28,899         |
| <b>Total non-current liabilities</b> | <b>453,081</b>   | <b>351,616</b>   | <b>203,731</b> |
| <b>Total liabilities</b>             | <b>536,756</b>   | <b>506,677</b>   | <b>297,490</b> |
| <b>Net assets</b>                    | <b>858,912</b>   | <b>826,450</b>   | <b>280,265</b> |
| <b>Equity</b>                        |                  |                  |                |
| Issued capital                       | 1,282,570        | 1,288,923        | 748,137        |
| Other contributed equity             | 1,244            | 1,244            | 1,244          |
| Reserves                             | (540,339)        | (541,825)        | (543,616)      |
| Retained earnings                    | 115,437          | 78,108           | 74,500         |
| <b>Total equity</b>                  | <b>858,912</b>   | <b>826,450</b>   | <b>280,265</b> |

#### e. Historical consolidated statement of cash flows

|  | 2020<br>\$'000   | 2019<br>\$'000   | 2018<br>\$'000   |
|--|------------------|------------------|------------------|
| Receipts from customers                                    | 540,014          | 444,887          | 325,754          |
| Payments to suppliers and employees                        | (389,572)        | (347,762)        | (248,865)        |
| Income tax paid  | (21,496)         | (22,116)         | (7,289)          |
| <b>Net cash flows from operating activities</b>            | <b>128,946</b>   | <b>75,009</b>    | <b>69,600</b>    |
| Purchase of property, plant and equipment                  | (142,134)        | (209,871)        | (122,967)        |
| Purchase of business                                       | (21,759)         | (370,396)        | (91,774)         |
| Purchase of intangible assets                              | (17,200)         | (5,229)          | (1,809)          |
| Proceeds from sale of non-current assets                   | 24,104           | 2,485            | 7,338            |
| Proceeds from sale of assets held for sale                 | 47,402           | –                | –                |
| Interest received  | 190              | 1,946            | 86               |
| <b>Net cash flows used in investing activities</b>         | <b>(109,397)</b> | <b>(581,065)</b> | <b>(209,126)</b> |
| Proceeds from issue of shares                              | –                | 424,926          | 120,067          |
| Capital raising costs                                      | (45)             | (7,339)          | (3,401)          |
| Proceeds from borrowing                                    | 130,000          | 333,000          | 119,000          |
| Repayment of borrowing                                     | (80,000)         | (176,000)        | (77,500)         |
| Principal payment of lease liabilities                     | (1,620)          | –                | –                |
| Settlement of finance lease liabilities                    | –                | (19,750)         | –                |
| Dividend paid  | (27,535)         | (17,770)         | (4,415)          |
| Share buy-back   | (8,500)          | (7,330)          | –                |
| Interest paid  | (14,190)         | (5,935)          | (6,060)          |
| <b>Net cash (used in)/provided by financing activities</b> | <b>(1,890)</b>   | <b>523,802</b>   | <b>147,691</b>   |
| <b>Net increase in cash held</b>                           | <b>17,659</b>    | <b>17,746</b>    | <b>8,165</b>     |
| Cash at the beginning of the year                          | 39,189           | 21,443           | 13,278           |
| <b>Cash at the end of the year</b>                         | <b>56,848</b>    | <b>39,189</b>    | <b>21,443</b>    |

#### 5.6. Material changes in financial position (since 31 December 2020)

Other than:

- the accumulation of earnings in the ordinary course of trading; and
- as disclosed in this Scheme Booklet or as otherwise disclosed to ASX by BINGO,

within the knowledge of the BINGO Directors, the financial position of BINGO has not materially changed since 31 December 2020, being the date of the BINGO financial statements for the half year ended 31 December 2020 (released to ASX on 22 February 2021).

BINGO Shareholders may obtain a copy of BINGO's 2021 Half Year Report (including its audited financial statements in respect of the half year ended 31 December 2020) from ASX's website ([www.asx.com.au](http://www.asx.com.au)), from BINGO's website ([www.bingoindustries.com.au](http://www.bingoindustries.com.au)) or by calling the BINGO Shareholder Information Line on +61 1300 361 735 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays).

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## 5. Information about BINGO

### 5.7. Current trading commentary and outlook

#### a. Trading commentary

BINGO provides the below unaudited trading update and commentary for the nine months year-to-date to 31 March 2021 and the last 12 months to 31 March 2021.

For the year to date ending 31 March 2021, revenue was \$349 million and Underlying EBITDA approximately \$92 million with an EBITDA margin of 26%, which was slightly below BINGO's year to date budget.

Primary drivers of current performance include:

- NSW B&D Collections and Post-Collections volumes impacted by a major rain event in March 2021, resulting in significant flooding in the Sydney region (highest levels in more than 30 years);
- slower than forecast price recovery in the NSW B&D market;
- timing of MPC 2 ramp-up;
- C&I recovery impacted by ongoing COVID-19 restrictions in both NSW and VIC; and
- associated impacts on managing employee costs, in particular resultant overtime.

Steps undertaken by BINGO to seek to mitigate the above impacts include:

- review of operational revenue and expenditure in the fourth quarter of the financial year ending 30 June 2021;
- out of cycle price rises in B&D Post-Collections; and
- review of employee rostering.

Year to date cash collections remain strong with a last twelve month cash conversion of approximately 120%. Net debt as at 31 March 2021 was \$323.2 million.

**b. LTM and YTD to 31 March 2021 Income Statement**

|  | YTD to<br>31 March<br>2021<br>(9 months)<br>\$'000 | LTM to<br>31 March<br>2021<br>(12 months)<br>\$'000 |
|--|--|---|
| Revenue  | 347,166  | 460,151   |
| Other income   | 1,345  | 3,243   |
| <b>Total revenue and other income</b>  | <b>348,511</b>                                     | <b>463,394</b>                                      |
| Tipping and transportation costs   | (131,937)  | (174,078)   |
| Employee benefits expenses   | (86,604)   | (110,206)   |
| Depreciation and amortisation expense  | (50,188)   | (66,185)  |
| Trucks and machinery costs   | (11,646)   | (14,927)  |
| Finance costs  | (9,514)  | (9,867)   |
| Acquisition costs  | (5,980)  | (3,716)   |
| Rent and outgoings   | (757)  | (1,044)   |
| Capital raising costs  | –  | –   |
| Other expenses   | (29,096)   | (37,176)  |
| <b>Total expenses</b>  | <b>(325,722)</b>                                   | <b>(417,199)</b>                                    |
| Profit before income tax   | 22,789   | 46,195  |
| Income tax expense   | (9,548)  | (14,166)  |
| <b>Profit for the period attributable to owners of the Company</b>                         | <b>13,241</b>                                      | <b>32,029</b>                                       |
| <b>Other comprehensive income</b>  |  |   |
| <i>Items that may be reclassified to profit or loss</i>                                    |  |   |
| (Loss)/Gain on Cash flow hedges  | 269  | (289)   |
| Income tax relating to these items   | (81)   | 86  |
| <b>Other comprehensive income, net of tax</b>  | <b>188</b>   | <b>(203)</b>  |
| <b>Total comprehensive income for the period attributable to the owners of the Company</b> | <b>13,429</b>                                      | <b>31,826</b>                                       |



## 5. Information about BINGO

### c. Comparison of LTM and YTD Statutory to Underlying Financial Performance

|                          | LTM<br>31 March<br>2021<br>\$ millions | YTD<br>31 March<br>2021<br>\$ millions |
|--------------------------|--|--|
| <b>BINGO Group</b>       |  |  |
| <b>Statutory</b>         |  |  |
| Revenue and other income | 463.4                                  | 348.5                                  |
| EBITDA                   | 122.2                                  | 82.5                                   |
| EBITDA margin            | 26%                                    | 24%                                    |
| EBIT                     | 56.1                                   | 32.3                                   |
| NPAT                     | 32.0                                   | 13.2                                   |
| <b>Underlying</b>        |  |  |
| Revenue and other income | 462.8                                  | 348.5                                  |
| EBITDA                   | 127.7                                  | 92.0                                   |
| EBITDA margin            | 28%                                    | 26%                                    |
| EBIT                     | 61.5                                   | 41.8                                   |
| NPAT                     | 35.8                                   | 19.9                                   |
| NPATA                    | 38.9                                   | 23.5                                   |

**d. Statement of financial position as at 31 March 2021**

|                                      | As at<br>31 March 2021<br>\$'000 |
|--------------------------------------|----------------------------------|
| <b>Assets</b>                        |                                  |
| <b>Current assets</b>                |                                  |
| Cash and cash equivalents            | 23,953                           |
| Trade and other receivables          | 65,435                           |
| Contract assets                      | 542                              |
| Inventories                          | 7,760                            |
| Assets held for sale                 | –                                |
| Income tax receivable                | 5,287                            |
| Other assets                         | 8,915                            |
| <b>Total current assets</b>          | <b>111,892</b>                   |
| <b>Non-current assets</b>            |                                  |
| Property, plant and equipment        | 825,884                          |
| Right-of-use assets                  | 39,618                           |
| Intangible assets                    | 491,572                          |
| Other assets                         | 2,817                            |
| <b>Total non-current assets</b>      | <b>1,359,891</b>                 |
| <b>Total assets</b>                  | <b>1,471,783</b>                 |
| <b>Liabilities</b>                   |                                  |
| <b>Current liabilities</b>           |                                  |
| Trade and other payables             | 67,667                           |
| Deferred settlement payable          | 103,390                          |
| Contract liabilities                 | –                                |
| Borrowings                           | –                                |
| Income tax payable                   | –                                |
| Provisions                           | 5,290                            |
| <b>Total current liabilities</b>     | <b>176,347</b>                   |
| <b>Non-current liabilities</b>       |                                  |
| Borrowings                           | 347,200                          |
| Deferred tax liabilities             | 33,636                           |
| Provisions                           | 14,474                           |
| Other payables                       | 44,206                           |
| <b>Total non-current liabilities</b> | <b>439,516</b>                   |
| <b>Total liabilities</b>             | <b>615,863</b>                   |
| <b>Net assets</b>                    | <b>855,920</b>                   |
| <b>Equity</b>                        |                                  |
| Issued capital                       | 1,285,179                        |
| Other contributed equity             | 1,244                            |
| Reserves                             | (539,538)                        |
| Retained earnings                    | 109,035                          |
| <b>Total equity</b>                  | <b>855,920</b>                   |

## 5. Information about BINGO

### e. LTM and YTD to 31 March 2021 Statement of Cash Flows

|  | YTD to<br>31 Mar 2021<br>(9 months)<br>\$'000 | LTM to<br>31 Mar 2021<br>(12 months)<br>\$'000 |
|--|---|--|
| Receipts from customers                            | 382,328                                       | 539,480  |
| Payments to suppliers and employees                | (291,382)                                     | (380,959)                                      |
| Income tax paid                                    | (20,962)                                      | (20,962)                                       |
| <b>Net cash flows from operating activities</b>    | <b>69,984</b>                                 | <b>137,559</b>                                 |
| Purchase of property, plant and equipment          | (62,192)                                      | (87,213)                                       |
| Purchase of business                               | (5,980)                                       | (9,236)  |
| Purchase of intangible assets                      | (7,268)                                       | (9,435)  |
| Proceeds from sale of non-current assets           | 3,694   | 11,960   |
| Proceeds from sale of assets held for sale         | 16,931  | 16,931   |
| Interest received                                  | 84  | 183  |
| <b>Net cash flows used in investing activities</b> | <b>(54,731)</b>                               | <b>(76,810)</b>                                |
| Proceeds from issue of shares                      | –   | –  |
| Capital raising costs                              | –   | –  |
| Proceeds from borrowing                            | 360,000                                       | 360,000  |
| Repayment of borrowing                             | (375,000)                                     | (385,000)                                      |
| Principal payment of lease liabilities             | (1,162)                                       | (1,530)  |
| Settlement of finance lease liabilities            | –   | –  |
| Dividend paid                                      | (19,634)                                      | (19,634)                                       |
| Share buy-back                                     | –   | –  |
| Interest paid                                      | (12,352)                                      | (16,097)                                       |
| <b>Net cash used in financing activities</b>       | <b>(48,148)</b>                               | <b>(62,261)</b>                                |
| <b>Net decrease in cash held</b>                   | <b>(32,895)</b>                               | <b>(1,512)</b>                                 |
| Cash at the beginning of the year                  | 56,848  | 25,465   |
| <b>Cash at the end of the year</b>                 | <b>23,953</b>                                 | <b>23,953</b>                                  |

### f. Outlook

On 22 February 2021, BINGO announced to the ASX that BINGO expected EBITDA margin for the BINGO Group to decline in the financial year ending 30 June 2021 by approximately 200-300 bps, before rebounding to its longer-term target of 30%.

The unaudited trading update provided in section 5.7 supports this view on margin, with the unaudited Underlying EBITDA margin of 28% for the last 12 months to 31 March 2021.

Based on BINGO's current financial performance provided in section 5.7 and impacts highlighted in section 5.7(a) above, BINGO now expects Underlying EBITDA for the financial year ending 30 June 2021 to be in the range of \$125 - \$130 million. This Underlying EBITDA guidance range does not make any allowance for the disputed EPA invoices (described in detail in section 7.3).

Longer term outlook for BINGO remains unchanged from prior public commentary. Future growth and opportunity may be provided through both cyclical and structural market change and regulatory tailwinds which should increase the addressable market size and the ability to better utilise installed network capacity over time.

## 5.8. Capital structure

As at 4 June 2021, the capital structure of BINGO was:

| Type of security   | Number on issue |
|--|-----------------|
| BINGO Shares   | 654,961,392     |
| Performance Rights granted under BINGO's equity incentive plan | 4,926,725       |

Additional details about BINGO's equity incentive plan are set out in section 9.2.

## 5.9. Substantial holders in BINGO Shares

As extracted from filings released on the ASX on or before 4 June 2021, so far as known to BINGO, there are no substantial holders of BINGO Shares other than the following persons as set out in the table below:

| Substantial holder                               | Number of BINGO Shares    | Voting power in BINGO |
|--|---------------------------|-----------------------|
| Daniel Tartak                                    | 129,804,220 <sup>19</sup> | 19.819%               |
| Ian Raymond Malouf                               | 76,695,880 <sup>20</sup>  | 11.71%                |
| Schroder Investment Management Australia Limited | 52,739,584 <sup>21</sup>  | 8.07%                 |

## 5.10. Publicly available information about BINGO

BINGO is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company listed on ASX, BINGO is subject to Listing Rules which require (subject to some exceptions) continuous disclosure of any information that BINGO has that a reasonable person would expect to have a material effect on the price or value of BINGO Shares.

ASX maintains files containing publicly disclosed information about all entities listed on ASX. Information disclosed to ASX by BINGO is available on ASX's website at [www.asx.com.au](http://www.asx.com.au).

In addition, BINGO is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by BINGO may be obtained from an ASIC office.

BINGO Shareholders may obtain a copy of BINGO's 2020 Annual Financial Report from ASX's website ([www.asx.com.au](http://www.asx.com.au)), from BINGO's website ([www.bingoindustries.com.au](http://www.bingoindustries.com.au)) or by calling the BINGO Shareholder Information Line on +61 1300 361 735 between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays).

<sup>19</sup> As disclosed in the Appendix 3Y lodged by BINGO with ASX on 16 February 2021.

<sup>20</sup> As disclosed in the Appendix 3Y lodged by BINGO with ASX on 13 October 2020.

<sup>21</sup> As disclosed in the Form 604 provided to BINGO and lodged with ASX on 19 April 2021.

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# 6. Information about MIRA BidCo Group and the Consortium

## 6.1. Introduction

This section 6 contains information concerning MIRA BidCo Group (including MIRA BidCo and RollCo) and the Consortium and outlines how MIRA BidCo is funding the Scheme Consideration and its intentions in relation to BINGO. This section 6 forms part of the MIRA Information. It has been prepared by MIRA BidCo and is the responsibility of MIRA BidCo. BINGO and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

## 6.2. Overview of Consortium

### a. Ownership structure

The Consortium comprises MAIF 3 R2 Pty Limited ACN 649 269 778 as trustee for MAIF 3 R2 Trust (**MAIF3**) and Macquarie Australian Infrastructure Management 2 Limited ACN 131 476 910 as trustee for MAIT2 Recycling Trust (**MAIT2**).

As at the date of this Scheme Booklet, each of MAIF3 and MAIT2 are indirectly wholly-owned by subsidiaries of funds managed by a wholly owned subsidiary of Macquarie Group that is part of Macquarie Infrastructure and Real Assets (**MIRA**). Before implementation of the Scheme (subject to the receipt of certain regulatory approvals), Warrington will acquire an interest of approximately 29% in MAIF3, and MAIF3 will then be majority-owned by the MAIF3 Fund (being the fund managed by a wholly-owned subsidiary of Macquarie Group).

### b. MIRA

MIRA is part of Macquarie Asset Management, the asset management business of Macquarie Group (ASX:MQG). MIRA is an alternative asset manager that specialises in infrastructure and renewables, real estate, agriculture, transportation finance and private credit.

As at 31 March 2021, MIRA had \$195 billion of assets under management.<sup>22</sup> Macquarie Asset Management has been managing assets for institutional and retail investors since 1980 in Australia.

### c. Warrington

Warrington is a wholly-owned subsidiary of GIC Infra Holdings Private Limited which, in turn, is a wholly-owned subsidiary of GIC (Ventures) Private Limited. Warrington was incorporated in Singapore on 23 August 2010 for the purpose of investing in specific projects managed by GIC Special Investments Private Limited (**GICSI**). GICSI is the private equity and infrastructure investment arm of GIC Private Limited (**GIC**), which is incorporated in Singapore and wholly owns GICSI.

GIC was incorporated in 1981 under the Singapore Companies Act and is wholly-owned by the Government of Singapore. It was set up with the sole purpose of managing Singapore's foreign reserves. GIC invests well over \$100 billion internationally in a wide range of asset classes and instruments.

## 6.3. Overview of MIRA BidCo Group

### a. MIRA BidCo

#### 1. General overview

MIRA BidCo is a wholly owned subsidiary of MidCo, and MidCo is in turn a wholly owned subsidiary of RollCo. MIRA BidCo is an Australian proprietary company incorporated on 9 April 2021 for the purpose of acquiring all of the BINGO Shares. Other than entry into the Scheme Implementation Deed, MIRA BidCo has no trading history, assets or liabilities. All of the shares in MIRA BidCo are held by MidCo (which will remain the same on and from the Implementation Date).

As at the date of this Scheme Booklet, the directors of MIRA BidCo are the same as the directors of RollCo, being Ms Amanda McMillan, Mr Kieran Zubrinich and Mr Ilias Benjelloun (described in detail at section 6.3(c)(3)).

#### b. MidCo

MidCo is an Australian proprietary company incorporated on 12 April 2021 and became the holder of all of the shares in MIRA BidCo on the same date. MidCo has no trading history, assets or liabilities. All of the shares in MidCo are held by RollCo (which will remain the same on and from the Implementation Date).

As at the date of this Scheme Booklet, the directors of MidCo are the same as the directors of RollCo, being Ms Amanda McMillan, Mr Kieran Zubrinich and Mr Ilias Benjelloun (described in detail at section 6.3(c)(3)).

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<sup>22</sup> For MIRA, 'assets under management' represents the enterprise value of assets under management based on enterprise value in proportion to the MIRA-managed equity ownership of each investment, calculated as proportionate net debt and equity value at most recent valuation date (31 March 2021, for the majority of assets).

## c. RollCo

### 1. General overview

RollCo is an unlisted Australian public company incorporated on 9 April 2021 and became the holder of all of the shares in MidCo on 12 April 2021. Other than entry into the Scheme Implementation Deed and associated documentation and taking any steps contemplated by those documents, RollCo has no trading history, assets or liabilities.

### 2. Capital structure

Immediately prior to the Implementation Date, there will only be Class A Shares on issue in RollCo and these shares are held by the Consortium Members in the following proportion:

| Shareholder  | Percentage of Class A Shares |
|--------------|------------------------------|
| MAIF3        | 84%                          |
| MAIT2        | 16%                          |
| <b>Total</b> | <b>100%</b>                  |

MAIF3 Fund is in discussions with potential co-investors who may be offered the opportunity to indirectly invest in RollCo through MAIF3 (subject to receipt of applicable regulatory approval for the particular co-investor). The discussions with potential co-investors will not have an impact on the Scheme.

### 3. Directors

The initial directors of RollCo are Ms Amanda McMillan, Mr Kieran Zubrinich and Mr Ilias Benjelloun. Brief profiles of these current directors are set out below.

RollCo intends to supplement or replace these directors with additional nominees, pursuant to its right to do so under the RollCo Shareholders' Deed.

- **Ms Amanda McMillan, OBE:** Amanda is an Executive Director at Macquarie Infrastructure and Real Assets and joined Macquarie in 2018. Prior to joining Macquarie, Amanda was the Chief Executive Officer of AGS Airports Limited, one of the UK's leading airport groups and operator of Aberdeen, Glasgow and Southampton airports. Amanda is a Director of One Rail Australia, Perth Airport, North Queensland Airports Limited and Queensland Airports Limited and is the former Chair of Hobart Airport. She received a BAcc from Glasgow University and CA from the Institute of Chartered Accountants of Scotland. In 2013, Amanda was awarded an OBE for her services to business and tourism.
- **Mr Kieran Zubrinich:** Kieran is an Executive Director at Macquarie Infrastructure and Real Assets and joined Macquarie in 2000. Prior to joining Macquarie, Kieran worked as a solicitor at Blake Dawson Waldron (now called Ashurst). Kieran has been a Director of a range of businesses including oil storage, rail, electricity, mobile phone towers and marine transport, and is currently a Director of Endeavour Energy and One Rail Australia. Kieran received a Bachelor of Economics (Honours) and a Bachelor of Laws from Monash University.
- **Mr Ilias Benjelloun:** Ilias is an Associate Director at Macquarie Infrastructure and Real Assets and joined Macquarie in 2010. Ilias has extensive transaction and asset management experience and has been a Director on a range of businesses, including Electranet and Endeavour Energy currently. Ilias received a Bachelor of Science in International Business from Maastricht University and a Master of Science in Finance from EDHEC Business School.

### 4. Corporate governance

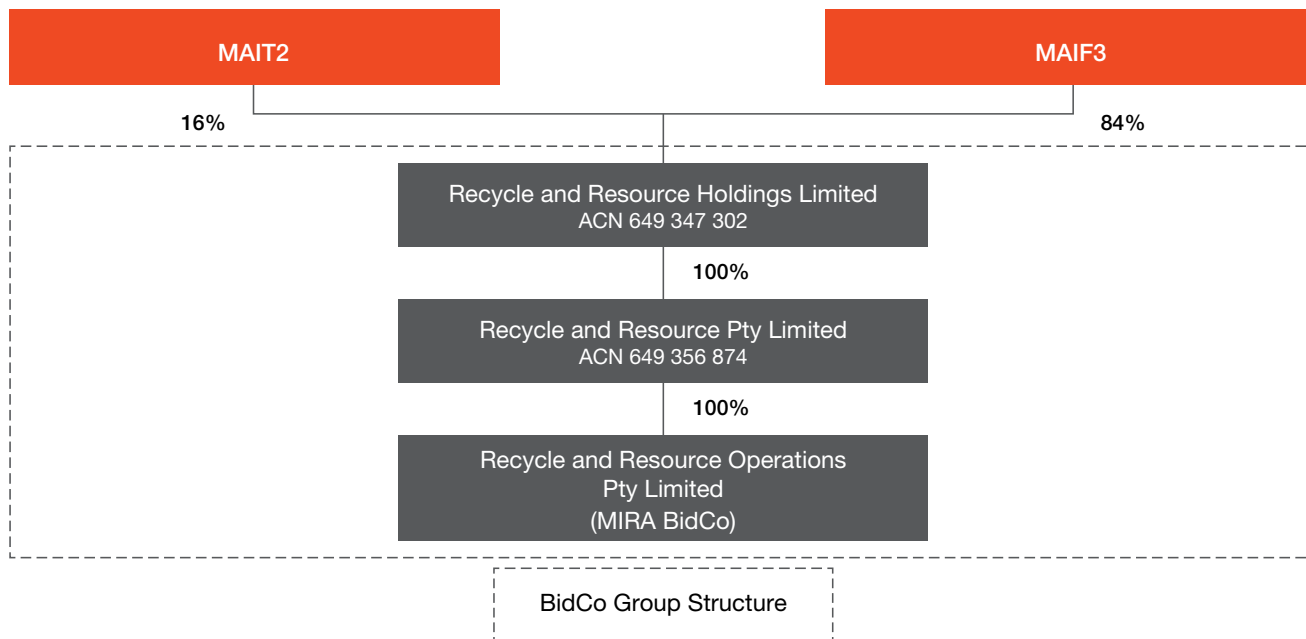
The affairs of RollCo are regulated under the RollCo Constitution and RollCo Shareholders' Deed. A summary of the rights attaching to Class B Shares, Preference Shares and Class C Shares under these documents is set out at section 6.4 of this Scheme Booklet (although these summaries are not exhaustive and BINGO Shareholders should read these documents in full).

The RollCo Shares are not, and will not be in the foreseeable future, quoted on any securities exchange. The corporate governance arrangements for RollCo will differ from those BINGO currently has in place. After the Implementation Date, BINGO is likely to adopt an approach to corporate governance appropriate for a closely held unlisted public company limited by shares.

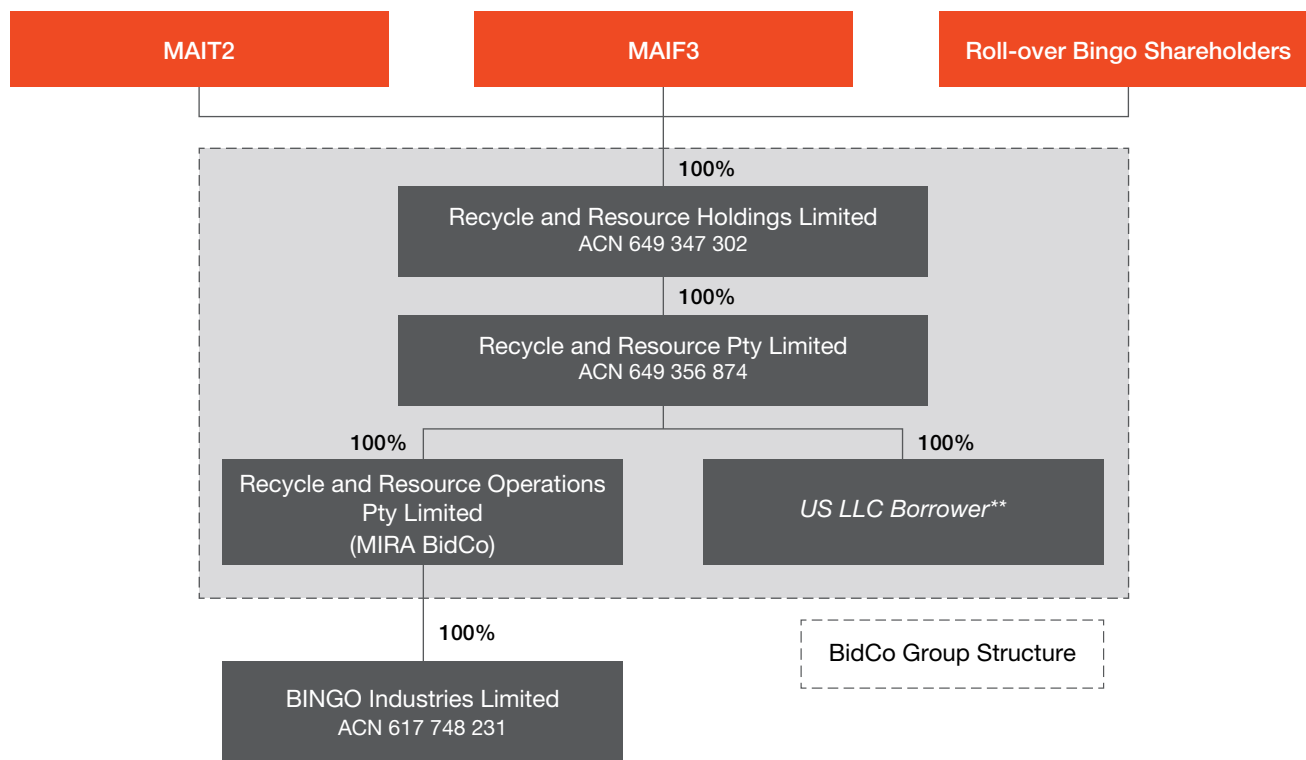
## 6. Information about MIRA BidCo Group and the Consortium

### d. MIRA BidCo Group structure

Set out below is a current structure diagram of the MIRA BidCo Group:



Set out below is an illustrative post-Implementation structure chart for the MIRA BidCo Group:



\*\* US LLC Borrower will be a special purpose vehicle that will be incorporated in connection with the debt funding described in section 6.5(d) and will not conduct any other business. The primary borrower under the Syndicated Facilities described in section 6.5(d) will be MIRA BidCo.

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The Consortium Members will subscribe for further Class A Shares and Preference Shares in RollCo to partially fund the Scheme Consideration and other amounts (with the remainder of the Scheme Consideration and other amounts being funded through the Syndicated Facilities). Detailed information in relation to equity and debt funding is set out in section 6.5. The proportion of Class A Shares and Class B Shares on issue will depend on the Minimum Scrip Condition and Maximum Scrip Threshold (and the associated operation of the pro-rata Scaleback Mechanism) and the number of BINGO Shareholders who make a valid Election to receive the Mixed Consideration.

As described in section 6.4 below, irrespective of how many RollCo Shares are issued to BINGO Shareholders under the Scheme, the Consortium Members will have certain additional rights in relation to RollCo and its subsidiaries (including BINGO) because of the terms of the RollCo Shareholders' Deed. A full summary of the rights attaching to the Class B Shares, Preference Shares and Class C Shares is set out in section 6.4, and the RollCo Shareholders' Deed is attached to this Scheme Booklet and the RollCo Constitution is attached to the Scheme Implementation Deed.

## 6.4. Class B Shares, Class C Shares and Preference Shares (RollCo Shares)

### a. Transaction Overview

As detailed in section 4.4, BINGO Shareholders (other than Ineligible Foreign Shareholders) are entitled to make an Election to receive part of their Scheme Consideration as RollCo Shares. The Mixed Consideration alternative will have notional value of \$3.30 per BINGO Share, with \$1.32 payable in cash and the remainder in unlisted scrip in RollCo.

The Scheme is conditional on Eligible BINGO Shareholders holding, in aggregate, at least 30% of the total issued capital of BINGO making an Election to receive the Mixed Consideration (**Minimum Scrip Condition**). See section 4.4(a) for further details.

The Mixed Consideration is also subject to a pro-rata Scaleback Mechanism if Eligible BINGO Shareholders holding, in aggregate, more than 40% of the total issued capital of BINGO make an Election to receive the Mixed Consideration. Subject to the Minimum Scrip Condition and the Maximum Scrip Threshold (and any applicable Scaleback Mechanism), BINGO Shareholders who validly elect to receive the Mixed Consideration will hold between 19% and 26% of the issued capital in RollCo.<sup>23</sup>

If an Eligible BINGO Shareholder makes a valid election to receive the Mixed Consideration and the Minimum Scrip Condition is met, RollCo has an obligation to issue Class B Shares, Class C Shares and Preference Shares to that BINGO Shareholder, such that that BINGO Shareholder will, on the Implementation Date, be entered into the RollCo Share Register as a shareholder of RollCo (either directly or through a custodian as contemplated by the Scheme and the RollCo Shareholders' Deed) and thereby have a direct or indirect interest in RollCo that is proportional to their holding in RollCo. The BINGO Shareholder will be bound by the RollCo Shareholders' Deed and RollCo Constitution.

### b. Illustrative examples of possible RollCo capital structure

The following scenarios are illustrative only of the possible share capital structures of RollCo after the Implementation Date. Each of these scenarios is based on a number of assumptions and is unlikely to reflect the ultimate RollCo capital structure immediately after the Implementation Date. The actual capital structure of RollCo post-Implementation Date remains subject to the outcome of Elections to be made by BINGO Shareholders on or before the Election Deadline.

The tables are also based on a number of assumptions, including:

- the total amount of the transaction costs;
- the level of BINGO's net debt;
- the maximum amount of the Special Dividend will be paid; and
- the number of BINGO Shareholders who make valid Elections to receive Mixed Consideration.

The actual outcome at the Implementation Date may differ from the assumptions made in this section 6.4, resulting in changes to the sources and uses of funds at the Implementation Date and, consequently, may result in changes to the illustrative ownership of RollCo at the Implementation Date.

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<sup>23</sup> Percentage calculated excluding Class C Shares, which are non-voting, have a nominal value and no economic entitlement other than the entitlement to the earn-out as described in section 6.4(f).



## 6. Information about MIRA BidCo Group and the Consortium

### Illustrative scenario 1: Minimum valid Elections for Mixed Consideration

#### Illustrative RollCo capital structure

| Shares                                   | Number (millions) | Percentage  | Issue Price (A\$/sh) | Issued Capital (A\$m) | Issued Capital Percentage |
|--|-------------------|-------------|----------------------|-----------------------|---------------------------|
| Class A Shares                           | 832               | 37%         | 1.089                | 906                   | 44%                       |
| Class B Shares                           | 196               | 9%          | 1.089                | 214                   | 11%                       |
| Class C Shares                           | 196               | 9%          | 0.00001              | 0                     | 0%                        |
| Preference Shares – MIRA shareholders    | 832               | 37%         | 0.891                | 741                   | 36%                       |
| Preference Shares – Rolling shareholders | 196               | 9%          | 0.891                | 175                   | 9%                        |
| <b>Total</b>                             | <b>2,254</b>      | <b>100%</b> |                      | <b>2,037</b>          | <b>100%</b>               |

#### Sources and uses

| Sources                              | \$ (millions) |
|--------------------------------------|---------------|
| Cash provided by the Consortium      | 1,648         |
| Rolled aggregate scrip consideration | 389           |
| Cash provided by new debt facilities | 825           |
| <b>Total sources of funds</b>        | <b>2,862</b>  |

| Uses   | \$ (millions) |
|--|---------------|
| Payment of All Cash Consideration                        | 1,764         |
| Rolled aggregate scrip consideration                     | 389           |
| Repayment of BINGO forecast net debt balance outstanding | 454           |
| Cash for business requirements                           | 145           |
| Payment of transaction costs and capital raising fees    | 109           |
| <b>Total uses of funds</b>                               | <b>2,862</b>  |

### Illustrative scenario 2: Maximum valid Elections for Mixed Consideration

#### Illustrative RollCo capital structure

| Shares                                   | Number (millions) | Percentage  | Issue Price (A\$/sh) | Issued Capital (A\$m) | Issued Capital Percentage |
|--|-------------------|-------------|----------------------|-----------------------|---------------------------|
| Class A Shares                           | 762               | 33%         | 1.089                | 829                   | 41%                       |
| Class B Shares                           | 262               | 11%         | 1.089                | 285                   | 14%                       |
| Class C Shares                           | 262               | 11%         | 0.00001              | 0                     | 0%                        |
| Preference Shares – MIRA shareholders    | 762               | 33%         | 0.891                | 679                   | 33%                       |
| Preference Shares – Rolling shareholders | 262               | 11%         | 0.891                | 233                   | 12%                       |
| <b>Total</b>                             | <b>2,309</b>      | <b>100%</b> |                      | <b>2,027</b>          | <b>100%</b>               |

## Sources and uses

| Sources                              | \$ (millions) |
|--------------------------------------|---------------|
| Cash provided by the Consortium      | 1,508         |
| Rolled aggregate scrip consideration | 519           |
| Cash provided by new debt facilities | 825           |
| <b>Total sources of funds</b>        | <b>2,852</b>  |

| Uses   | \$ (millions) |
|--|---------------|
| Payment of All Cash Consideration                        | 1,625         |
| Rolled aggregate scrip consideration                     | 519           |
| Repayment of BINGO forecast net debt balance outstanding | 454           |
| Cash for business requirements                           | 145           |
| Payment of transaction costs and capital raising fees    | 109           |
| <b>Total uses of funds</b>                               | <b>2,852</b>  |

### c. Features of RollCo Shares

As at the date of this Scheme Booklet, no Class B Shares, Class C Shares or Preference Shares are on issue.

BINGO Shareholders who receive RollCo Shares under the Scheme (**Rollover Shareholders**) will become parties to the RollCo Shareholders' Deed as Class B Shareholders, Class C Shareholders and holders of Preference Shares. Rollover Shareholders who hold less than 5% of Voting Shares on the Implementation Date will have those RollCo Shares registered in the name of a custodian nominated by RollCo in accordance with the terms of a custody arrangement as specified by RollCo unless otherwise specified by the RollCo Board. Rollover Shareholders who hold more than 5% of Voting Shares on the Implementation will be entitled to hold their RollCo Shares directly.

Under the RollCo Shareholders' Deed, Class B Shares, Class C Shares and Preference Shares are subject to certain restrictions which include, but are not limited to, restrictions with regards to shareholder approvals, director appointment rights and exit rights. A summary of the rights attaching to the Class B Shares, Class C Shares and Preference Shares is set out in section 6.4, and the RollCo Shareholders' Deed is attached to this Scheme Booklet and the RollCo Constitution is attached to the Scheme Implementation Deed.

Any investment in RollCo will be regulated differently to an investment in BINGO because:

- RollCo will not be admitted to the official list of ASX;
- the ASX Listing Rules will not apply to RollCo; and
- the continuous disclosure, takeover regime (for so long as RollCo does not have more than 50 members) and certain other minority protection rights currently relevant to BINGO will not apply to RollCo.

Further information about the risks of investing in RollCo is set out in section 7 of this Scheme Booklet. In addition to reading this Scheme Booklet and annexures in their entirety, BINGO Shareholders considering making a valid Election in relation to the Mixed Consideration alternative are encouraged to contact their professional advisers if they are uncertain about whether an investment in RollCo suits their particular investment objectives.

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## 6. Information about MIRA BidCo Group and the Consortium

### d. Summary of rights attaching to Class B Shares

A summary of the key rights and liabilities attaching to Class B Shares and the general obligations under the RollCo Shareholders' Deed is set out below.

The summary below is not exhaustive. BINGO Shareholders considering making a valid Election in respect of the Mixed Consideration alternative to receive the scrip consideration, should read and understand the RollCo Shareholders' Deed and RollCo Constitution in full and seek their own independent advice before making a decision.

The RollCo Constitution provides that the terms of the RollCo Shareholders' Deed will prevail in the event of any inconsistency between the provisions of the RollCo Constitution and the RollCo Shareholders' Deed.

Capitalised terms used in this section which are not defined in this Scheme Booklet have the meanings given to them in the RollCo Shareholders' Deed.

In the below table, "MIRA Shareholders" has the same meaning as "Investor Shareholders" in the RollCo Shareholders' Deed (including any of their permitted transferees that hold Class A Shares from time to time) and "Rollover Shareholders" has the same meaning as 'Non-Investor Shareholders' in the RollCo Shareholders' Deed (including any of their permitted transferees that hold Class B Shares from time to time (including those Class B Shares that become Class A Shares upon their transfer)).

| Topic                    | Summary of Class B rights and other rights under the RollCo Shareholders' Deed  | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights   |
|--------------------------|---|---|
| <b>Issue and ranking</b> | <p>Class B Shares will be ordinary shares issued as fully paid and will rank equally (including from an economic perspective) with each other Class B Share and, unless otherwise provided in the RollCo Shareholders' Deed, with each other Class A Share.</p> <p><i>For further information refer to clause 1.5 and Schedules 3 and 4 of the RollCo Shareholders' Deed.</i></p> | <p>BINGO Shareholders currently hold fully paid ordinary shares that rank equally with each other fully paid ordinary share on issue. There is no additional class of share on issue in BINGO which ranks ahead of, or has rights in addition to those holders of, the BINGO Shares.</p> <p>The MIRA Shareholders will have rights (including voting rights through director nomination rights) pursuant to the RollCo Shareholders' Deed that the Class B Shareholders will not have.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that, under the RollCo Shareholders' Deed, the MIRA Shareholders will have greater voting and information rights (among other rights) than the holders of Class B Shares.</p> |

| Topic                            | Summary of Class B rights and other rights under the RollCo Shareholders' Deed  | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights   |
|----------------------------------|---|---|
| <b>Variation of class rights</b> | <p>Subject to the terms of the RollCo Constitution, the RollCo Shareholders' Deed, the Corporations Act and the terms of which any shares in RollCo are issued, the rights attaching to a class of shares may only be varied or cancelled by a resolution approved by at least 50% of all votes of all Directors, including approval by at least one Class B Director (for so long as there is at least one Class B Director) and the approval of Class A Directors that together hold at least 75% of the total voting rights of all Class A Directors.</p> <p><i>For further information refer to clause 2.8 and Schedule 2 of the RollCo Shareholders' Deed.</i></p>   | <p>Under the current BINGO constitution and the Corporations Act, BINGO Shareholders currently have the right to vote on resolutions relating to variation of class rights.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that, subject to law, they may not have such right to vote on resolutions relating to variation of class rights as holders of Class B Shares.</p>  |
| <b>Dividends</b>                 | <p>Payment of any dividends will be at the sole discretion of the RollCo Board by Special Majority Approval (other than in relation to the Earn-Out Dividend and the Preference Share Dividend) and subject to the Corporations Act. It should be noted that the MIRA BidCo Group will be entering into documents with financial institutions that contain covenants restricting MIRA BidCo Group from declaring or paying a dividend except in limited circumstances (and RollCo and each MIRA Shareholder must use reasonable endeavours to ensure that such documents permit the payment of the Earn-Out Dividend).</p> <p>Unless and until the Earn-Out Amount has been determined and (if applicable) paid, RollCo will not pay any dividend or distribution (other than in relation to the cash dividend on Preference Shares).</p> <p><i>For further information refer to clause 7 of the RollCo Shareholders' Deed.</i></p> | <p>BINGO Shareholders are presently entitled to receive dividends on BINGO Shares determined to be paid at the sole discretion of the BINGO Board (subject to the Corporations Act and the ASX Listing Rules).</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that the BINGO Board is not presently restricted from declaring or paying dividends by its financing arrangements in the same way in which the RollCo Board will be restricted in the future.</p> |
| <b>Public Unlisted Company</b>   | <p>RollCo is an unlisted public company. As such RollCo will not be subject to the various provisions that were applicable to BINGO previously as a company listed on the ASX. For example, the continuous disclosure obligations under the Listing Rules and Australia's takeover regime will no longer apply (for the latter, so long as RollCo does not have more than 50 shareholders).</p> <p>It is not expected that RollCo will, in the foreseeable future, have more than 50 shareholders, noting that as detailed further below under the heading "Nominee Deed", unless otherwise determined by the Board of RollCo and subject to one exception, each Rollover Shareholder will hold its Class B Shares, Class C Shares and Preference Shares through a nominee.</p>   | <p>BINGO Shareholders who elect to receive scrip consideration should be aware that, as an unlisted public company, RollCo will not have to comply with many provisions of the Corporations Act and the ASX Listing Rules which BINGO is presently required to comply with.</p>   |

## 6. Information about MIRA BidCo Group and the Consortium

| Topic                        | Summary of Class B rights and other rights under the RollCo Shareholders' Deed   | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights   |
|------------------------------|--|---|
| <b>RollCo Board</b>          | <p>The RollCo Board must be constituted by a minimum of four directors. The maximum number of directors is 10.</p> <p>The MIRA Shareholders are entitled to appoint, remove and replace one Director to the Board for each 10% of Voting Shares held (such Director being a <b>Class A Director</b>)</p> <p>A Rollover Shareholder (being a Class B Shareholder) who, together with other Rollover Shareholders who qualify as its Permitted Transferees, holds a Qualifying Interest (meaning that Class B Shareholder either (a) holds 5% or more of Voting Shares immediately after Implementation or (b) would have held at least 5% of the Voting Shares on issue immediately after Implementation but for the operation of the Scaleback Mechanism) (each being a <b>Qualifying Shareholder</b>) is entitled to appoint, remove and replace one Director (such Director being a <b>Class B Director</b>).</p> <p>Each Class A Director and Class B Director is entitled to one vote.</p> <p>A Chairperson may be appointed by Special Majority Approval, but the chairperson does not have a casting vote.</p> <p>In recognition of Warrington's significant expected interest in MAIF3 (as contemplated in section 6.2(a)), Warrington has the right to nominate up to 2 persons for appointment by MAIF3 as Class A Directors.</p> <p><i>For further information refer to clause 3 of the RollCo Shareholders' Deed.</i></p> | <p>Presently, the BINGO Shareholders may by resolution appoint, remove or replace a director at general meeting.</p> <p>BINGO Shareholders who elect to receive scrip consideration but do not hold a Qualifying Interest will have no rights to appoint, remove or replace a director of RollCo.</p> |
| <b>RollCo Board meetings</b> | <p>One Class A Director and one Class B Director (if appointed) is required to form a quorum for a RollCo Board meeting.</p> <p>Subject to applicable law and the terms of the RollCo Shareholders' Deed, all actions or resolutions of the RollCo Board will be made by the affirmative vote of a simple majority resolution of directors (being directors that together hold more than 50% of the total voting rights of all directors who attend the relevant RollCo Board meeting or sign the relevant written resolution (as the case may be) and who are entitled to vote on the relevant resolution).</p> <p><i>For further information refer to clause 4 of the RollCo Shareholders' Deed.</i></p>   | <p>BINGO Shareholders do not presently have any express rights in relation to BINGO Board representation. The rights of BINGO Shareholders who receive scrip consideration will remain unchanged in this regard if they do not hold a Qualifying Interest.</p>  |

| Topic  | Summary of Class B rights and other rights under the RollCo Shareholders' Deed   | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights   |
|--|--|---|
| <p><b>RollCo Shareholder meetings and voting</b></p> | <p>A quorum for a meeting of shareholders is constituted by two or more members that are entitled to vote (if the number of members entitled to vote is two or more) and otherwise one member.</p> <p>Each Class B Shareholder is entitled to the number of votes which is equivalent to the number of fully paid Voting Shares held by it subject to the terms of the RollCo Shareholders' Deed.</p> <p>Subject to the other terms of the RollCo Constitution and to any rights or restrictions attached to any shares or class of shares, at a general meeting:</p> <ul style="list-style-type: none"> <li>• on a show of hands, every member present has one vote; and</li> <li>• on a poll, every member present has: <ul style="list-style-type: none"> <li>– one vote for each fully paid share held by the member and in respect of which the member is entitled to vote; and</li> <li>– a fraction of a vote for each partly paid share held by the member and in respect of which the member is entitled to vote, equivalent to the proportion which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share.</li> </ul> </li> </ul> <p><b>Simple majority decisions</b></p> <p>Subject to the Corporations Act, all shareholder decisions (other than in relation to the matters specifically provided for in the RollCo Shareholders' Deed) will be made by the affirmative vote of a simple majority (50%) of Shareholders present (in person or by proxy) and entitled to vote.</p> <p>Subject to the Corporations Act, the RollCo Shareholders' Deed vests the decision making power with the board of RollCo.</p> <p><b>Special Majority Approval</b></p> <p>The following decisions will require both a simple majority resolution of the board and the approval of Class A Directors that together hold at least 75% of the total voting rights of all Class A Directors:</p> <ul style="list-style-type: none"> <li>• <b>(Business Plan)</b> adopting a new 5-year business plan, or subsequently amending such a plan in a material respect;</li> <li>• <b>(Budget)</b> approving each annual budget;</li> <li>• <b>(Material Costs)</b> incurring any capital or operational commitments or expenditures in excess of \$5 million, other than those included in the then-current annual Budget;</li> <li>• <b>(C-Suite)</b> appointing or removing the CEO, CFO and other first line management, or materially change the terms of engagement, role or responsibilities of those positions;</li> <li>• <b>(Senior Management)</b> amending the senior management appointment policy;</li> <li>• <b>(M&amp;A)</b> entering into or agreeing to any material merger, acquisition or disposal;</li> <li>• <b>(Borrowing)</b> entering into any new material borrowing (other than intra-group borrowing) in excess of \$10 million that is not contemplated in the then current Business Plan or provide any security over RollCo or its assets;</li> </ul> | <p>A quorum for a BINGO Shareholders meeting is two attending shareholders entitled to vote on a resolution at that meeting and as such there is no substantive change to the rights of BINGO Shareholder who elect to receive the scrip consideration in this regard.</p> <p>Each BINGO Shareholder is presently entitled to the number of votes which is equivalent to the number of fully paid up shares held by it. While this will remain the same for any BINGO Shareholders who receive scrip consideration, the terms of the RollCo Shareholders' Deed are such that the matters that require a vote of Class B Shareholders will be significantly narrower than the matters that presently require the approval of BINGO Shareholders. For example, the approval of the Class B Shareholders (other than the approval of a Class B Director (if appointed)) is not required for a change to the nature or scale of the BINGO business.</p> |

## 6. Information about MIRA BidCo Group and the Consortium

| Topic   | Summary of Class B rights and other rights under the RollCo Shareholders' Deed  | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights |
|---|---|---|
| <b>RollCo Shareholder meetings and voting (continued)</b> | <ul style="list-style-type: none"> <li>• <b>(Financing Agreements)</b> making any material changes to or requesting any waiver under the Group's senior financing agreements;</li> <li>• <b>(Debt Payments)</b> making any non-scheduled payments of debt in excess of \$10 million, other than as expressly contemplated by the then-current annual budget;</li> <li>• <b>(IPO)</b> taking any step to effect an IPO, including appointing any underwriter, lead manager or other financial, legal or accounting adviser in relation to an IPO;</li> <li>• <b>(Asset Sale)</b> entering into any agreement in relation to a sale of all or substantially all of the assets of the Business;</li> <li>• <b>(Distribution Policy)</b> making any change to any dividend or distribution policy implemented by the Board from time to time;</li> <li>• <b>(Change in the nature of the Business)</b> making any material change in the nature of the Business that is not contemplated in the then current Business Plan;</li> <li>• <b>(Related Party Transactions)</b> entering into, varying or terminating any agreement between any Shareholder, Affiliate of a Shareholder or any Related Party of RollCo, on the one hand, and RollCo or any of its subsidiaries, on the other hand, in each case that are not on arm's length terms;</li> <li>• <b>(Accounting Rules)</b> making any material change to accounting policies;</li> <li>• <b>(Independent Director)</b> appointing or removing any Independent Director;</li> <li>• <b>(Independent Chairman)</b> appointing or removing any independent Chairperson;</li> <li>• <b>(Remuneration)</b> increasing or decreasing any remuneration payable to a Director;</li> <li>• <b>(Auditor)</b> removing, changing or terminating the auditor of RollCo;</li> <li>• <b>(Board Delegation)</b> delegating any powers to any committee of the Board;</li> <li>• <b>(Insurance)</b> materially amending or reducing the insurance cover over RollCo's or any of its subsidiaries' assets or the Business or any 'key man' insurance policy;</li> <li>• <b>(Financial Assistance)</b> giving a loan or other financial assistance to a Director or an associate of a Director or varying the terms of a loan or other financial assistance previously given to a Director or an associate of a Director;</li> <li>• <b>(Contracts)</b> entering into, terminating, amending or varying a contract outside the ordinary course of business, other than as expressly contemplated by the then-current annual Budget;</li> <li>• <b>(Employee incentive plans)</b> adopting or varying the terms of any Management Equity Plan; and</li> <li>• <b>(Encumbrances)</b> creating any mortgage, charge, pledge or other encumbrance over any asset of RollCo or its subsidiaries that is outside the ordinary course of business of RollCo, other than as expressly contemplated by the then-current annual Budget.</li> </ul> |   |

| Topic   | Summary of Class B rights and other rights under the RollCo Shareholders' Deed   | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights |
|---|--|---|
| <b>RollCo Shareholder meetings and voting (continued)</b> | <p><b>Special Director Approval</b></p> <p>The following decisions will require: (i) a simple majority resolution of the board; (ii) approval by at least one Class B Director (for so long as there is at least one Class B Director); and (iii) the approval of Class A Directors that together hold at least 75% of the total voting rights of all Class A Directors.</p> <ul style="list-style-type: none"> <li>• <b>(Liquidation)</b> liquidation or winding up of the Business or any material Subsidiary;</li> <li>• <b>(M&amp;A)</b> material mergers, acquisitions and disposals of securities, land, property or other assets involving consideration in excess of \$75 million (whether in one transaction or a series of related transactions);</li> <li>• <b>(Business Scope)</b> prior to 30 June 2024, making any significant change to the scope of the Business as it is conducted prior to the Implementation Date (other than changes contemplated or anticipated by the business plan disclosed to the Investor Shareholders prior to the date of the SID, including but not limited to the Ecology Park development, expansion of the B&amp;D business and capital expenditure relating to the C&amp;I business);</li> <li>• <b>(Securities)</b> changes in rights attached to or associated with any Securities or the Class C Shares;</li> <li>• <b>(Governing Documents)</b> material amendments to the constituent documents or equivalent governing documents of RollCo;</li> <li>• <b>(Tax Status)</b> making any election to change the tax status, method of tax accounting, or taking any action which could result in a material change to the tax posture of the business;</li> <li>• <b>(Capital Structure)</b> any reorganisation, reclassification, reconstruction, consolidation or subdivision of the capital of RollCo (including any buyback, cancellation or redemption of shares, or the creation of any different class of marketable securities in the capital of RollCo) which would have an adverse impact on Rollover Shareholders, other than (a) in accordance with the terms of the Management Equity Plan; or (b) as permitted under the RollCo Shareholders' Deed; or</li> <li>• <b>(Related Party Transactions)</b> enter into, vary or terminate any agreement between any Shareholder, Affiliate of a Shareholder or any Related Party of RollCo, on the one hand, and RollCo or any of its subsidiaries, on the other hand, in each case that are not on arm's length terms.</li> </ul> <p><b>Special Investor Approval</b></p> <p>The following decisions will require both a simple majority resolution of shareholders and approval by Class A Shareholders holding more than 87.5% of Class A Shares.</p> <ul style="list-style-type: none"> <li>• <b>(Liquidation)</b> liquidation or winding up of the Business or any material Subsidiary;</li> <li>• <b>(Change in nature of the Business)</b> any material change in the nature of the Business that is not contemplated in the then current Business Plan;</li> </ul> |   |



## 6. Information about MIRA BidCo Group and the Consortium

| Topic   | Summary of Class B rights and other rights under the RollCo Shareholders' Deed   | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights  |
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| <b>RollCo Shareholder meetings and voting (continued)</b> | <ul style="list-style-type: none"> <li>• <b>(Securities)</b> changes in rights attached to or associated with any Securities or the Class C Shares;</li> <li>• <b>(Governing Documents)</b> material amendments to the constituent documents or equivalent governing documents of RollCo;</li> <li>• <b>(Tax Status)</b> making any election to change the tax status, method of tax accounting, or taking any action which could result in a material change to the tax posture of the business;</li> <li>• <b>(Distribution Policy)</b> making any change to any dividend or distribution policy implemented by the Board from time to time;</li> <li>• <b>(Borrowing)</b> enter into any new material borrowing (other than intra-group borrowing) in excess of \$10 million that is not contemplated in the then current Business Plan or provide any security over RollCo or its assets; and</li> <li>• <b>(Material Costs)</b> capital or operational commitments or expenditures in excess of \$50 million, which are not included in the annual budget or approved business plan.</li> </ul> <p>In recognition of Warrington's significant expected interest in MAIF3 (as contemplated in section 6.2(a)), Warrington's consent is required before the Class A Directors appointed by MAIF3 can vote in favour of certain of these Special Majority Approval, Special Director Approval and Special Investor Approval matters.</p> |  |
| <b>Winding up</b>   | <p>If RollCo is wound up, the liquidator may:</p> <ul style="list-style-type: none"> <li>• divide among the members the whole or any part of the property of RollCo; and</li> <li>• determine how the division is to be carried out as between the members or different classes of members.</li> </ul> <p><i>For further information refer to clause 11 of the RollCo Constitution.</i></p>  | <p>BINGO Shareholders who receive scrip consideration will have equivalent rights in a winding up of RollCo as they would have in a winding up of BINGO in relation to their Class B Shares.</p> |

| Topic  | Summary of Class B rights and other rights under the RollCo Shareholders' Deed   | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights  |
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| <p><b>Issue of further RollCo shares</b></p> | <p>RollCo must first offer any new shares in RollCo on a pro-rata basis to eligible holders of existing shares, except in the following circumstances:</p> <ul style="list-style-type: none"> <li>• emergency funding requirements to MIRA Shareholders (after having first bona fide considered other means of financing), provided that RollCo must either offer new shares in RollCo on a pro-rata basis to each other existing Shareholder or allow those Shareholders to acquire shares from one or more of the MIRA Shareholders following the provision of emergency funding to allow each eligible holder to maintain its relevant proportionate interest in RollCo;</li> <li>• the issue of shares in connection with the Scheme, being issuances of Class A Shares and Preference Shares to the MIRA Shareholders to provide funding to meet transaction costs (up to \$115 million) in connection with the Scheme or to finance the payment of cash consideration under the Scheme to BINGO Shareholders or to repay debts of BINGO in place prior to implementation of the Scheme, such Class A Shares to be issued at an issue price of \$1.089;</li> <li>• the issue of Class B Shares, Preference Shares and Class C Shares in connection with the Scheme in consideration for the transfer of BINGO Shares to RollCo or one of its subsidiaries;</li> <li>• the issue of shares to management in RollCo under a Management Equity Plan;</li> <li>• an issue of shares (including in a new class) in respect of the bona fide, arm's length acquisition of, or merger with, a company, or the acquisition of a company, business or assets, by RollCo or one of its subsidiaries (provided Special Director Approval is obtained if the merger or acquisition involves consideration in excess of \$75 million);</li> <li>• the issue of shares in connection with a bona fide corporate restructure or reorganisation that does not have a materially adverse impact on the holdings, rights and obligations of shareholders and provided that such restructure or reorganisation does not dilute a Shareholder's proportion of securities of a given class as that bears to the total number of securities of that type held by all shareholders and does not dilute a Shareholder's proportion of securities of any given type or class that bears to the total number of securities held by all Shareholders; and</li> <li>• the issue of shares pursuant to an initial public offering of RollCo or one of its subsidiaries (<b>IPO</b>).</li> </ul> <p><i>For further information refer to clauses 9 and 10 of the RollCo Shareholders' Deed.</i></p> | <p>Subject to applicable law and any rights and restrictions attached to a class of shares, BINGO may by resolution of the BINGO Board issue shares, options to acquire shares and other securities with rights of conversion to shares on any terms, to any person, at any time and for any consideration, as the Board resolves.</p> <p>BINGO is presently required to comply with the ASX Listing Rules in relation to the issuance of BINGO Shares, including obtaining BINGO Shareholder approval for issuances in certain circumstances. For more information, see Chapter 7 of the ASX Listing Rules.</p> <p>As an unlisted company, RollCo will not be required to comply with the ASX Listing Rules. BINGO Shareholders who elect to receive scrip consideration should be aware that RollCo will not need to seek the approval of Class B Shareholders to issue any number of shares in RollCo (in any class) including any issuance of shares to pursue acquisitions or to incentivise members of BINGO management.</p> |

## 6. Information about MIRA BidCo Group and the Consortium

| Topic  | Summary of Class B rights and other rights under the RollCo Shareholders' Deed  | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights   |
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| <p><b>Restrictions on transfer and granting security interests</b></p> | <p>The directors must decline to register any transfer of shares, unless that transfer is permitted by the RollCo Shareholders' Deed.</p> <p><i>For further information refer to clause 5.2 of the RollCo Constitution.</i></p>   | <p>BINGO Shareholders are presently able to sell their BINGO Shares on market at any time and there is a liquid market for BINGO Shares.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that RollCo will be an unlisted public company and as such, there will be no public market for the trading of RollCo Shares post implementation of the Scheme and a lack of liquidity in respect of their Class B Shares and other securities in RollCo.</p> <p>Further, the RollCo Shareholders' Deed imposes extensive restrictions on the transfer of Class B Shares, Preference Shares and Class C Shares with limited exceptions which further restrict the ability of a Shareholder in being able to sell its securities.</p> |
| <p><b>Restrictions on Dealing</b></p>                                  | <p>A Shareholder must not dispose of any of its Securities unless:</p> <ul style="list-style-type: none"> <li>• by way of transfer to a permitted transferee (being, in the case of all Shareholder other than the MIRA Shareholders) a person that that person controls or is under common control, or a Family Company, Family Trust or self-managed superannuation fund), or where the person is a trustee or custodian, includes any replacement trustee or custodian; or</li> <li>• in accordance with the exit mechanisms outlined below.</li> </ul> <p>If a transferee ceases to be a permitted transferee, they must transfer back their holding to the original transferor (or another permitted transferee of the transferor).</p> <p><i>For further information refer to clause 11 of the RollCo Shareholders' Deed.</i></p> <p>The RollCo Shareholders' Deed also includes restrictions on the ability of a third party to obtain an interest in a MIRA Shareholder, subject to carve outs to facilitate a selldown to potential co-investors.</p> <p><i>For further information refer to clause 11.4 of the RollCo Shareholders' Deed.</i></p> | <p>See above.</p>   |

| Topic                           | Summary of Class B rights and other rights under the RollCo Shareholders' Deed  | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights  |
|---------------------------------|---|--|
| <p><b>Drag along rights</b></p> | <p>If a MIRA Shareholder or group of MIRA Shareholders (or, following the seventh anniversary of the Implementation Date, an Eligible Shareholder) wish to sell all or a proportion of their shares to a third party, they may require each Rollover Shareholder and Management Shareholder to sell the same proportion of their securities to the third party on terms no less favourable than the terms offered by the third party to the selling shareholder(s) except that restrictive covenants may be imposed on Qualifying Shareholders.</p> <p>The consideration paid for the dragged shares must either be:</p> <ul style="list-style-type: none"> <li>• cash; or</li> <li>• shares in a listed entity, provided those securities must be freely tradeable on the earlier of (1) 12 months after completion of the transaction and (2) the seventh anniversary of the Implementation Date,</li> </ul> <p>or otherwise approved by:</p> <ul style="list-style-type: none"> <li>• where the dragging shareholder(s) are MIRA Shareholder(s), either a Class B Director (if any Class B Director is appointed) or holders of at least 50% of Class B Shares (if no Class B Director is appointed); and</li> <li>• where the dragging shareholder(s) are Eligible Shareholder(s), either a Class A Director (if any Class A Director is appointed) or holders of at least 50% of Class A Shares (if no Class A Director is appointed).</li> </ul> <p>An Eligible Shareholder is a Qualifying Shareholder who has (1) not transferred more than 50% of its initial shareholding to a Third Party Buyer and (2) does not, following any transfer of its initial shareholding to a Third Party Buyer, hold less than 4% of the total number of Securities in RollCo.</p> <p><i>For further information refer to clause 13 of the RollCo Shareholders' Deed.</i></p> | <p>There are no equivalent provisions under BINGO's constitution – this provision is specific to RollCo's structure.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that they will have no rights to vote on any transactions involving the use of the drag along right.</p> |
| <p><b>Tag along rights</b></p>  | <p>If a MIRA Shareholder or group of MIRA Shareholders (or, following the seventh anniversary of the Implementation Date, an Eligible Shareholder) wish to sell all or a proportion of their shares to a third party in a single transaction or series of related transactions, the Rollover Shareholders must be invited to sell the same proportion of their Securities as will be sold by the selling shareholder(s) to the third party on terms no less favourable to the Rollover Shareholders than the terms offered by the third party to the MIRA Shareholder(s) except that restrictive covenants may be imposed on Qualifying Shareholders.</p> <p>If the proposed sale by the MIRA Shareholder or group of MIRA Shareholders would result in them holding less than 50% of (1) Class A Shares on issue or (2) Voting Shares on issue, then the Rollover Shareholders must be invited to sell all (and not just a proportion) of their Securities. A Rollover Shareholder may (but is not obliged to) accept such an invitation.</p> <p><i>For further information refer to clause 14 of the RollCo Shareholders' Deed.</i></p>   | <p>There are no equivalent provisions under BINGO's constitution – this provision is specific to RollCo's structure.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that they will have no rights to vote on any transactions involving the use of the tag along right.</p>  |

## 6. Information about MIRA BidCo Group and the Consortium

| Topic                         | Summary of Class B rights and other rights under the RollCo Shareholders' Deed   | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights   |
|-------------------------------|--|---|
| <b>IPO</b>                    | <p>If the RollCo Board (by Special Director Approval) wishes to pursue an IPO, each Shareholder must act in good faith to sell down or retain such interests as the underwriters, joint lead managers and financial advisers recommend in order to maximise the success of the IPO, provided that each Rollover Shareholder will be entitled to sell into the IPO the same proportion of shares and on the same terms (including price and type of consideration) as the MIRA Shareholders. Each Shareholder must also act in good faith to provide reasonable undertakings and enter into reasonable escrow arrangements, subject to the terms of the RollCo Shareholders' Deed.</p> <p><i>For further information refer to clause 15 of the RollCo Shareholders' Deed.</i></p>   | <p>There are no equivalent provisions under BINGO's constitution – this provision is specific to RollCo's structure.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that they will have no rights to vote on any transactions involving RollCo pursuing an IPO in the future.</p>   |
| <b>Compulsory Acquisition</b> | <p>At any time after the end of the first year period commencing on the Effective Date, the Board may give written notice to any Shareholders holding a Small Holding (being a shareholder in RollCo of \$10,000 or less (based on the value of a Security (other than a Class C Share) implied on the Implementation Date)) requiring those Shareholders to dispose of all of its Small Holding (<b>Small Holding Disposal Notice</b>). The Small Holding Disposal Notice will set out the terms applying to the disposal (including how the board requires that Shareholder to dispose of its Small Holding, the date of the disposal, and the price per security which will be fair market value as determined by an appropriate independent professional valuer in the case of Class B Shares and, in the case of Preference Shares, the aggregate face value or issue price (as applicable) plus any accrued interest or coupon.</p> <p><i>For further information refer to clause 16 of the RollCo Shareholders' Deed.</i></p>   | <p>The ASX Listing Rules contemplate a process by which BINGO could seek to consolidated "unmarketable parcels" (being parcels of BINGO Shares under \$500) in certain circumstances.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that, if they are Small Holding Shareholders, RollCo may exercise its compulsory acquisition rights under the RollCo Shareholders' Deed after one year without consulting with, or approval from, any Class B Shareholders (including the Small Holding Shareholders).</p> |
| <b>Partial Selldown Right</b> | <p>Notwithstanding any other provision of the RollCo Shareholders' Deed, on or after the fourth anniversary of the Implementation Date, each 5% Shareholder may dispose of up to 50% of the securities it held at Implementation to any person.</p> <p>Further, following the Option Period (described below), each Class B Shareholder may sell some or all of their Option Securities (being 16.67% of the Securities held by a Class B Shareholder at Implementation (comprising equivalent numbers of Class B Shares and Preference Shares)) to any person provided that, if an Option Notice has been given prior to the end of the Option Period then such Class B Shareholder cannot dispose of its Option Securities unless MAIF3 has failed to perform its obligations in relation to completing the purchase of the Option Securities. Upon transfer to a person who is not a Rollover Shareholder, any transferred Option Securities which are Class B Shares convert to Class A Shares.</p> <p><i>For further information refer to clause 11.5 of the RollCo Shareholders' Deed.</i></p> | <p>There are no equivalent provisions under BINGO's constitution – this provision is specific to RollCo's structure.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that they are presently able to sell their BINGO Shares on market at any time and there is a liquid market for BINGO Shares.</p>  |

| Topic                    | Summary of Class B rights and other rights under the RollCo Shareholders' Deed  | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights   |
|--------------------------|---|---|
| <b>Call Option</b>       | <p>Each Class B Shareholder immediately following Implementation grants to MAIF3 an irrevocable option to require each Class B Shareholder to sell some or all of its Option Securities (the <b>Call Option</b>). The 'Option Securities' are 16.67% of the Securities held by the Class B Shareholder at Implementation (comprising equivalent numbers of Class B Shares and Preference Shares).</p> <p>The Call Option confers on MAIF3 the right but not the obligation to acquire the Option Securities.</p> <p>The Option Period commences on Implementation and lapses on the date that is three months following the Implementation Date.</p> <p>MAIF3 may exercise the Call Option by delivering an Option Notice to RollCo which requires the Class B Shareholders to sell the specified proportion of their Option Securities to MAIF3 or its nominee. Upon transfer to MAIF3 or its nominee, any transferred Option Securities which are Class B Shares convert to Class A Shares.</p> <p>The exercise price for the Call Option is \$1.980 per Option Security, comprising \$1.089 for each Class B Share and \$0.891 for each Preference Share (being the same value as those shares were issued at Implementation).</p> <p><i>For further information refer to clause 11.6 of the RollCo Shareholders' Deed.</i></p>  | <p>There are no equivalent provisions under BINGO's constitution – this provision is specific to RollCo's structure.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that under the terms of the Call Option they may be required to sell their Option Securities to MAIF3 or its nominee and do not have control over whether the Call Option is exercised.</p>   |
| <b>Power of Attorney</b> | <p>Each appointment of an attorney by a Shareholder or relevant appointer under certain clauses of the RollCo Shareholders' Deed (including the provisions relating to the drag along rights, tag along rights, IPO, in connection with the Call Option and the appointment of a nominee) is made on the following terms:</p> <ul style="list-style-type: none"> <li>the appointor irrevocably appoints RollCo as its attorney to complete and execute such instruments and resolutions for and on its behalf as the attorney thinks necessary to give effect to any of the transactions contemplated by the relevant clause;</li> <li>the appointor agrees to ratify and confirm whatever the attorney lawfully does, or causes to be done, under the appointment;</li> <li>the appointor agrees to indemnify the attorney against all claims, demands and costs arising in any way in connection with the lawful exercise of all or any of the attorney's powers and authorities under that appointment except in respect of claims, demands and costs arising as a result of that attorney's fraud, negligence or wilful default; and</li> <li>the appointor agrees to deliver to the company on demand any power of attorney, instrument of transfer or other instruments as the company may require for the purposes of any of the transactions contemplated by the relevant clause.</li> </ul> <p><i>For further information refer to clause 27.7 of the RollCo Shareholders' Deed.</i></p> | <p>There are no equivalent provisions under BINGO's constitution – this provision is specific to RollCo's structure.</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that they are agreeing to grant a power of attorney to RollCo in respect of a range of matters relating to their RollCo shareholding, including matters which, in the context of BINGO, they would be required to sign, consent to or approve. This means that certain actions may occur without any input from BINGO Shareholders who elect to receive the scrip consideration (noting that, in most circumstances, the power of attorney is only granted upon a default by the Rollover Shareholders of their obligations under the RollCo Shareholders' Deed).</p> |

## 6. Information about MIRA BidCo Group and the Consortium

| Topic                 | Summary of Class B rights and other rights under the RollCo Shareholders' Deed   | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights  |
|-----------------------|--|--|
| <b>Accession Deed</b> | <p>No person may be registered as a holder of shares in RollCo unless they execute and deliver an accession deed agreeing to be bound by the terms of the RollCo Shareholders' Deed (except in the case of an IPO or where the proposed transferee is already party to the RollCo Shareholders' Deed).</p> <p><i>For further information refer to clause 25 of the RollCo Shareholders' Deed.</i></p>  | Not applicable.  |
| <b>Nominee Deed</b>   | <p>Unless otherwise determined by the Board of RollCo, each Rollover Shareholder will hold its Class B Shares, Class C Shares and Preference Shares through a nominee.</p> <p>Notwithstanding the above, a Rollover Shareholder that hold 5% or more of Voting Securities on issue immediately after the Implementation Date will be entitled to hold its Class B Shares, Class C Shares and Preference Shares directly and not through the nominee.</p> <p>RollCo will appoint the nominee to hold all of the Class B Shares, Class C Shares and Preference Shares issued to a Rollover Shareholder on bare trust pursuant to the terms of the nominee deed.</p> <p>Following appointment of a nominee, each holder of Class B Shares, Class C Shares and Preference Shares agrees to appoint RollCo as its attorney for the purpose of facilitating the transfer of its shares to the nominee.</p> <p>The key terms of the nominee arrangements under the nominee deed and the RollCo Shareholders' Deed are as follows:</p> <ul style="list-style-type: none"> <li>• holder through the nominee will be beneficial holders in relation to shares held by the nominee as bare trustee on their behalf.</li> <li>• each holder will be able to instruct the nominee to exercise voting rights or take other steps as the registered holder of shares on its behalf.</li> <li>• RollCo will procure that any distribution or dividend that would otherwise be paid to the Nominee will instead be paid to the relevant beneficial holder in proportion to the number of shares that are held on trust for that beneficial holder.</li> <li>• RollCo will give, make available or despatch all notices or information it circulates to shareholders to beneficial holders as well as the nominee.</li> <li>• there will be no meetings of the beneficial holders.</li> <li>• a holder who is a beneficial holder under the nominee deed must not (without the consent of the RollCo Board) direct the nominee to transfer legal title to the shares held on trust for that holder back to the underlying beneficial owner.</li> <li>• the restrictions on transfer set out above continue to apply to shareholders that are beneficial holders through the nominee. However, a beneficial holder may transfer shares to a permitted transferee on the basis that the nominee is directed to hold legal title to the relevant shares as bare trustee on behalf of the transferee, unless the RollCo Board agrees otherwise.</li> </ul> | <p>Each BINGO Shareholder is presently entitled to choose to hold its BINGO Shares in its own name or in a structure of its choice (including through a nominee on bare trust for the relevant BINGO Shareholder).</p> <p>BINGO Shareholders who elect to receive scrip consideration should be aware that RollCo will, other than in limited circumstances, require the Shares held by BINGO Shareholders in RollCo to be held by a nominee on bare trust (rather than in the name of the BINGO Shareholder). Shareholders holding through the nominee will still be entitled to the economic benefits associated with their beneficial shareholding.</p> |

| Topic   | Summary of Class B rights and other rights under the RollCo Shareholders' Deed   | Summary of current rights as BINGO Shareholder and impact of the Scheme on those rights   |
|---|--|---|
| <b>Nominee Deed (continued)</b>                   | <p>Under the terms of the relevant nominee deed, RollCo will undertake to the nominee that it will dispatch or make available any notice of meeting of shareholders to the beneficial holders of the Shares, and the nominee must, to the extent reasonably practicable, vote at any such meeting as directed by an instruction given by the underlying beneficial holder. To the extent the nominee considers that it is unable to act on an instruction given by a beneficial holder, the nominee must promptly (and within two Business Days) notify the relevant beneficial holder and resolve and seek a withdrawal of the instruction or re-issue or clarify the instruction.</p> <p><i>For further information refer to clause 18 of the RollCo Shareholders' Deed.</i></p> |   |
| <b>Amendment to the RollCo Shareholders' Deed</b> | <p>Subject to the below, the RollCo Shareholders' Deed may be amended by the Board with Special Director Approval.</p> <p>Where an amendment would adversely affect the rights of a Shareholder, the variation must be in writing and signed by:</p> <ul style="list-style-type: none"> <li>• each MIRA Shareholders; and</li> <li>• where the amendment would adversely affect the rights of the Rollover Shareholders, by Rollover Shareholders holding more than 50% of Class B Shares.</li> </ul> <p>In relation to any amendment relating to the terms of Class C Shares or Preference Shares, refer to section 6.4(e) and 6.4(f).</p> <p><i>For further information refer to clause 27.1 of the RollCo Shareholders' Deed.</i></p>   | <p>BINGO Shareholders who elect to receive scrip consideration should be aware that the Board of RollCo may amend the RollCo Shareholders' Deed without seeking their approval.</p>   |
| <b>Information rights</b>                         | <p>RollCo is an unlisted public Company. The MIRA BidCo Group will be required to prepare an audited financial report and a directors' report in accordance with Chapter 2M of the Corporations Act and must lodge those reports with ASIC within four months of the financial year end (as required by section 315(4) of the Corporations Act).</p> <p>Any Rollover Shareholder may request a copy of the most recent audited annual account of RollCo and its Related Bodies Corporate and RollCo will provide that within 10 Business Days after such request.</p> <p><i>For further information refer to clause 5 of the RollCo Shareholders' Deed.</i></p>  | <p>BINGO Shareholders should be aware that the MIRA BidCo Group will not need to comply with the extensive continuous disclosure obligations in Chapter 3 of the Listing Rules and section 674 of the Corporations Act resulting in BINGO Shareholders not having any rights to information about the MIRA BidCo Group beyond receipt of the audited financial reports each financial year.</p> |



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## 6. Information about MIRA BidCo Group and the Consortium

### e. Summary of rights attaching to Preference Shares

A summary of the key rights and liabilities attaching to Preference Shares is set out below. BINGO Shareholders do not currently hold an equivalent security to Preference Shares.

The below summary is not exhaustive. BINGO Shareholders considering making a valid Election in respect of the Mixed Consideration alternative to receive the scrip consideration, should read and understand the RollCo Shareholders' Deed and RollCo Constitution in full and seek their own independent advice before making a decision.

The RollCo Constitution provides that the terms of the RollCo Shareholders' Deed will prevail in the event of any inconsistency between the provisions of the RollCo Constitution and the RollCo Shareholders' Deed.

Capitalised terms used in this section which are not defined in this Scheme Booklet have the meanings given to them in the RollCo Shareholders' Deed.

For further information in relation to the terms of Preference Shares refer to schedule 5 of the RollCo Shareholders' Deed.

| Topic                    | Summary of Preference Shares under the RollCo Shareholders' Deed  |
|--------------------------|---|
| <b>Issue and ranking</b> | <p>Preference Shares are a separate class of security in RollCo and will be issued as fully paid at an issue price of \$0.891.</p> <p>Preference Shares rank <i>pari passu</i> amongst all other Preference Shares and in priority to all Securities of any other class, other than Class C Shares.</p>   |
| <b>Voting</b>            | <p>Subject to the Corporations Act, a Preference Share does not entitle its holder to vote at a general meeting of RollCo, except:</p> <ul style="list-style-type: none"><li>• on any resolution for the winding up of RollCo; and</li><li>• on any resolution to vary the rights attaching to Preference Shares.</li></ul>   |
| <b>Maturity</b>          | <p>Each Preference Share has a maturity date of 9 years and 11 months after its issue date.</p>   |
| <b>Interest</b>          | <p>Preference Shares do not accrue interest.</p>  |
| <b>Dividend</b>          | <p>Holders of Preference Shares are entitled to the Preference Share Dividend. The payment of the Preference Share Dividend is subject to any restrictions contained in the RollCo Shareholders' Deed and the Corporations Act.</p> <p>The Preference Share Dividend is an entitlement to receive a dividend calculated at the Coupon Rate (being the interest rate payable under the senior financing facilities of the Group from time to time, plus an amount of 0.5% per annum) on the Issue Price of that Preference Share, compounded on a monthly basis.</p> <p>Subject to the RollCo Shareholders' Deed and the Corporations Act, the RollCo Board may resolve to pay to the holders of Preference Shares the Preference Share Dividend at any time.</p> <p>Subject to the RollCo Shareholders' Deed and the Corporations Act, RollCo must declare a cash dividend on the Preference Shares each year of an amount equal to 10% of the Preference Share Dividend unless otherwise agreed by:</p> <ul style="list-style-type: none"><li>• Holders of 75% of the Preference Shares on issue; and</li><li>• where one or more Class B Directors are appointed at that time, at least one Class B Director.</li></ul> |

| Topic                    | Summary of Preference Shares under the RollCo Shareholders' Deed  |
|--------------------------|---|
| <p><b>Conversion</b></p> | <p>If a Preference Share has not been mandatorily or voluntarily redeemed, immediately prior to an Exit Event, the holder of Preference Shares may elect to convert some, or all, of their Preference Shares.</p> <p>If holders elect (in aggregate) to convert at least 90% of the Preference Shares on issue, then all holders are deemed to have elected to convert all of their Preference Shares.</p> <p>Each Preference Share converts into a number of Class B Shares as calculated as:</p> <ul style="list-style-type: none"> <li>• the Redemption Amount of that Preference Shares; <i>divided by</i></li> <li>• the value of one Class B Share in that Exit Event.</li> </ul> <p>The Redemption Amount is equal to:</p> <ul style="list-style-type: none"> <li>• the Issue Price of that Preference Share; <i>plus</i></li> <li>• the amount of the accrued but unpaid Preference Share Dividend on that Preference Share; <i>less</i></li> <li>• any other amount paid by RollCo in respect of the Preference Share from time to time.</li> </ul> <p>Each Class B Share issued on conversion of Preference Shares ranks from the date of issue equally with all other Class B Shares. Each Class B Share ranks equally, and must be issued at the same price, as a Class A Share.</p> <p>Where some, but not all, Preference Shares are converted, RollCo must endeavour to treat each holder on an approximately proportionate basis.</p> |
| <p><b>Redemption</b></p> | <p>Each Preference Share must be redeemed on the earlier to occur of:</p> <ul style="list-style-type: none"> <li>• the Maturity Date; and</li> <li>• the occurrence of an Exit Event.</li> </ul> <p>To effect a redemption, RollCo must provide a notice to each holder setting out the date on which redemption is to occur, the number or proportion of Preference Shares being redeemed, how the redemption is proposed to be effected, the method of payment and the place or places where the certificates (if any) for the Preference Shares must be submitted.</p> <p>Where some, but not all, Preference Shares are redeemed, RollCo must endeavour to treat each holder on an approximately proportionate basis.</p>   |
| <p><b>Amendment</b></p>  | <p>RollCo may, without the authority of any holders, amend the terms of the Preference Shares where the amendment or addition is, in the reasonable opinion of RollCo:</p> <ul style="list-style-type: none"> <li>• of a formal, minor or technical nature;</li> <li>• made to correct a manifest error;</li> <li>• necessary to comply with the provisions of any statute or the requirements of any statutory authority,</li> </ul> <p>and, in any case, is not materially detrimental to the Holders of Preference Shares.</p> <p>An amendment not falling within the above may only be made where it has been approved by holders of at least 75% of the Preference Shares on issue at a meeting held in accordance with the terms of the Shareholders' Deed and the Corporations Act.</p>  |

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## 6. Information about MIRA BidCo Group and the Consortium

### f. Summary of rights attaching to Class C Shares

A summary of the key rights and liabilities attaching to Class C Shares is set out below. BINGO Shareholders do not currently hold an equivalent security to Class C Shares. Following the Implementation Date, RollCo may not issue further Class C Shares.

The below summary is not exhaustive. BINGO Shareholders considering making a valid Election in respect of the Mixed Consideration alternative to receive the scrip consideration, should read and understand the RollCo Shareholders' Deed and RollCo Constitution in full and seek their own independent advice before making a decision.

The RollCo Constitution provides that the terms of the RollCo Shareholders' Deed will prevail in the event of any inconsistency between the provisions of the RollCo Constitution and the RollCo Shareholders' Deed.

Capitalised terms used in this section which are not defined in this Scheme Booklet have the meanings given to them in the RollCo Shareholders' Deed.

For further information in relation to the terms of Class C Shares refer to schedules 6 and 7 of the RollCo Shareholders' Deed.

| Topic                                    | Summary of Class C Shares under the RollCo Shareholders' Deed  |
|--|--|
| <b>Issue and ranking</b>                 | <p>Class C Shares are a separate class of security in RollCo and will be issued as fully paid at an issue price of \$0.00001.</p> <p>Each Class C Share ranks pari passu amongst all other Class C Shares.</p>   |
| <b>Voting</b>                            | <p>Subject to the Corporations Act, a Class C Share does not entitle its holder to vote at a general meeting of RollCo except on any resolution to vary the rights attaching to the Class C Shares (in which case the holder has the same rights as to manner of attendance and as to voting in respect of each Class C Share as those conferred on the holders of Class B Shares in respect of each Class B Share).</p> |
| <b>Distributions and dividend rights</b> | <p>Other than in relation to the Earn-Out Dividend, Class C Shares carry no right to participate in any dividends, distributions, capital returns or any other distribution of profits or assets of RollCo.</p>  |

| Topic           | Summary of Class C Shares under the RollCo Shareholders' Deed   |
|-----------------|---|
| <b>Earn-Out</b> | <p>Each Class C Share entitles its holder to a potential dividend, the quantum of which is referable to the Group's Adjusted EBITDA for the relevant financial year.</p> <p>RollCo will prepare the Earn-Out Accounts (being the Audited Accounts of the Group as adjusted in line with the agreed Earn-Out Normalisation Principles) within 20 Business Days after each set of Audited Accounts are finalised. RollCo must prepare its Audited Accounts within 4 months after the end of the relevant financial year.</p> <p>In relation to the financial years ending 30 June 2022 and 30 June 2023 (the <b>Early Release Period</b>) if the Board (acting reasonably and in good faith) determines that the Adjusted EBITDA derived from the Earn Out Accounts is less than \$240 million and no Class B Director requests that RollCo finalise the Earn-Out Accounts in accordance with the below process, then the Earn-Out Amount for the Early Release Period will be nil.</p> <p>In the case of an Early Release Period which a Class B Director requests be finalised formally, or in relation to the Earn-out Period, RollCo will appoint one of KPMG, Deloitte, PwC or Ernst &amp; Young as an independent expert to review the Audited Accounts, apply the Earn-Out Normalisation Principles and review the Earn out Accounts to determine whether the draft Earn-Out Statement is correct in whole or in part.</p> <p>In relation to an Early Release Period, if:</p> <ul style="list-style-type: none"> <li>Adjusted EBITDA is less than \$240 million, the Earn Out Amount will be nil; and</li> <li>Adjusted EBITDA is more than \$240 million, the Earn Out Amount will be \$0.80 per Class C Share.</li> </ul> <p>If an Earn-Out Amount is determined to be \$0.80 per Class C Share for an Early Release Period, no further Earn-Out Amount will be paid for any further testing period.</p> <p>In relation to the Earn-Out Period, if:</p> <ul style="list-style-type: none"> <li>Adjusted EBITDA is less than \$220 million, the Earn Out Amount will be nil;</li> <li>Adjusted EBITDA is at least \$220 million but less than \$240 million, the Earn-Out Amount will be an amount calculated on a straight line pro-rata basis from nil to \$0.80 per Class C Share; and</li> <li>Adjusted EBITDA is more than \$240 million, the Earn Out Amount will be \$0.80 per Class C Share.</li> </ul> |

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## 6. Information about MIRA BidCo Group and the Consortium

| Topic                    | Summary of Class C Shares under the RollCo Shareholders' Deed   |
|--------------------------|---|
| <b>Earn-Out Dividend</b> | <p>RollCo will pay to holders of Class C Share a dividend equal to the Earn-Out Amount (the <b>Earn-Out Dividend</b>). The payment of the Earn-Out Dividend is subject to any restrictions and limitations contained in the RollCo Shareholders' Deed, the Corporations Act and any other document to which RollCo is a party or which is binding on RollCo.</p> <p>To the maximum extent possible, the Earn-Out Dividend must be fully franked.</p> <p>If for any reason, RollCo is not able to pay the full Earn-Out Dividend on a fully franked basis, RollCo must declare and pay the maximum fully franked dividend possible to each Class C Share (<b>Partial Payment</b>).</p> <p>Following any Partial Payment, each Class C Share shall continue to be entitled to a dividend equal to:</p> <ul style="list-style-type: none"><li>• the Earn-Out Amount; less</li><li>• any dividend paid pursuant to a Partial Payment,</li></ul> <p>(the <b>Residual Amount</b>).</p> <p>RollCo must procure the payment of the Residual Amount as a fully franked dividend as soon as it is able to do so (after doing everything within its control to ensure payment of such dividend at the earliest time possible).</p> <p>RollCo may pay all or some of the Residual Amount on an unfranked basis at any time with:</p> <ul style="list-style-type: none"><li>• the unanimous approval of the Class B Directors, if one or more Class B Directors are appointed; or</li><li>• the consent of holder of 50% of Class C Shares, if no Class B Director is appointed.</li></ul> <p>Further, RollCo may at any time pay by way of dividend on each Class C Share all of the then-outstanding Residual Amount on a partly and/or entirely unfranked basis, provided that such dividend is increased by such additional amount as may be necessary so that the Class C Shareholders receive, in aggregate the amount they would have received had the dividend been fully franked.</p> <p>Any Residual Amount shall increase at the Residual Coupon, compounded on a monthly basis, where <b>Residual Coupon</b> means:</p> <ul style="list-style-type: none"><li>• from the date of the Partial Payment until the second anniversary of that Partial Payment – 8.0% per annum; and</li><li>• after the second anniversary of the Partial Payment – 10.0% per annum.</li></ul> |
| <b>Redemption</b>        | <p>If at any time:</p> <ul style="list-style-type: none"><li>• the Earn-Out amount has been finally determined to be nil; or</li><li>• the Earn-Out Amount has been finally determined and paid on each Class C Share,</li></ul> <p>the RollCo Board may elect in its discretion to redeem all of the Class C Share by giving a redemption notice.</p> <p>In addition, each Class C Share must be redeemed on the occurrence of an Exit Event.</p> <p>The redemption amount shall be either:</p> <ul style="list-style-type: none"><li>• in the case of voluntary redemption, nil; and</li><li>• in the case of mandatory redemption, \$0.80 per Class C Share less (if applicable) any amount paid on Class C Shares pursuant to any Partial Payment.</li></ul>  |

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| Topic            | Summary of Class C Shares under the RollCo Shareholders' Deed  |
|------------------|--|
| <b>Amendment</b> | <p>RollCo may, without the authority of any Class C Shareholders, amend the terms of the Class C Shares where the amendment or addition is, in the reasonable opinion of RollCo:</p> <ul style="list-style-type: none"> <li>• of a formal, minor or technical nature;</li> <li>• made to correct a manifest error;</li> <li>• necessary to comply with the provisions of any statute or the requirements of any statutory authority,</li> </ul> <p>and, in any case, is not materially detrimental to the Holders of Class C Shares.</p> <p>An amendment not falling within the above may only be made where it has been approved by holders of at least 75% of the Class C Shares on issue at a meeting held in accordance with the terms of the Shareholders' Deed and the Corporations Act.</p> |

## 6.5. Funding the Scheme Consideration

### a. Maximum Cash Consideration

If the Scheme becomes Effective, the Scheme Consideration payable to BINGO Shareholders under the Scheme will be satisfied by a combination of the payment of cash consideration and issue of such number of RollCo Shares as required to satisfy valid Elections (subject to the Maximum Scrip Threshold and any application of the pro-rata Scaleback Mechanism).

Based on the number of BINGO Shares on issue as at the date of this Scheme Booklet, the maximum amount of cash consideration MIRA BidCo may be required to pay to BINGO Shareholders under the Scheme is approximately \$1,764 million (assuming the full amount of the Special Dividend is paid) (**Maximum Cash Consideration**). The Scheme is not subject to any financing condition precedent.

### b. Cash funding arrangements

MIRA BidCo intends to fund the Scheme Consideration with a combination of debt and equity funding. As detailed below, MIRA BidCo will fund the cash consideration through equity committed by the Consortium Members, as well as third party debt financing.

### c. Equity commitments

MIRA BidCo has a legally binding commitment letter from:

- MAIF 3 Investments Australia Pte. Ltd for \$1,391,959,982; and
- Macquarie Australian Infrastructure Management 2 Limited as trustee for Macquarie Australian Infrastructure Trust 2 for \$256,000,000,

(each an **Equity Commitment Party**) dated 27 April 2021 (the **Equity Commitment Letters**) under which the relevant Equity Commitment Party commits to provide their respective proportion of the cash amounts noted above to MIRA BidCo (together, the **Equity Funding**) for the purpose of funding part of the cash consideration under the Scheme. Each Equity Commitment Party has access to cash and undrawn commitments sufficient to fund their respective proportion of the Equity Funding. The Equity Commitment Parties have confirmed that they will retain sufficient commitments and/or free cash until the Implementation Date, and that such commitments are only subject to conditions within their respective control. The Equity Funding is (together with the debt funding arrangements outlined in section 6.5(d) below), sufficient to fund the cash consideration and transaction costs.

The obligation to provide the Equity Funding under the commitment letter is conditional on the satisfaction or waiver (if capable of waiver) of all the conditions to the Scheme Implementation Deed and must be provided except where the Scheme Implementation Deed is terminated and the Scheme does not otherwise become Effective.

### d. Debt funding

MIRA BidCo has executed a binding debt commitment letter (**Finance Document**) with, among others, Goldman Sachs Mortgage Company, Goldman Sachs Australia Pty Ltd, Jefferies Finance LLC, Credit Suisse AG, Cayman Islands Branch, Credit Suisse Securities (USA) LLC and Credit Suisse AG, Sydney Branch (the **Debt Underwriters**). Under the Finance Document, the Debt Underwriters commit to underwrite and provide various senior secured syndicated facilities (**Syndicated Facilities**). The commitments and terms under the Finance Document are subject to customary "market flex" language, which enables the Debt Underwriters to modify certain terms without the consent of MIRA BidCo (but in consultation with it) if they reasonably determine that such modification is necessary in order to achieve a successful syndication, or successful syndication cannot be achieved by the Implementation Date.

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## 6. Information about MIRA BidCo Group and the Consortium

The proceeds available to MIRA BidCo under the Syndicated Facilities, together with Equity Funding, are in excess of the amount that could be required to fund the Maximum Cash Consideration and the proposed refinancing of certain existing debt facilities of BINGO.

Such proceeds are available to MIRA BidCo for the purpose of (amongst other things):

- funding the Scheme Consideration;
- refinancing of certain existing debt facilities of BINGO; and
- paying certain transaction fees and expenses incurred in connection with the Scheme and associated transactions.

The funding of the Syndicated Facilities is subject to the satisfaction of certain conditions precedent, which are customary for facilities of this kind and include confirmation that:

- completion of the acquisition of the Scheme Shares has occurred or will occur in all material respects in accordance with the Scheme Implementation Deed, and that there has not been any amendment, supplementation, waiver or other modification of the Scheme Implementation Deed which would be materially adverse to the interests of the Debt Underwriters;
- the Consortium and / or RollCo have contributed cash and / or rollover equity in an amount not less than 50% of the aggregate of: (i) the Syndicated Facilities borrowed on (or immediately prior to) the Implementation Date and (ii) the amount of such cash and fair market value of rollover equity contributed to MIRA BidCo directly, or indirectly by the Consortium and / or RollCo, in each case, on or prior to the Implementation Date;
- the Debt Underwriters have received various financial statements, information and pro forma balance sheets in relation to BINGO and its subsidiaries;
- the Debt Underwriters have received duly completed and executed finance documentation and security documentation in relation to the Syndicated Facilities in customary form, and which are materially consistent with the terms set out in the Finance Document;
- the Debt Underwriters have received various other customary documentary conditions precedent, including various legal opinions, certifications, borrowing requests and public search results;
- the Debt Underwriters have received all required documentation in relation to applicable “know your customer” and “anti-money laundering” rules and regulations in the United States of America and Australia with respect to MIRA BidCo and MidCo together with customary certificates required under the United States of America’s Beneficial Ownership Regulation;
- certain material representations made by the MIRA BidCo under the Scheme Implementation Deed and the financing documentation are true and correct in all material respects; and
- the payment of certain fees and expenses due to the Debt Underwriters under the Finance Document and associated fee letters.

It is expected that as of the Second Court Date, the Finance Document will be superseded by a definitive long form credit agreement and related definitive financing documentation to be executed among the parties thereto, the material terms and conditions of which are specified in the Finance Document.

It is expected that these conditions will be satisfied before the Second Court Date (other than certain conditions which are intended to be satisfied concurrently with, or prior to, the first drawdown under the Syndicated Facilities immediately prior to the Implementation Date including the payment of fees and expenses).

As noted above, the availability of the Syndicated Facilities is subject to the correctness of certain material representations. As at the date of this Scheme Booklet, MIRA BidCo is not aware of the occurrence of any material misrepresentation or any circumstance that would lead to any material misrepresentation or which would give rise to a right to the financiers to terminate the applicable facilities.

If all of the conditions precedent are satisfied or waived, then subject to the provisions set out in the paragraph below, the Debt Underwriters must provide the funds for their portion of the commitment under the Syndicated Facilities. As at the date of this Scheme Booklet, MIRA BidCo is not aware of any reason why any of the conditions precedent to the Syndicated Facilities will not be satisfied, and are confident they will be satisfied, in time to allow payment in full of the aggregate Scheme Consideration for the Scheme Shares as and when due under the terms of the Scheme.

### **e. Unlisted scrip consideration**

MIRA BidCo and RollCo have entered into the Deed Poll to covenant in favour of the Scheme Shareholders to perform their respective obligations in relation to the Scheme. This includes the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme, including to issue all RollCo Shares the subject of valid Elections by the Scheme Shareholders under the terms of the Scheme.

### **f. Reasonable basis**

On the basis of the arrangements outlined above, the MIRA BidCo Group believes it has a reasonable basis for holding the view, and it does hold the view, that MIRA BidCo will be able to satisfy its obligations to fund the Scheme Consideration as and when it is due and payable under the terms of the Scheme.

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## 6.6. Intentions of MIRA BidCo

### a. Introduction

If the Scheme is implemented, MIRA BidCo will become the holder of all of the BINGO Shares on issue and, accordingly, BINGO will become a wholly owned subsidiary of MIRA BidCo.

This section 6.6 sets out the intentions of MIRA BidCo in relation to the continuation of the business, any major changes to the business, and the future employment of the present employees of BINGO and any redeployment of the fixed assets of BINGO, in each case if the Scheme is implemented. The intentions of MIRA BidCo are the same as the intentions of each member of the MIRA BidCo Group and the Consortium Members.

The statements made in this section 6.6 are statements of present intention only and are based on the information concerning BINGO (including certain non-public information made available by BINGO to MIRA BidCo prior to the entry into the Scheme Implementation Deed), and the general business environment which is known to MIRA BidCo at the time of preparation of this Scheme Booklet.

If the Scheme is implemented, MIRA BidCo intends to undertake a detailed review of the business' assets and operations. MIRA BidCo will only make final decisions following the completion of its review of BINGO's business and based on the facts and circumstances at the relevant time. Accordingly, statements set out in this section 6.6 are statements of present intention only, which may change as new information becomes available or circumstances change.

### b. Removal from ASX

If the Scheme is implemented, MIRA BidCo will direct that BINGO apply to ASX for BINGO to be removed from its official list after the Implementation Date and subsequently converted to a proprietary company limited by shares.

### c. Head office

If the Scheme is implemented, MIRA BidCo presently intends for BINGO to maintain its current head office in Sydney, New South Wales.

### d. Employees

BINGO is a people driven business. MIRA BidCo recognises that a well-trained and motivated workforce is critical to the success of the business, and that the incentivisation of staff is an essential component of the future success of the company. MIRA BidCo will undertake a review of BINGO's business post-implementation to ensure BINGO has the appropriate mix and level of employees and skills to enhance the business going forward and to enable the business to pursue growth opportunities.

### e. Directors

Pursuant to clause 5.9 of the Scheme Implementation Deed, the BINGO Board will be reconstituted with effect on and from the Implementation Date. As at the date of this Scheme Booklet, the directors of BINGO after the Implementation Date have not been determined.

### f. Changes to BINGO's constitution

MIRA BidCo intends to replace BINGO's constitution with a constitution appropriate for a proprietary company limited by shares (consistent with the intention expressed in section 6.6(b)) to convert BINGO into a proprietary company limited by shares following Implementation.

### g. Business, operations and assets

Subject to the findings of the post-acquisition review referred to in section 6.6(a) above, MIRA BidCo's current intention is to continue to operate the business substantially in its current form in the near term while actively pursuing acquisition and expansion opportunities available to BINGO. In particular, MIRA BidCo currently intends to pursue this strategy by providing access to capital required to invest in BINGO's operations to further grow and improve the business. Any further decisions around the future of BINGO and intentions for the BINGO business will be made after, and informed by, the results of the review.



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## 6. Information about MIRA BidCo Group and the Consortium

### 6.7. Additional information

#### a. Relevant Interest in BINGO Shares

MIRA BidCo itself is not the registered holder of, nor does it have the power to control voting rights attached to, or the power to dispose of, any BINGO Shares.

Certain members of the Macquarie Group (who are not part of MIRA) and operate on the other side of information barriers have Relevant Interests in 5,898,865 BINGO Shares (which represents 0.90% of BINGO's issued share capital).<sup>24</sup> Of those 5,898,865 BINGO Shares:

- Macquarie Bank Limited hold 137,384 BINGO Shares as beneficial owner. Macquarie Bank Limited intends to abstain from voting these BINGO Shares on the Scheme.
- Macquarie Bank Limited hold 2,300,970 BINGO Shares with the power to control disposal over shares pursuant to stock borrowing and lending activities. Macquarie Bank Limited intends to abstain from voting these BINGO Shares on the Scheme to the extent it retains voting rights in these BINGO Shares.
- Macquarie Investment Management Global Limited (**MIMGL**) has a relevant interest in 2,360,694 BINGO Shares. MIMGL has the power to control the exercise of a right to vote attached to securities and/or control the disposal of securities in its capacity as investment manager for third party clients.
- Macquarie Investment Management Australia Limited (**MIMAL**) hold 645,650 BINGO Shares. MIMAL has the power to control the exercise of a right to vote attached to securities and/or control the disposal of securities in its capacity as responsible entity of various registered managed investment schemes.
- Macquarie Investment Management Limited (**MIML**) hold 454,167 BINGO Shares. MIML as the trustee of Australian Prudential Regulation Authority regulated superannuation funds and as Responsible Entity (**RE**) of the Macquarie Separately Managed Account has the power to control the exercise of a right to vote and/or the power to dispose of securities as investment manager or trustee. MIML is the operator of investor directed portfolio services (**IDPS**) and can be directed by the beneficial asset holders to vote and/or dispose of securities as held within the IDPS.

These interests in BINGO Shares are held at 2 June 2021.

#### b. Dealing in BINGO Shares in previous four months

None of MIRA BidCo, MIRA or its subsidiaries have provided or agreed to provide any consideration for any BINGO Shares under any transaction or agreement during the period of four months before the date of this Scheme Booklet, except for the Scheme Consideration which MIRA BidCo has agreed to provide under the Scheme.

The highest price paid for any BINGO Share in that four month period by any of the persons who hold the Relevant Interests noted in section 6.7(a) above is \$3.16.

#### c. Benefits to BINGO Shareholders

Neither MIRA BidCo or its Associates have, in the four months before the date of this Scheme Booklet, given, or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to:

- vote in favour of the Scheme; or
- dispose of BINGO Shares,

where the benefit was not offered to all BINGO Shareholders.

#### d. Benefits to BINGO Officers

Neither MIRA BidCo nor any of its Associates will be making any payment or giving any benefit to any current officers of BINGO or any of its subsidiaries as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices dependent on the Scheme being implemented.

#### e. No Interests of MIRA BidCo directors in BINGO Shares

As at the date of this Scheme Booklet, none of the directors of MIRA BidCo have a Relevant Interest in any BINGO Shares.

#### f. No other material information

Except as otherwise disclosed in this Scheme Booklet, there is no other MIRA Information that is material to the making of a decision in relation to the Scheme, being MIRA Information that is within the knowledge of the directors of MIRA BidCo, at the date of this Scheme Booklet, which has not previously been disclosed to BINGO Shareholders.

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<sup>24</sup> By virtue of certain deeming provisions in the Corporations Act, MIRA is taken to also have a Relevant Interest in those shares.

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# 7. Risks

## 7.1. Introduction

The Scheme presents potential risks that BINGO Shareholders should consider when deciding how to vote on the Scheme and whether to make an Election to receive the Mixed Consideration.

This section outlines some of the:

- risks relating to the business and operations of BINGO, including your current investment in BINGO Shares (see sections 7.2 and 7.3);
- risks relating to RollCo Shares (see section 7.4); and
- risks relating to the Scheme (see section 7.5).

The risks in sections 7.2 and 7.3 relating to the business and operations of BINGO will only apply to you if:

- you retain your BINGO Shares in circumstances where the Scheme does not proceed; or
- you receive RollCo shares by making a valid Election in circumstances where the Scheme is implemented, which gives you an ongoing exposure to the business of BINGO through RollCo (in which case, you will also be exposed to the risks in section 7.4 relating to RollCo Shares).

You will not be exposed to the risks in this section 7 (other than the risks in sections 7.5(c) and 7.5(d)) if the Scheme is implemented and you receive the All Cash Consideration.

In deciding whether to vote in favour of the Scheme and whether to make an Election to receive the Mixed Consideration, BINGO Shareholders should read this Scheme Booklet carefully and consider the following risk factors. These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of BINGO Shareholders. You should seek independent financial, legal, accounting, taxation and/or other professional advice before making any decision in relation to your BINGO Shares.

In addition, this section 7 is a summary only and does not purport to list every risk that may be associated with an investment in BINGO now or in the future or that may be associated with the Scheme being implemented. The occurrence or consequences of some of the risks described in section 7 may be partially or completely outside the control of the BINGO Group or MIRA or their respective directors and senior management teams. There also may be additional risks and uncertainties not currently known to BINGO which may have a material adverse effect on BINGO's operating and financial performance and the value of BINGO Shares.

Whilst your Recommending Directors unanimously recommend that BINGO Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders, BINGO Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Scheme.

## 7.2. General risks

BINGO is exposed to general risks that could materially adversely affect its assets and liabilities, the future operating and financial position, profits, prospects of BINGO, the potential to make further distributions to BINGO Shareholders, and the price and/or value of BINGO Shares. General risks that may impact on BINGO or the market for BINGO Shares include:

- changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices and consumer demand and preferences;
- regulatory risks and changes to government policy (including fiscal, monetary, taxation, employment and environmental policies), legislation or regulation (including accounting and reporting standards);
- the nature of competition in the markets in which BINGO operates;
- weather conditions, natural disasters or catastrophes, pandemics generally and other general operational and business risks;
- variations in BINGO's operating results; and
- the overall performance of the Australian and international stock markets, changes in investor sentiment, recommendations by securities analysts, the operating and trading price performance of other comparable listed entities or inclusion or removal from major market indices.

While there is a possibility of future benefits to BINGO Shareholders that arise from some of these risks, equally, some of these factors could affect BINGO's share price regardless of BINGO's underlying operating performance.

## 7. Risks

### 7.3. Risks relating to the business and operations of BINGO

| Risk  | Description   |
|---|---|
| <b>ACCC investigation</b>   | <p>As previously advised by BINGO, the ACCC is currently investigating matters which may have contravened provisions of the Competition and Consumer Act, including in the context of industry wide price increases in the NSW B&amp;D sector that were implemented on and from 1 July 2019. More specifically, the ACCC is investigating whether BINGO and/or other industry participants entered into one or more contracts, arrangements or understandings:</p> <ul style="list-style-type: none"><li>• with the purpose, effect or likely effect of fixing, controlling or maintaining prices in regards to skip bin services and/or waste processing services; and/or</li><li>• with the purpose of allocating between them the persons or classes of persons who have acquired, or are likely to acquire, skip bin services;</li></ul> <p>and/or otherwise engaged in a prohibited concerted practice.</p> <p>BINGO's CEO &amp; Managing Director, Daniel Tartak, is a subject of the investigation.</p> <p>BINGO understands that the investigation is well progressed. However, BINGO has not been advised of the commencement of any civil or criminal enforcement proceedings by either the ACCC or the Commonwealth Director of Public Prosecutions, as applicable.</p> <p>Should enforcement proceedings be taken against BINGO and one or more contraventions proven, significant financial penalties are likely. In respect of each proven contravention, the maximum pecuniary penalties are the greater of:</p> <ul style="list-style-type: none"><li>• \$10 million; and</li><li>• if the Court can determine the total benefit to BINGO reasonably attributable to the contravening act or omission, three times that benefit; or</li><li>• if the Court cannot determine that benefit, 10% of group annual turnover in Australia.<sup>25</sup></li></ul> <p>Any BINGO director, officer or employee the subject of enforcement proceedings may have his or her ongoing role with BINGO impacted including that person no longer being able to continue in the relevant role.</p> <p>Please see the 'Regulatory risk' specific risk below for further details in relation to the regulatory risks relating to the business and operations of BINGO.</p> |
| <b>Access to capital</b>  | <p>BINGO relies on both equity capital and debt funding. The ability for BINGO to raise funds on favourable terms depends on a number of factors including general economic, capital market and credit market conditions. An inability to obtain the necessary funding for BINGO or a material increase in the cost of funding (e.g. through a material increase in interest rates or materially increased costs of capital) may have an adverse impact on BINGO's financial performance and financial position, its ability to refinance debt, its ability to grow and diversify, or its ability to pay dividends to investors.</p>  |
| <b>Activity in the waste management sector and geographical concentration</b> | <p>BINGO operates in the waste management sector, focusing on the collection and recycling of waste predominantly in New South Wales and Victoria. The level of activity in the waste management sector may vary and be affected by prevailing or predicted economic activity. There can be no assurance that the current levels of activity in the waste management sector will be maintained in the future or that customers of BINGO will not reduce their activities, capital expenditure and requirements for waste management services in the future. Any prolonged period of low growth or decline in the waste management sector could materially affect BINGO's financial performance or cash flows.</p>   |

<sup>25</sup> For the financial year ending 30 June 2020, group annual turnover was \$486.7 million, 10% of which is \$48.67 million. Any enforcement action in respect of an alleged concerted practices prohibition can only proceed on a civil basis.

| Risk  | Description   |
|---|---|
| <b>Activity in the waste management sector and geographical concentration continued</b> | <p>BINGO has strategically expanded from NSW to Victoria and currently intends to continue to explore market share opportunities along the east coast of Australia through growth acquisitions. There can be no assurance that BINGO's intention to explore such market share opportunities through growth acquisitions will result in the positive growth of BINGO's business in the present or future. BINGO currently intends to leverage its existing operational footprint to target critical infrastructure projects, commercial opportunities and residential and non-residential construction.</p> <p>BINGO currently intends to continue to explore commercial opportunities in waste-to-energy, refused derived fuel and other alternate waste disposal and treatment options. There can be no assurance that BINGO's intention to explore such commercial opportunities in waste-to-energy, refused derived fuel and other alternate waste treatment options will result in the positive growth of BINGO's business in the present or future.</p>  |
| <b>Australian Accounting Standards</b>  | <p>Australian accounting standards are set by the Australian Accounting Standards Board and are outside the BINGO Directors' and BINGO's control. However, BINGO prepares its financial statements in accordance with those standards.</p> <p>Changes to the accounting standards issued by the Australian Accounting Standards Board could materially adversely affect the financial performance and position reported in BINGO's financial statements. BINGO's financial statements are externally audited and have oversight from the Audit &amp; Risk Committee.</p>  |
| <b>Business Interruption</b>  | <p>BINGO utilises technology for the delivery of various services made available to customers. If these systems are not adequately maintained, secured or updated or if BINGO's disaster recovery plans do not adequately address an event that occurs (including cyber-security events), BINGO's operating and financial performance may be negatively impacted.</p> <p>BINGO has invested in the development of management information and information technology systems designed to maximise the efficiency of BINGO's operations. IT spend is considered 'core' capital expenditure as it increases asset utilisation, minimises fuel cost and increases efficiency, minimises risk of injury amongst other things. However, there can be no assurance that BINGO's IT spend will stop, reduce or mitigate any of the risks identified above.</p> <p>BINGO has in place a Crisis Management Plan to address operations interruption risks. These processes have been utilised during COVID-19 and have assisted BINGO in its planning and preparation to mitigate any material interruption.</p> |
| <b>Capital and operating costs</b>  | <p>BINGO's forecasts are based on the best available information at the time, and certain assumptions in relation to the level of capital expenditure required to maintain their assets. Any significant unforeseen increases in the capital and operating costs associated with BINGO's operations could impact BINGO's future cash flow and profitability.</p>  |
| <b>Climate Change</b>   | <p>BINGO's business is subject to risks associated with climate change. Failure to adequately plan for both transition and physical risks associated with climate change is a risk for BINGO. BINGO has taken steps in relation to the risk associated with climate change. BINGO has published its 'Climate Change Position Statement', which includes several actions to address climate risk, such as reducing BINGO's carbon footprint across its fleet of trucks, investigating alternatives to traditional fossil fuels and becoming energy self-sufficient (where possible). There can be no assurance that the steps BINGO has taken, or will take, in relation to the risk associated with climate change and accordingly the risk associated with climate change may negatively impact the financial performance of BINGO and could materially affect BINGO's financial performance or cash flows.</p>  |
| <b>Commodity prices</b>   | <p>BINGO collects and processes recyclable materials such as metals and cardboard for sale to third parties. BINGO's results of operations may be affected by changing prices or market requirements for recyclable materials and fluctuations in the cost of tipping. The resale and purchase prices of, and market demand for, recyclable materials as well as the cost of tipping fluctuate due to changes in economic conditions and numerous other factors beyond BINGO's control.</p>   |

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## 7. Risks

| Risk                                | Description  |
|-------------------------------------|--|
| <b>Competition and market share</b> | <p>A number of businesses compete with BINGO across all of our operating segments, including in the Collections and Post-Collections markets, BINGO's key focus markets. BINGO invests in technology, focuses on safety and environmental compliance measures and invests in recruiting and retaining talent to maintain and grow its competitive position.</p> <p>However, the market share of BINGO's competitors may increase or decrease as a result of various factors such as securing major new contracts (whether short-term or long-term), developing new technologies and adopting pricing strategies specifically designed to gain market share. These competitive actions may reduce the prices BINGO is able to charge for its services and products, reduce BINGO's activity levels, or lead to a reduction in BINGO's market share in NSW and/or VIC, all of which would negatively impact the financial performance of BINGO and could materially affect BINGO's financial performance or cash flows.</p> <p>Further, given the fragmented nature of the waste management sector in NSW and VIC, large scale waste management operations can achieve significant benefits through operating a vertically integrated network of facilities. These benefits include higher route densities which typically reduce the average cost of collections and the ability to pursue vertical integration between collections, processing and landfill. BINGO's capacity to recycle a large proportion of incoming waste is an advantage noting smaller operators would find it difficult to replicate given the scale and capital investment required. There can be no assurance that the waste management sector in NSW and VIC will remain fragmented in a way that will allow BINGO to continue to achieve the benefits currently enjoyed by operating a vertically integrated network of facilities, and that there will not be opportunities for large or small operators alike to develop ways to replicate or improve upon BINGO's capacity to recycle a large proportion of incoming waste.</p> <p>BINGO's products and services are subject to changes in customers' preferences, and therefore market share and pricing competitiveness may vary depending on the popularity of BINGO's products and services.</p>   |
| <b>Environment</b>                  | <p>BINGO collects and processes waste which has the potential to contain contaminated or hazardous material (such as asbestos and silica dust) and/or result in emissions that might impact human health or the environment. BINGO has, or is developing, controls in place to manage these risks as more becomes known about certain contaminated or hazardous materials.</p> <p>Waste management activities are subject to significant environmental and other laws and regulation (these include extensive Federal, State and local environmental laws and regulations in Australia). These laws and regulations impact BINGO both from a site planning/development perspective and at an operational level, seeking to minimise the impact of waste management activities on human health and the environment.</p> <p>As at the date of this Scheme Booklet, BINGO has been working closely with the EPA with respect to concerns that the regulator has raised regarding odour at BINGO's Eastern Creek facility (<b>Facility</b>). A temporary special condition was placed on BINGO's Eastern Creek landfill licence on 7 May 2021 resulting in certain obligations and restrictions on the licence whilst BINGO continue to work closely with the EPA to address their concerns. If a prevention notice were to be issued by the EPA materially limiting waste being able to be received at the Facility, this could have a material impact on BINGO's financial performance.</p> <p>Further, on 29 June 2020 and 24 July 2020 respectively, BINGO commenced a voluntary process to increase the limit of waste it is authorised to receive at the Facility and reset its stock on site amount at the Facility. Subsequently, on 21 May 2021, the EPA issued invoices to BINGO in the aggregate amount of approximately \$33 million alleging the storage of waste at the Facility in excess of the authorised "any one time" limit of 667,000 tonnes. BINGO disputes the invoices and is in the process of obtaining updated volumetric surveys, expert reports and advice on the invoices to support its position where applicable. BINGO expects that the final amount payable will be materially less than the issued invoice amounts.</p> <p>In addition, pursuant to section 144AA of the <i>Protection of the Environment Operations Act 1997</i>, there is the potential for the EPA to issue BINGO a show cause notice. If the EPA forms the view that incorrect information has been provided to the EPA when reporting on the waste received at the Facility, a penalty notice may be issued by the EPA. The maximum amount of any penalty notice in this regard is \$250,000 for the relevant BINGO entity and \$120,000 for any officer involved.</p> |

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| Risk                                  | Description  |
|---------------------------------------|--|
| <b>Environment<br/>continued</b>      | <p>An example of the potential for development/planning regulations to impact BINGO's operations is the 13 May 2021 decision by the Victorian Consumer and Administrative Tribunal (<b>VCAT</b>) seeking to apply operational limitations to BINGO's Clayton site based on the scope of the permit. BINGO management are currently reviewing VCAT's decision and assessing the merits of appeal and/or the operational impacts of the decision. It is not anticipated that the VCAT decision will have any material financial impact (whether revenue or capital expenditure) on BINGO, however there may be an operational impact on BINGO's Victorian network in the short term.</p> <p>These laws and regulations also set standards which regulate certain aspects of health and environmental quality (including damage caused by previous owners of property acquired by BINGO), provide penalties or other remedies for any violation of standards and, in certain circumstances, impose obligations to undertake remedial action in current locations where business is conducted.</p> <p>BINGO is subject to all the hazards and risks normally incidental to the waste management sector. BINGO will be responsible for past and future environmental liabilities, including liabilities presently unforeseen or unquantifiable. Compliance or non-compliance with environmental laws or regulations may require BINGO to incur significant costs and may have a significant material impact on BINGO's reputation and capability to secure additional work, impacting its financial performance and cash flows.</p> <p>BINGO has taken steps to further improve the environmental and development performance of its operations and mitigate the risk of harm to people and the environment including:</p> <ul style="list-style-type: none"> <li>• Introduction of BINGO Zero Harm Rules;</li> <li>• Oversight by the Zero Harm Committee;</li> <li>• Introduced a control focused approach to operational risk with management focusing operations on the controls that reduce risk;</li> <li>• Introduced new incident management system which also benefits use of real time data for performance improvement;</li> <li>• Registered and reported greenhouse gas emissions and energy usage with the government regulator;</li> <li>• Obtained access to industry leading external expertise to provide advice on environmental matters; and</li> <li>• Monitor and maintain pollution controls that limit risk to air, water, community.</li> </ul> <p>The Environmental Management System at BINGO is certified to ISO14001:2015 Environment Management System Requirements and is audited externally every six months to ensure compliance to this standard.</p> |
| <b>Industrial disputes and awards</b> | <p>BINGO's operations are dependent upon a stable workforce. BINGO is exposed to the risk of industrial disputes which could disrupt parts of BINGO's business. Industrial action (e.g. strike action) by employees is only protected under applicable legislation when it is taken in relation to negotiations for an enterprise agreement.</p> <p>As at the date of this Scheme Booklet, there are no enterprise agreements that apply to BINGO's workforce. BINGO has a large a workforce – BINGO's focus on diversity, inclusion and safety is an effort to ensure staff are satisfied, reducing the likelihood of dispute.</p> <p>BINGO's workforce are subject to multiple awards which contain various rights and obligations that are amended from time to time. There is the potential for an award to be misinterpreted or applied incorrectly to relevant BINGO staff. There is also the potential for employees to be incorrectly treated, such as a casual employee or contractor. Incorrect treatment of staff or the incorrect application of an award(s) resulting in the need for back payments of wages, tax and superannuation could have a material impact on BINGO's financial performance and/or result in regulatory action.</p>  |
| <b>Insurance</b>                      | <p>BINGO has various insurances in place for its current business activities. However, BINGO's insurance arrangements may not be available, or may not adequately protect BINGO, against liability for all losses, including, but not limited to environmental losses, property damage, public liability or losses arising from business interruption, flood, war, riots and civil commotion.</p>  |

## 7. Risks

| Risk                                  | Description   |
|---------------------------------------|---|
| <b>Intellectual property</b>          | <p>BINGO's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. Intellectual property that is important to BINGO includes, but is not limited to, patents, designs, trademarks, service marks, domain names, its website, business names and logos. BINGO has sought to register its intellectual property where appropriate, however such intellectual property may not be capable of being legally protected. It may also be the subject of unauthorised disclosure or be unlawfully infringed, or BINGO may incur substantial costs in asserting or defending its intellectual property rights.</p>  |
| <b>Interest rates</b>                 | <p>BINGO's financial performance may be adversely impacted by increases in interest rates associated with its interest bearing liabilities. BINGO manages its exposure to increases in interest rates by (i) the use of derivative instruments and undertaking prudent levels of hedging, and (ii) adopting prudent financial policies and maintaining a strong balance sheet with modest levels of interest bearing liabilities.</p> <p>Interest rate exposures are overseen by a Treasury Risk Management Committee.</p>  |
| <b>Litigation</b>                     | <p>BINGO notes that in the ordinary course of business it may be exposed to potential claims, disputes, litigation and legal proceedings, which may result in an adverse financial and reputational impact. If the BINGO Group is involved in such claims, disputes, litigation or legal proceedings, this may disrupt the BINGO Group's business operations, cause the BINGO Group to incur significant legal costs and may divert management's attention away from the day-to-day operations of the business.</p> <p>BINGO also maintains a liability insurance program, providing protection against claims in respect of legal liability arising from injury to third parties, including damage to third party property, claims of wrongful acts against directors and officers, and claims by employees.</p>   |
| <b>Occupational health and safety</b> | <p>BINGO is exposed to risks associated with the occupational health and safety of its employees and contractors. Injuries to employees and contractors may result in significant lost time for the employee and contractor and costs and impacts on the BINGO business beyond what is covered under workers compensation schemes. BINGO takes out insurance (see 'Insurance' below) to cover these risks within certain parameters, however it is possible for injuries and/or incidents to occur which may result in expenses in excess of the amount insured or provided for with a resultant impact on BINGO's earnings.</p> <p>The safety of staff is a key priority at BINGO and is continually being reviewed by management to minimise risk. BINGO has taken steps to further increase the safety of its operations and mitigate the risk of workplace injuries occurring to staff, customers, or contractors including through:</p> <ul style="list-style-type: none"> <li>• Launch of new communication channels and engagement protocols;</li> <li>• Relaunch of the Think Safe, Be Safe, Home Safe messaging;</li> <li>• Introduction of BINGO Zero Harm Rules;</li> <li>• Oversight by the Zero Harm Committee;</li> <li>• Introduced control focused approach to operational risk management focusing operations on the controls that reduce risk; and</li> <li>• Introduced new incident management system which also benefits use of real time data for performance improvement.</li> </ul> <p>The safety system at BINGO is certified to ISO45001:2018 OH&amp;S Management System Requirements and is audited externally every six months to ensure compliance to this standard.</p> <p>As previously advised by BINGO, an employee of our Eastern Creek facility was fatally injured in a workplace incident on 27 May 2019. SafeWork notified BINGO on 31 May 2021 of proceedings having being commenced by way of summons in the District Court of NSW. BINGO is in the process of reviewing the summons and will consider its position. Penalties for a proven contravention of the offence range from an enforceable undertaking to a financial penalty of up to \$1.7 million. Where a workplace fatality occurs, there is the potential for an inquest being held by the NSW Coroner. As at the date of this Scheme Booklet, BINGO has not been notified of any inquest by the Coroner.</p> |

| Risk                                 | Description   |
|--------------------------------------|---|
| <b>Operating Risks</b>               | <p>The performance of BINGO may be subject to conditions beyond the control of its management, and these conditions may reduce sales of its services and/or increase costs of both current and future operations (for example, and not limited to, unplanned shutdowns for an extended period of time, changes in legislative requirements, variation in timing of regulatory approvals, abnormal or severe weather or climatic conditions, natural disasters, fire and explosion events, disruption to transport operations due to a significant event or regulatory action, reputational issues, unexpected maintenance or technical problems, new technology failures and industrial disruption).</p> <p>BINGO has a number of Post-Collections sites, a large unencumbered fleet, and geographically diversified work force, that positions BINGO well to respond to unexpected issues. BINGO also maintains strong relationships with various levels of government, ensuring timely knowledge of regulatory changes and enabling the ability to respond to tenders in an efficient manner. Waste collections and post-collections have, and are expected to continue to be, considered an essential service in supporting operating industries.</p> <p>BINGO has also recently constructed a new Materials Processing Centre (MPC 2) that is expected to process significantly larger volumes of waste relative to existing BINGO facilities. There can be no assurance that volumes and waste types received will meet the volume and waste type expectations. The future performance of this facility, as well as all of BINGO's facilities, is also subject to the operating risks noted above.</p> |
| <b>Past and current acquisitions</b> | <p>In accordance with its growth strategy, BINGO has undertaken a number of acquisitions. At the time of each acquisition, BINGO conducted due diligence enquiries and typically engages top tier external legal, accounting and environmental expertise to assist in its due diligence. Despite this, it is possible that one or more material issues or liabilities may not have been identified, or are of an amount greater than expected, and that the protections negotiated by BINGO prior to the relevant acquisition are inadequate in the circumstances and may materially affect BINGO and its businesses in the future.</p>   |
| <b>Regulatory risks</b>              | <p>BINGO is exposed to changes in the regulatory conditions and environment under which it operates in Australia. BINGO's ISO certified management systems, investment in safety environment and quality performance and training, participation in industry forums that influence government and regulator policy and strategy, innovation and continuous improvement programs, reduces the risks associated with changes to regulatory settings.</p> <p>BINGO operates in a highly regulated industry. Operating waste management facilities, in particular landfill facilities, involve significant environmental and safety regulatory oversight and, where necessary, intervention. Regulations are frequently evolving and BINGO must ensure that it meets its requirements.</p> <p>Such other regulatory changes can include, for instance, changes in: taxation laws and policies, accounting laws, policies, standards and practices, employment laws and regulations and competition laws and regulations.</p> <p>Please also see the 'ACCC investigation' specific risk above.</p>   |



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## 7. Risks

| Risk  | Description  |
|---|--|
| <b>Reliance on customers and customer concentration</b> | <p>The success of BINGO's business and its ability to grow relies on its ability to retain existing client business relationships and contracted revenue with clients and to develop new ones.</p> <p>Since BINGO's initial public offering (<b>IPO</b>) in 2017, BINGO has continued to expand its diversified customer base across a number of sectors including construction, (engineering construction and building construction), industrials, retail and consumer, healthcare, food and beverage and Government.</p> <p>As at the date of this Scheme Booklet, BINGO's top 20 customers comprise 21.6% of revenue, with no single customer accounting for more than 2.2% of BINGO Group revenue.</p> <p>If a series of these customers amend or terminate their relationship with BINGO, this may have an adverse effect on the financial performance and/or financial position of BINGO.</p> <p>In addition, with respect to BINGO's customers more broadly, there is potential that BINGO will not receive payments for the provision of its services if a customer becomes insolvent or fails to provide payment in accordance with its agreement with BINGO.</p> <p>From time to time, BINGO may be asked to submit responses to competitive tender processes for new contracts that BINGO wishes to win, or for existing contracts that come up for renewal. There can be no guarantee that BINGO will be successful in winning such competitive tender situations, whether they be in relation to work which is already undertaken by BINGO or for work which is new to BINGO. The ability for BINGO to be competitive and win such tenders may have a material impact on the future financial performance of BINGO.</p> |
| <b>Weather conditions</b>                               | <p>BINGO's operating results may be adversely affected by weather conditions. Generally, the volume of waste collected by BINGO reduces during periods of heavy, sustained rainfall, which also then has an adverse impact on the volume passed on to BINGO Recycling for processing. In addition, greater precipitation increases the weight of collected waste, resulting in higher disposal costs.</p> <p>BINGO's principal sites are hardstand areas and can continue to service volumes during weather events.</p>  |

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## 7.4. Risks relating to RollCo Shares

This section 7.4 sets out some of the key risks relating to RollCo Shares. These risks will only apply to Scheme Shareholders who make a valid Election to receive the Mixed Consideration.

### a. Risks associated with an investment in RollCo post implementation of the Scheme

BINGO Shareholders who elect the Mixed Consideration alternative should consider a number of risks that can be broadly classified as risks specific to an investment in RollCo Shares post implementation of the Scheme and general risks relating to investing in unquoted securities. These risks may, individually or in combination, have a material adverse effect on any one or more of RollCo's future financial performance, financial position, cash flows or, distributions and your ability to dispose of RollCo Shares if you wish to do so and consequently, on the outcome of an investment in RollCo and the value of your RollCo Shares.

You should read the Scheme Booklet in its entirety and specifically consider the factors contained within this section 7.4 before making an Election to receive the Mixed Consideration alternative.

You should also carefully consider these factors in the light of your personal circumstances and seek professional advice from your accountant, tax adviser, stockbroker, lawyer or other professional adviser before deciding whether to make an Election to receive the Mixed Consideration alternative. There is no guarantee that MIRA BidCo will achieve its stated objectives or any of its statements of current future intent as described in section 6.6, or that any dividends or distributions will be paid to RollCo shareholders post implementation of the Scheme.

You should note that this section 7.4 is not an exhaustive list of the risks associated with an investment in RollCo post implementation of the Scheme. Further, many of these risks are outside the control of RollCo or MIRA BidCo and either cannot be mitigated or can only be partially mitigated.

The risk factors that apply to an investment in RollCo post implementation of the Scheme are materially different from those that apply to your existing investment in BINGO.

Despite the operating history of BINGO, an investment in RollCo post implementation of the Scheme should be considered a speculative investment.

For further information about the rights and risks associated with RollCo Shares see section 6.4.

### b. Risks specific to RollCo and RollCo Shares post implementation of the Scheme

**Liquidity Risk:** RollCo, post implementation of the Scheme, will be an unlisted public company. As such, there will be no public market for the trading of RollCo Shares post implementation of the Scheme, nor is there expected to be any such market in the future. There are restrictions on the disposal of RollCo Shares under the RollCo Shareholders' Deed that will restrict any prospective seller of RollCo Shares from trading in their RollCo Shares. This will result in RollCo Shares being substantially illiquid. This may also affect the value of RollCo Shares post implementation of the Scheme as well as your ability to dispose of them, either at all or in a timely manner.

As noted above, there are also substantial restrictions on the ability of shareholders in RollCo to transfer their RollCo Shares under the RollCo Shareholders' Deed.

**RollCo Shareholders' Deed:** BINGO Shareholders who receive RollCo Shares under the Scheme will become parties to the RollCo Shareholders' Deed, which is intended to govern the relationship between investors in RollCo. The RollCo Shareholders' Deed provides shareholders in RollCo with certain rights and obligations in connection with, amongst other things, the governance of RollCo and the disposal of RollCo Shares.

### Rollover Shareholders' minority voting rights

As BINGO Shareholders who receive RollCo Shares under the Scheme will collectively have no more than a 26% interest in RollCo, they will be subject to risks inherent in minority shareholdings. As at the Implementation Date, it is expected that only the MIRA Shareholders will hold Class A Shares in the capital of RollCo. Class A Shares contain rights to appoint the majority of directors to the RollCo Board. BINGO Shareholders who receive RollCo Shares will have more limited voting rights under the RollCo Shareholders' Deed as compared to the MIRA Shareholders. An individual shareholder in RollCo or group of shareholders, acting together (other than the MIRA Shareholders), will not be able to affect the governance of RollCo (subject to certain reserve matters). BINGO Shareholders who receive RollCo Shares under the Scheme will therefore, in most cases, be subject to the decisions made by the MIRA Shareholders in relation to RollCo and the MIRA BidCo.

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## 7. Risks

### 7.5. Risks relating to the Scheme

#### a. Implications for BINGO and BINGO Shareholders if the Scheme is not implemented

If the Scheme is not implemented, BINGO Shareholders will not receive the Scheme Consideration and BINGO will continue, in the absence of a Superior Proposal, to operate as an ASX-listed entity.

Unless BINGO Shareholders choose to sell their BINGO Shares on the ASX, BINGO Shareholders will continue to hold BINGO Shares and will be exposed to both risks (including those set out in this section 7) and potential future benefits in retaining exposure to BINGO's business and assets.

The BINGO share price will also remain subject to market volatility and may fall in the absence of a Superior Proposal (refer to section 1.2(h)).

Please also refer to section 4.7 of this Scheme Booklet for further details.

#### b. The Scheme Implementation Deed may be terminated by BINGO or MIRA BidCo in certain circumstances and the Scheme is also subject to various conditions precedent

Each of BINGO and MIRA BidCo has the right to terminate the Scheme Implementation Deed in certain circumstances, in which case the Scheme will not proceed. These termination rights are summarised in section 9.4(g) of this Scheme Booklet.

The Scheme is also subject to various conditions precedent that must be satisfied or waived (if capable of waiver) for the Scheme to be implemented. These conditions precedent are outlined in section 4.6. The failure of a condition precedent to be satisfied or waived (if capable of waiver) may also give rise to a right for either BINGO or MIRA BidCo to terminate the Scheme Implementation Deed.

The conditions precedent include FIRB approval.

As at the date of this Scheme Booklet, BINGO is not aware of any circumstances which would cause any outstanding condition precedent not to be satisfied or waived (if capable of waiver). Despite this, there is a possibility that one or more of the conditions precedent will not be satisfied or waived (if capable of waiver) and that the Scheme will not proceed. There are a number of conditions precedent which are outside the control of BINGO, including, but not limited to, approval of the Scheme by the Requisite Majorities, the Court, and FIRB. In this regard, there is also a risk that some or all of the aspects of the BINGO Shareholder, Court and FIRB approval required for the Scheme to proceed, may be delayed.

If, for any reason, all of the conditions precedent are not satisfied or waived (if capable of waiver) and the Scheme does not proceed, or otherwise if the Scheme Implementation Deed is terminated, the BINGO Share price will continue to be subject to market volatility and may fall in the absence of a Superior Proposal.

#### c. Tax consequences for Scheme Shareholders

If the Scheme becomes Effective, there will be tax consequences for Scheme Shareholders which may include tax being payable. For further detail regarding general Australian tax consequences of the Scheme, refer to section 8 of this Scheme Booklet. The tax consequences may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Accordingly, you should seek professional tax advice in relation to your circumstances.

#### d. Risks if the Scheme is implemented

If the Scheme is implemented, you will no longer be a BINGO Shareholder and will forgo any future benefits that may result from being a BINGO Shareholder. In particular, if the Scheme is implemented, you will not be able to participate in the future financial and share price performance of BINGO, retain any exposure to BINGO's business or assets or have the opportunity to share in any value that could be generated by BINGO in the future (unless you choose to obtain indirect exposure to BINGO's business through making a valid Election to receive the Mixed Consideration). However, there is no guarantee as to BINGO's future performance, or its future share price and financial performance, as is the case with all investments.

BINGO Shareholders may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of BINGO, or may incur transaction costs in undertaking any new investment.

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# 8. Tax implications

## 8.1. Introduction

This section 8 sets out a general summary of the key Australian income tax, goods and services tax (**GST**) and stamp duty consequences of the Scheme and the receipt of the Special Dividend (to the extent it is paid) by BINGO Shareholders. The purpose of the summary is to assist BINGO Shareholders understand the potential Australian tax consequences of being a BINGO Shareholder.

The summary is intended as a general guide and is based on the Australian tax laws, regulations and administrative practices in effect as at the date of this Scheme Booklet. BINGO Shareholders should be aware that any changes (with either prospective or retrospective effect) to the Australian tax laws, regulations or administrative practices may affect the taxation treatment to the BINGO Shareholders as described in this summary.

This summary is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every BINGO Shareholder, and is not intended to be advice and should not be relied on as such. The tax consequences arising to BINGO Shareholders will vary depending on their specific profile, characteristics and circumstances. Accordingly, BINGO Shareholders should obtain independent professional advice in relation to their own particular circumstances and should not rely upon the comments contained in this summary.

The Australian tax consequences outlined below are relevant to BINGO Shareholders who are individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their BINGO Shares on capital account for Australian income tax purposes. This summary does not cover BINGO Shareholders who:

- are entitled to receive the Special Dividend but dispose of their shares prior to the Scheme Record Date such that they are not entitled to receive the Scheme Consideration;
- hold their BINGO Shares as trading stock, as part of a profit-making undertaking or scheme, under an arrangement which qualifies as an employee share or rights plan for Australian tax purposes, or otherwise on revenue account;
- may be subject to special rules, such as banks, insurance companies, tax exempt organisations, certain trusts, superannuation funds (unless otherwise stated) or dealers in securities;
- acquired their BINGO Shares pursuant to an employee share scheme under Division 83A of the *Income Tax Assessment Act 1997* (Cth) applied;
- are 'temporary residents' as that term is defined in section 995-1(1) of the *Income Tax Assessment Act 1997* (Cth);
- change their tax residence whilst holding BINGO Shares;
- are non-residents for Australian income tax purposes and who hold their BINGO Shares as an asset of a permanent establishment in Australia;
- are non-residents for Australian income tax purposes who, together with their associates, hold 10% or more of the shares in BINGO;
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their BINGO Shares; or
- are subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in relation to their BINGO Shares.

Any persons who may be subject to tax in any jurisdiction outside Australia should obtain independent professional advice on their particular circumstances.

BINGO has applied for a class ruling from the ATO (**Class Ruling**), which it is anticipated will outline in further detail the ATO's views as to:

- the capital gains tax implications associated with the disposal of BINGO Shares under the Scheme;
- the availability of roll-over relief to BINGO Shareholders electing to receive Mixed Consideration;
- the assessability of the Special Dividend (if paid) and franking credits attached to that dividend;
- the circumstances in which a BINGO Shareholder will satisfy the 'qualified person' rule with respect to the fully franked Special Dividend; and
- the application of certain franking integrity measures.

The Class Ruling has not been issued by the ATO at the date of this Scheme Booklet. When the Class Ruling is published by the ATO, it will be available on the ATO website at [www.ato.gov.au](http://www.ato.gov.au). BINGO Shareholders should review the final Class Ruling when it is issued by the ATO. The income tax comments provided below are consistent with the positions taken in the application for the Class Ruling lodged with the ATO. For completeness, the Class Ruling may not cover all BINGO Shareholders.

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## 8. Tax implications

### 8.2. BINGO Shareholders that are Australian residents

#### a. Australian income tax consequences arising on disposal of BINGO Shares

##### Capital gains tax

A capital gains tax (CGT) event will happen to BINGO Shareholders when they dispose of their BINGO Shares to MIRA BidCo under the Scheme.

##### Calculation of capital gain or capital loss

BINGO Shareholders should make a capital gain from the disposal of their BINGO Shares to the extent that the capital proceeds received exceed the cost base of their BINGO Shares. Conversely, BINGO Shareholders should make a capital loss to the extent that the reduced cost base of their BINGO Shares exceeds the capital proceeds received.

However, to the extent BINGO Shareholders have made a valid Election to receive Mixed Consideration for their BINGO Shares and would have otherwise made a capital gain as a result of their disposal, these BINGO Shareholders may be able to access CGT roll-over relief on the RollCo Shares they receive as Scheme Consideration.

##### Capital proceeds

Capital proceeds broadly include the money received and the market value of any other property received. As such, the capital proceeds from the disposal of the BINGO Shares should be the Scheme Consideration (irrespective of whether All-Cash Consideration or Mixed Consideration is received by the BINGO Shareholder).

As the payment of the Special Dividend will occur independently of the Scheme, the Special Dividend should not form part of the capital proceeds that a BINGO Shareholder receives in respect of the disposal of their BINGO Shares. This forms part of the Class Ruling lodged with the ATO. The Scheme is not conditional on the receipt of the Class Ruling.

##### Cost base

The cost base or reduced cost base of a BINGO Shareholder's BINGO Shares should generally include the amount paid to acquire the BINGO Shares and the market value of any property given to acquire the BINGO Shares, plus any incidental costs incurred in acquiring or disposing of the BINGO Shares. The cost base of each BINGO Shareholder will depend on the individual circumstances of each BINGO Shareholder.

BINGO Shares acquired in different transactions may have different cost bases and therefore capital gains may arise in respect of some BINGO Shares while capital losses may arise in respect of other BINGO Shares.

##### CGT discount

Generally, Australia resident BINGO Shareholders may be able to obtain discount capital gains treatment to reduce any capital gain made in respect of the disposal of the BINGO Shares if those BINGO Shares have been held for at least 12 months before the Implementation Date.

The CGT discount is applied after available capital losses have been offset to reduce the capital gain. The CGT discount is 50% in the case of an individual or trust, or 33% in the case of a complying superannuation entity. No CGT discount is available for companies.

As the rules relating to discount capital gains are complex, BINGO Shareholders should seek their own independent advice on how the CGT discount provisions will apply.

##### Scrip for scrip roll-over relief

BINGO Shareholders who would otherwise make a capital gain on the disposal of their BINGO Shares under the Scheme may choose scrip for scrip roll-over relief to the extent that the capital gain made on the disposal of a BINGO Share is attributable to the receipt of a RollCo Share.

BINGO Shareholders cannot choose to apply roll-over relief if they receive All Cash Consideration or they made a capital loss on the disposal of their BINGO Shares.

The eligibility for roll-over relief is part of the Class Ruling application. The Scheme is not conditional on the receipt of the Class Ruling.

If a capital gain arises on disposal for BINGO Shareholders that dispose of their BINGO Shares and have chosen to receive Mixed Consideration, they should consider whether the other requirements of these rollover provisions are satisfied and seek independent professional advice in this respect.

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### **Consequences of choosing scrip for scrip roll-over relief**

In the event that partial CGT scrip for scrip roll-over relief is available and has been chosen by a BINGO Shareholder electing to receive Mixed Consideration, the part of the capital gain that relates to the Scheme Consideration in the form of RollCo Shares may be disregarded. Any part of the capital gain that relates to the Scheme Consideration that is non-scrip consideration (e.g. cash) cannot be disregarded.

Where a BINGO Shareholder has applied partial CGT scrip for scrip roll-over relief, the cost base of the RollCo Shares received as part of the Scheme Consideration should be equal to the cost base of their original BINGO Shares, reduced by an amount of the cost base that is reasonably attributable to the cash proceeds. Under the Scheme, the Cash component of the Mixed Consideration will be equal to \$1.32 per BINGO Share, less the amount of any Special Dividend that may be determined and paid.

Where partial CGT scrip for scrip roll-over relief has been chosen by a BINGO Shareholder, the RollCo Shares should be deemed to have been acquired at the time the BINGO Shares were originally acquired. This will be relevant for the purposes of determining eligibility for the CGT discount for a subsequent disposal of RollCo Shares.

The benefit of choosing CGT scrip for scrip roll-over relief will depend upon the individual circumstances of each BINGO Shareholder.

### **Choosing roll-over relief**

Generally, a choice to adopt scrip for scrip roll-over relief must be made by a BINGO Shareholder before lodgement of that BINGO Shareholder's income tax return for the income year in which the CGT event occurs. No formal election notice to choose scrip for scrip roll-over relief is required to be lodged with the ATO. The BINGO Shareholder's income tax return should, however, be prepared in a manner consistent with electing for scrip for scrip roll-over relief.

### **Consequences of not choosing CGT scrip for scrip roll-over relief**

BINGO Shareholders who are ineligible to choose CGT scrip for scrip roll-over relief, or elect not to choose it, should include the market value of the RollCo Shares (in addition to any cash consideration) as part of their capital proceeds.

The first element of the cost base of the RollCo Shares should be equal to the market value of the BINGO Shares on the issue date of the RollCo Shares, to the extent they are reasonably attributable to the acquisition of the RollCo Shares. The acquisition date of the new RollCo Shares should be the issue date. This will be relevant for the purposes of determining whether a BINGO Shareholder is eligible for the CGT discount in relation to a subsequent disposal of RollCo Shares.

### **Net capital gain or net capital loss**

Any capital gain or capital loss made in respect of the disposal of the BINGO Shares should be aggregated with any other capital gains or capital losses that the BINGO Shareholder may have in that income year. Any resulting net capital loss may be carried forward and reduce future taxable capital gains (subject to satisfying any applicable loss recoupment rules). Any resulting capital gain (after offsetting any available carried forward capital losses) should be reduced by any applicable CGT discount and the remaining net capital gain (if any) should be included in the BINGO Shareholder's assessable income.

BINGO Shareholders should seek independent professional advice on the Australian tax consequences arising from the disposal of their BINGO Shares having regard to their particular circumstances.

## **b. Australian income tax treatment of the Special Dividend**

### **Entitlement to tax offset for franking credits**

BINGO Shareholders should include the Special Dividend and the attached franking credits in their assessable income. Generally, a tax offset should be available for franking credits received. BINGO Shareholders will not, however, be entitled to obtain a tax offset for the franking credits (and will not be required to include this amount in their assessable income) unless the BINGO Shareholders are 'qualified persons' in relation to the Special Dividend and certain franking integrity measures do not apply.

#### *'Qualified person' rule*

For a BINGO Shareholder to be considered a 'qualified person' in relation to the Special Dividend, the BINGO Shareholder must have held their BINGO Shares 'at risk' for a continuous period (excluding the day of acquisition and the day of disposal) of at least 45 days during a 90-day period (beginning on the 45th day before, and ending on the 45th day after, the day on which the shares become ex-dividend).

A BINGO Shareholder will not be considered to have held their BINGO Shares 'at risk' where the BINGO Shareholder has materially diminished risks of loss or opportunities for gain in respect of the BINGO Shares (i.e. the BINGO Shareholder's net position in relation to the BINGO Shares has less than 30% of those risks and opportunities). Under the Scheme, BINGO Shareholders should cease to hold the BINGO Shares 'at risk' from the Scheme Record Date onwards.

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## 8. Tax implications

BINGO Shareholders should seek independent professional advice regarding the application of the 'qualified person' rule to their particular circumstances.

### *Franking integrity rules*

The franking integrity rules are intended to prevent abuse of the imputation system (e.g. by 'streaming' franking credits). The rules are complex and BINGO has applied for the Class Ruling to confirm that certain franking integrity rules should not apply. BINGO Shareholders should seek independent professional advice regarding the application of the franking integrity rules to their particular circumstances.

### **Entitlement to franking credits in excess of tax liability**

Provided that Scheme Shareholders are 'qualified persons' in relation to the Special Dividend and none of the franking integrity measures apply, to the extent that the Scheme Shareholders' entitlement to franking credits exceeds their tax liability for the income year:

- BINGO Shareholders who are Australian resident individuals or are complying superannuation funds should be entitled to receive a refund of the excess franking credits; and
- BINGO Shareholders that are Australian resident companies may be able to convert excess franking credits into tax losses and credit their franking account by the relevant amount.

### **8.3. BINGO Shareholders that are non-residents of Australia**

#### **a. Australian income tax consequences arising on disposal of BINGO Shares**

BINGO Shareholders who are non-Australian tax residents that derive a capital gain on disposal of their BINGO Shares under the Scheme would be subject to the Australian CGT rules to the extent that the BINGO Shares are characterised as "taxable Australian property". Generally, these BINGO Shareholders would be subject to Australian income tax on any capital gain derived if:

- They (together with any of their associates) hold 10% or more of BINGO Shares on issue (at the time of disposal or throughout a 12-month period during the two years before disposal);
- The majority of BINGO's assets consist of real property situated in Australia; and
- They do not choose scrip for scrip roll-over.

BINGO Shareholders who are non-Australian tax residents should seek independent professional advice as to the tax implications of the Scheme, including the tax implications in their country of residence.

#### **b. Australian income tax treatment of the Special Dividend**

Any Special Dividend that may be determined and paid to a BINGO Shareholder who is a non-resident of Australia should not be subject to Australian dividend withholding tax to the extent that the Special Dividend has been franked.

To the extent that the Special Dividend is unfranked, Australian dividend withholding tax will be required to be withheld by BINGO on behalf of that BINGO Shareholder at a rate not exceeding 30%. Dividend withholding tax may be reduced under an applicable double taxation agreement which Australia has with certain treaty countries.

### **8.4. Foreign resident capital gains withholding tax**

Under the 'foreign resident capital gains withholding' regime, MIRA BidCo may have an obligation to withhold and pay to the ATO an amount equal to 12.5% of the Scheme Consideration on each BINGO Share under section 14-200 of Schedule 1 of the *Taxation Administration Act 1993* (Cth) (**TAA**). Generally, these rules apply if a BINGO Share acquired from a BINGO Shareholder is "taxable Australian property" (refer to section 8.3 above) and MIRA BidCo:

- knows that a BINGO Shareholder is a foreign resident;
- reasonably believes that a BINGO Shareholder is a foreign resident;
- does not reasonably believe a BINGO Shareholder is an Australian resident, and either:
  - the BINGO Shareholder has an address outside Australia (according to any record that is in MIRA BidCo's possession, or is kept or maintained on MIRA BidCo's behalf, about the transaction); or
  - the BINGO Shareholder is authorised to provide a financial benefit relating to the transaction to a place outside Australia (whether to MIRA BidCo or anyone else); or
- is aware the BINGO Shareholder has a connection outside Australia of a kind specified in the regulations.

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In order to comply with its obligations under the foreign resident capital gains withholding regime, MIRA BidCo (as the purchaser of BINGO Shares under the Scheme) will seek a declaration from certain relevant BINGO Shareholders that:

- the BINGO Shareholder is and will be an Australian tax resident (**Residency Declaration**); or
- the BINGO Shares held by the BINGO Shareholder are membership interests in BINGO but not 'indirect Australian real property interests' (**Interest Declaration**).

If a valid Residency Declaration or Interest Declaration is received from the relevant BINGO Shareholder from which a declaration has been sought by the required time, MIRA BidCo will not be required to withhold any amount on account of foreign resident capital gains withholding from the Scheme Consideration payable to that BINGO Shareholder.

If no valid declaration is received from the relevant BINGO Shareholder from which a declaration has been sought, under section 14-200 of Schedule 1 of the TAA:

- MIRA BidCo may (and is likely to) deduct an amount equal to 12.5% (or some lesser amount approved by the Commissioner of Taxation) of the Scheme Consideration payable to that BINGO Shareholder;
- MIRA BidCo will remit to the Commissioner of Taxation the amounts deducted from the Scheme Consideration; and
- the amount payable to the BINGO Shareholder will not be increased to reflect the deduction and the amount payable to the BINGO Shareholders will be taken to be in full and final satisfaction of the amounts owing to the BINGO Shareholder.

If, for whatever reason, a BINGO Shareholder believes that it is a relevant foreign resident but does not receive a request for a declaration, the BINGO Shareholder should contact the BINGO Registry to request a declaration form.

BINGO Shareholders who have an amount withheld should generally be entitled to a credit for the amount withheld upon lodging an Australian income tax return. If you are unsure about whether a credit for the withholding tax may be claimed or how to lodge an Australian income tax return, you should seek independent professional advice in this regard.

BINGO Shareholders should seek their own independent professional advice as to the tax implications of the foreign resident capital gains withholding tax and the making of a Residency Declaration or an Interest Declaration.

## 8.5. GST

GST should not be payable on the disposal of the BINGO Shares under the Scheme or the receipt of the Special Dividend.

BINGO Shareholders may be charged GST on costs incurred in relation to the Scheme (e.g. tax, legal or other advisory fees). Certain BINGO Shareholders that are registered (or required to be registered) for GST may be entitled to claim input tax credits (or reduced input tax credits) in relation to GST incurred on these costs.

BINGO Shareholders should seek their independent professional advice on the impact of GST having regard to their own particular circumstances.

## 8.6. Stamp duty

BINGO Shareholders should not be liable for any stamp duty on the disposal of their BINGO Shares.



# 9. Additional information

## 9.1. Interests of BINGO Directors in BINGO Shares

As at the date of this Scheme Booklet, the BINGO Directors have the following Relevant Interests in BINGO Shares:

| <b>BINGO Director</b> | <b>Number of BINGO Shares</b> |
|-----------------------|-------------------------------|
| Michael Coleman       | 202,272                       |
| Daniel Tartak         | 129,804,220                   |
| Maria Atkinson        | 85,000                        |
| Barry Buffier         | 130,000                       |
| Elizabeth Anne Crouch | 19,315                        |
| Daniel Girgis         | 55,555                        |
| Ian Raymond Malouf    | 76,695,880                    |

In addition, Daniel Tartak holds 905,106 Performance Rights under BINGO's equity incentive plan. The BINGO IBC has resolved that the terms of all Performance Rights will be amended such that, subject to the Scheme becoming Effective, all Performance Rights will vest on the date when the Scheme becomes Effective and be settled by certain cash payments (including potential future cash payments conditional on Mr Tartak's continued service with the BINGO Group).

Subject to the Scheme becoming Effective and the terms of the relevant Performance Rights and STIs continuing to be satisfied at such time, Mr Tartak:

- may be entitled to receive \$2,487,198 in connection with (i) the early vesting of his unvested LTI Performance Rights (payable on or around the Implementation Date), (ii) cash payments in relation to his FY21 STIs (payable on or around the Implementation Date) and (iii) the cash-settlement of his Deferred STI Performance Rights (payable in early July shortly after vesting); and
- may be entitled to receive cash bonus payments shortly after 30 June 2024 (or potentially earlier), subject to his continued service with the BINGO Group in connection with the early vesting of his unvested Performance Rights. The amount of such cash payments will depend on the future performance of RollCo and the BINGO Group, and accordingly, cannot be calculated as at the date of this Scheme Booklet. Assuming the market value per Class B Share and per Preference Share was \$3.30 (in aggregate) at the relevant time and the full contingent cash bonus payment was payable, this would amount to cash bonus payments of \$1,955,370.

Please refer to section 9.2 below for further details.

No BINGO Director acquired or disposed of a Relevant Interest in any BINGO Shares during the four months before the date of this Scheme Booklet, other than Mr Tartak, who acquired 106,996 ordinary BINGO Shares on 11 February 2021 following vesting of certain Performance Rights.

## 9.2. BINGO employee incentive arrangements

### a. Overview of arrangements

BINGO operates employee incentive plans under which short-term incentives (**STI**) and long-term incentives (**LTI**) are offered to executives and senior employees (**Participants**) as an incentive and reward.

BINGO also operates an employee share gift offer plan under which eligible employees can receive BINGO Shares (subject to restrictions on dealing) for free up to a maximum value of \$1,000 (**GOgetter Gift Shares**).

As at the date of this Scheme Booklet, BINGO has the following equity incentives on issue:

- 642,680 unvested deferred STI Performance Rights, which have been granted following satisfaction of performance conditions and which are subject to a time-based vesting condition (**Deferred STI Performance Rights**);
- 4,284,045 unvested LTI Performance Rights, which are subject to various vesting conditions, including time-based and performance conditions (**LTI Performance Rights**); and
- 175,706 GOgetter Gift Shares.

All Performance Rights have an exercise price of nil. On vesting (subject to the satisfaction of certain conditions), all Performance Rights are exercised automatically, and Participants are entitled to be issued with one ordinary share in BINGO for every vested Performance Right that they hold.

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As detailed in the 2020 BINGO Annual Report, BINGO annual STIs are linked to specific objectives in a given performance period and are typically paid 50% in cash immediately following the performance period and 50% deferred as Performance Rights, vesting 12 months later, subject to the Participant remaining in service with the BINGO Group and the relevant plan rules. BINGO has also issued offers for STIs (containing cash incentive and equity incentive components) in relation to the financial year ending 30 June 2021 (**FY21 STIs**).

Further details about BINGO's employee incentive arrangements can be found in announcements lodged by BINGO with the ASX, including in BINGO's 2020 Annual Report which can be obtained from the ASX website ([www2.asx.com.au](http://www2.asx.com.au)).

## **b. Implications of the Scheme for Participants in the existing incentive arrangements**

As noted in section 6.6(d), MIRA BidCo recognises that a well-trained and motivated workforce is critical to the success of the business, and that the incentivisation of staff is an essential component of the future success of the company.

Having regard to a range of considerations, including MIRA BidCo's objective described above and that BINGO will no longer be an ASX listed company following implementation of the Scheme, the BINGO IBC has resolved, in accordance with the terms agreed between BINGO and MIRA BidCo in connection with the Scheme, to treat the existing employee incentive arrangements as detailed in sections 9.2(b)(1) – 9.2(b)(4) below.

Discussions regarding the treatment of Performance Rights and STIs occurred after negotiations concluded about the price at which MIRA BidCo would offer to acquire BINGO Shares. In other words, the outcome for holders of Performance Rights or STIs has not impacted on the outcome for BINGO Shareholders.

The implications for Participants as detailed below only apply to Participants who hold Performance Rights and/or STIs as at the time the Scheme becomes Effective. A Participant may cease to hold Performance Rights and/or STIs in the ordinary course in accordance with their terms prior to the Scheme becoming Effective (for example, if the Participant ceases to be employed by the BINGO Group in certain circumstances).

### **1. Deferred STI Performance Rights**

The Deferred STI Performance Rights will (other than as set out in section 9.1 above) vest on 1 July 2021 in accordance with their terms. The BINGO IBC has resolved that the terms of all Deferred STI Performance Rights will be amended such that all Deferred STI Performance Rights will be settled by a cash payment of \$3.45 per Deferred STI Performance Right shortly after vesting.

### **2. LTI Performance Rights**

The BINGO IBC has resolved that the terms of all LTI Performance Rights will be amended such that, subject to the Scheme becoming Effective, all LTI Performance Rights will (other than as set out in section 9.1 above):

- have their vesting conditions waived;
- vest on the date the Scheme becomes Effective; and
- be settled by cash payments payable in three tranches:
  - **(Tranche 1)**: in respect of 50% of the LTI Performance Rights held by a Participant, a cash payment of \$3.30 per LTI Performance Right will be payable on or around the implementation date of the Scheme;
  - **(Tranche 2)**: in respect of the remaining 50% of the LTI Performance Rights held by a Participant, a cash bonus payment at a cash price to be determined<sup>26</sup> will be payable shortly after 30 June 2024 subject to the Participant's continued service with the BINGO Group until 30 June 2024, unless:
    - an Earn-Out Threshold is met or is otherwise waived prior to 30 June 2024 in which case the cash bonus payment will be payable shortly after the time that the Earn-Out Threshold is met or waived by BINGO in the financial year ending 30 June 2022, 30 June 2023 or 30 June 2024 (as applicable, depending on the date that the Earn-Out Threshold is met or waived); or
    - the Participant is a 'good leaver', in which case the cash bonus payment will be payable at the same time as payment is due for all other relevant Participants; and

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<sup>26</sup> As the calculation of the Tranche 2 cash payment is deferred and based on the Market Value (as defined in the RollCo Shareholders' Deed) per Class B Share and per Preference Share calculated as at the time the cash payment becomes payable, the cash payment for Tranche 2 is unknown as at the date of this Scheme Booklet.

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## 9. Additional information

- **(Tranche 3):** a contingent cash bonus payment in connection with 100% of the LTI Performance Rights held by a Participant at a cash price of up to \$0.80<sup>27</sup> per LTI Performance Right held by a Participant will be payable shortly after finalisation of the audited accounts for the financial year ending 30 June 2024 if the FY2024 \$240m Earn-Out Threshold or FY2024 \$220m-\$240m Earn-Out Threshold is met subject to the Participant's continued service with the BINGO Group until 30 June 2024, unless:
  - the FY2022-23 \$240m Earn-Out Threshold is met or an Earn-Out Threshold is otherwise waived prior to 30 June 2024 in which case it will be payable shortly after the time the FY2022-23 \$240m Earn-Out Threshold is met or an Earn-Out Threshold is otherwise waived by BINGO in the financial year ending 30 June 2022, 30 June 2023 or 30 June 2024 (as applicable, depending on the date that the FY2022-23 \$240m Earn-Out Threshold is met or an Earn-Out Threshold is otherwise waived); or
  - the Participant is a 'good leaver', in which case the contingent cash bonus payment will be payable at the same time as payment is due for all other relevant Participants.

To the extent that any LTI Performance Right does not vest in the manner described above, the BINGO IBC currently intends to resolve in its discretion in accordance with the relevant LTI Performance Rights plan rules that such LTI Performance Rights will lapse.

### 3. FY21 STIs

The BINGO IBC has resolved that the terms of all FY21 STIs will be amended such that, subject to the Scheme becoming Effective, the Participant receives a single cash payment on or around the Implementation Date (other than as set out in section 9.1 above).

The maximum aggregate amount payable to the FY21 STI Participants in connection with the FY21 STIs is \$6,000,000.

### 4. GOgetter Gift Shares

GOgetter Gift Shares will have any restrictions on their disposal released prior to the Scheme Record Date. This means that if the Scheme is implemented, those shares will be acquired by MIRA BidCo in the ordinary course of the Scheme for the Scheme Consideration (provided they are still held by the relevant BINGO employee as at the Scheme Record Date).

## 9.3. Other benefits and agreements

### a. Interests of BINGO Directors in RollCo Shares or MIRA BidCo shares

As at the date of this Scheme Booklet:

- no BINGO Director has a Relevant Interest in any RollCo Shares or MIRA BidCo shares; and
- no BINGO Director acquired or disposed of a Relevant Interest in any RollCo Shares or MIRA BidCo shares during the four months before the date of this Scheme Booklet.

### b. Interests of BINGO Directors in contracts with RollCo or MIRA BidCo

None of the BINGO Directors have any interest in any contract entered into by RollCo or MIRA BidCo, or any of their related bodies corporate, other than in respect of Michael Coleman, given his position as a Non-Executive Director at Macquarie Group Limited (MIRA BidCo's parent company).

### c. Deeds of indemnity, insurance and access

BINGO has entered into deeds of indemnity, insurance and access with the directors and various executive officers of the BINGO Group, on customary terms (**D&O Deeds**). The D&O Deeds include terms that provide for each BINGO Group Member to indemnify each of its directors and executive officers against any liability incurred by such persons in their capacity as a director or executive officer of the company to any person other than a BINGO Group Member.

BINGO also pays premiums in respect of a directors' and officers' insurance policy for the benefit of the directors and executive officers of the BINGO Group. BINGO may enter into an arrangement to provide insurance coverage for all current directors and executive officers of the BINGO Group for a period of up to seven years from the Implementation Date. As at 4 June 2021, BINGO expects that the premium for entry into such run-off arrangement to be approximately \$20 million. The entry into such arrangements by BINGO is permitted by clause 7.3 of the Scheme Implementation Deed. In addition, under clause 7.3(a)(2) of the Scheme Implementation Deed, MIRA BidCo must ensure that directors' and officers' run-off insurance cover for such directors and executive officers is maintained for a period of seven years from the retirement date of each director and executive officer.

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<sup>27</sup> The cash price payable is as described in section 4.4(a) in relation to the relevant Earn-Out Threshold, as if a reference to the Class C Share in section 4.4(a) is a reference to a LTI Performance Right held by a Participant.

#### **d. Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of BINGO (or any of its related bodies corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in BINGO (or any of its related bodies corporate) in connection with the Scheme.

#### **e. Benefits from RollCo or MIRA BidCo**

None of the BINGO Directors have agreed to receive, or is entitled to receive, any benefit from RollCo or MIRA BidCo (or any of their related bodies corporate), which is conditional on, or is related to, the Scheme.

#### **f. Remuneration in connection with remaining in office**

If any of the BINGO Directors remain on the BINGO Board following implementation of the Scheme, it is anticipated by the BINGO Directors that they would receive remuneration and expense reimbursement arrangements for their services commensurate with a position as a non-executive BINGO Director.

#### **g. Agreements connected with or conditional on the Scheme**

Other than the agreements and arrangements described in section 9.2 and this section 9.3, there are no agreements or arrangements made between any BINGO Director and any other person in connection with, or conditional on, the outcome of the Scheme.

## **9.4. Scheme Implementation Deed**

### **a. Introduction**

On 27 April 2021, BINGO and MIRA BidCo entered into the Scheme Implementation Deed, which governs the conduct of the Scheme.

A summary of the key terms of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed was released to ASX on 27 April 2021 and can be obtained from [www.asx.com.au](http://www.asx.com.au).

### **b. Exclusivity**

The Scheme Implementation Deed contains certain customary exclusivity arrangements in favour of MIRA BidCo. These arrangements are summarised below:

- **No shop:** BINGO must not solicit any enquiry, proposal or discussion with a view to, or that may reasonably be expected to encourage or lead to, a Competing Proposal;
- **No talk:** subject to a fiduciary exception, BINGO must not enter into any agreement or arrangement regarding a Competing Proposal or participate in any negotiations or discussions which relate to, or may reasonably be expected to encourage or lead to, a Competing Proposal;
- **No due diligence:** subject to a fiduciary exception, BINGO must not make available any non-public information about the business, assets or affairs of the BINGO Group to any person other than MIRA BidCo for the purposes of conducting due diligence investigations on the BINGO Group. If such information is provided to any person in connection with any Competing Proposal which has not previously been provided to MIRA BidCo, BINGO must also provide that information to MIRA BidCo (subject to certain limitations);
- **Notification:** BINGO must notify MIRA BidCo within 48 hours if it becomes aware of any negotiations, approaches or proposals in relation to a Competing Proposal or any request for, or provision of, non-public information about the business, assets or affairs of BINGO to any person other than MIRA BidCo in relation to a Competing Proposal; and
- **Matching right:** BINGO is prohibited from entering into an agreement to give effect to any Competing Proposal and must use its best endeavours to procure that none of the Recommending Directors publicly recommend a Competing Proposal or change their recommendation (if any given) in relation to the Scheme, unless the BINGO IBC determines that the Competing Proposal would be a Superior Proposal, BINGO has provided MIRA BidCo with the material terms and conditions of the Competing Proposal (including price and identity of the party making the Competing Proposal), BINGO has given MIRA BidCo at least five clear Business Days after the date of the provision of that information to provide a matching or superior proposal to the terms of the Competing Proposal and MIRA BidCo has not announced a matching or superior proposal by that date.

These exclusivity provisions end on the earlier of the date of termination of the Scheme Implementation Deed, the End Date and the Implementation Date (**Exclusivity Period**).

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## 9. Additional information

If a condition precedent to the Scheme was not satisfied and could not be waived, for example if the Scheme was not approved by the Requisite Majorities at the Scheme Meeting or by the Court, BINGO and MIRA BidCo would each have the right to terminate the Scheme Implementation Deed if, after a short period of good faith consultation, BINGO and MIRA BidCo did not agree an alternative means of implementing the Transaction. If BINGO considered it to be in the best interests of BINGO Shareholders to do so, BINGO would exercise that termination right, which would bring the Exclusivity Period to an end.

These exclusivity arrangements are set out in full in clause 10 of the Scheme Implementation Deed.

### c. Recommending Directors' recommendation

BINGO must use its best endeavours to procure that the Recommending Directors do not adversely change, withdraw, adversely modify or adversely qualify their recommendation in relation to the Scheme unless:

- the Independent Expert concludes that the Scheme is not fair, not reasonable or not in the best interests of BINGO Shareholders;
- the BINGO IBC determines (after the 'Matching right' procedure described in the sub-section above has been complied with) that BINGO has received a Superior Proposal;
- the adverse change, withdrawal, adverse modification or adverse qualification occurs because of a requirement by a court, ASIC or the Takeovers Panel that a Recommending Director abstains from making a recommendation; or
- the BINGO IBC or a Recommending Director determines that, by virtue of their fiduciary or statutory duties, the BINGO IBC or relevant Recommending Director (as applicable) is required to adversely change, withdraw, adversely modify or adversely qualify its or their recommendation.

### d. Break fee payable by BINGO

BINGO has agreed to pay a break fee of \$20 million (excluding GST) to MIRA BidCo in certain circumstances.

These circumstances are:

- MIRA BidCo terminates the Scheme Implementation Deed as a result of any two or more Recommending Directors failing to recommend the Scheme, adversely changing, withdrawing, adversely modifying or adversely qualifying their recommendation in relation to the Scheme, or making a public statement that they no longer recommend the Transaction or recommend a Competing Proposal, except as a result of:
  - the Independent Expert concluding that the Scheme is not fair, not reasonable or not in the best interests of BINGO Shareholders (other than because of a Competing Proposal);
  - the failure to recommend, or the adverse change, withdrawal, adverse modification or adverse qualification occurring because of a requirement by a court, ASIC or the Takeovers Panel that the relevant Recommending Directors abstain from making a recommendation;
  - BINGO being entitled to terminate the Scheme Implementation Deed as a result of MIRA BidCo being in material breach of the Scheme Implementation Deed (including a material breach of warranty) and has given the appropriate termination notice to MIRA BidCo; or
  - the circumstances giving rise to BINGO being required to pay the partial break fee have occurred (see below);
- a Competing Proposal is announced prior to the Effective Date and, within 12 months, that third party acquires voting power of 50% or more in BINGO or otherwise acquires or merges with BINGO;
- MIRA BidCo terminates the Scheme Implementation Deed as a result of an unremedied material breach by BINGO of the Scheme Implementation Deed (including a material breach of warranty) that is material in the context of the Scheme as a whole and the Transaction does not complete; or
- MIRA BidCo terminates the Scheme Implementation Deed after undertaking the required consultation process with BINGO because of a breach or non-fulfilment of the no BINGO Prescribed Occurrence condition precedent occurs between (and including) 27 April 2021 and 8.00am on the Second Court Date and the matter giving rise to that breach or non-fulfilment was within the reasonable control of a member of the BINGO Group.

BINGO has further agreed to pay a partial break fee of \$5 million (excluding GST) to MIRA BidCo where MIRA BidCo terminates the Scheme Implementation Deed as a result of any two or more Recommending Directors failing to recommend the Scheme, adversely changing, withdrawing, adversely modifying or adversely qualifying their recommendation in relation to the Scheme, or making a public statement that they no longer recommend the Transaction or recommend a Competing Proposal, and the Independent Expert concludes that the Scheme is not fair and/or not reasonable (other than because of a Competing Proposal) but is in the best interests of BINGO Shareholders.

The BINGO IBC consider the break fee to represent a genuine and reasonable pre-estimate of the costs that would be incurred by MIRA BidCo in pursuing the Scheme, and believe that it is appropriate in the circumstances for BINGO to agree to the break fee in order to secure the participation of MIRA BidCo in the Transaction.

The break fee arrangements are set out in full in clause 11 of the Scheme Implementation Deed.

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#### **e. Expense reimbursement amount payable by MIRA BidCo**

MIRA BidCo has agreed to pay an expense reimbursement amount of \$10 million (excluding GST) to BINGO where BINGO terminates the Scheme Implementation Deed as a result of an unremedied material breach of the Scheme Implementation Deed by MIRA BidCo that is material in the context of the Scheme taken as a whole and the Transaction does not complete.

The arrangements relating to the expense reimbursement amount are set out in full in clause 12 of the Scheme Implementation Deed.

#### **f. Representations and warranties**

Each of BINGO and MIRA BidCo has given representations and warranties to the other which are customary for an agreement of this kind.

These representations and warranties are set out in Schedule 3 (in the case of MIRA BidCo) and Schedules 4 and 5 (in the case of BINGO) of the Scheme Implementation Deed.

#### **g. Termination**

Each of BINGO and MIRA BidCo may terminate the Scheme Implementation Deed if:

- the other is in material breach of the Scheme Implementation Deed (including a material breach of warranty) that is material in the context of the Scheme taken as a whole and is not remedied within a specified period;
- the Scheme is not Effective by the End Date; or
- the Scheme is not agreed to by BINGO Shareholders at the Scheme Meeting.

The termination rights are set out in clause 13 of the Scheme Implementation Deed.

MIRA BidCo does not have any termination right in respect of any breach by BINGO of the representations and warranties which BINGO is providing for warranty and indemnity purposes. These representations and warranties are set out in Schedule 5 of the Scheme Implementation Deed.

## **9.5. Consents, disclosures and fees**

#### **a. Consents**

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- MIRA BidCo in respect of the MIRA Information only;
- Deloitte Touche Tohmatsu Australia in respect of section 8; and
- Lonergan Edwards & Associates Limited as the Independent Expert.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- UBS AG, Australia Branch as financial adviser to BINGO;
- Herbert Smith Freehills as legal adviser to BINGO;
- Deloitte Touche Tohmatsu Australia as tax adviser to BINGO; and
- Link Market Services Limited as the BINGO Share Registry.

#### **b. Disclosures and responsibility**

Each person named in section 9.5(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
  - MIRA BidCo in respect of the MIRA Information only;
  - Deloitte Touche Tohmatsu Australia in respect of section 8; and
  - Lonergan Edwards & Associates Limited in relation to its Independent Expert's Report; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section 9.5(b).

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## 9. Additional information

### c. Fees

Each of the persons named in this section as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging.

If the Scheme is implemented, BINGO expects to pay an aggregate of approximately \$20,500,000 (excluding GST) in transaction costs, which includes:

- fees and expenses for professional services paid or payable to:
  - UBS AG, Australia Branch for acting as financial adviser to BINGO;
  - Herbert Smith Freehills for acting as legal adviser to BINGO;
  - Deloitte Touche Tohmatsu Australia for acting as tax adviser to BINGO;
  - Link Market Services Limited for acting as the BINGO Share Registry; and
  - Lonergan Edwards & Associates Limited for acting as Independent Expert; and
- other fees and expenses associated with the Court proceedings, Scheme Booklet design, printing and distribution, convening and holding the Scheme Meeting and other general and administrative expenses.

If the Scheme is not implemented, BINGO expects to pay an aggregate of approximately \$5,000,000 (excluding GST) in transaction costs, being costs that have already been incurred as at the date of this Scheme Booklet or will be incurred even if the Scheme is not implemented (but excluding any break fee that may be payable).

### 9.6. Regulatory relief

#### a. ASX Waiver

BINGO has applied for a waiver of ASX Listing Rule 6.23.4 and, if deemed necessary by the ASX, ASX Listing Rule 6.23.3 to the extent necessary to permit the treatment of the Performance Rights as set out in section 9.2.

#### b. ASIC Relief

Paragraph 8302(h) of Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Cth) requires an explanatory statement to set out whether, within the knowledge of the BINGO Directors, the financial position of BINGO has materially changed since the date of the last balance sheet laid before BINGO Shareholders in accordance with sections 314 or 317 of the Corporations Act, being 30 June 2020. ASIC has granted BINGO relief from this requirement so that this Scheme Booklet only need set out whether, within the knowledge of the BINGO Directors, the financial position of BINGO has materially changed since 31 December 2020 (being the last date of the period to which the financial statements for the half-year ended 31 December 2020 relate).

### 9.7. No unacceptable circumstances

The BINGO Directors believe that the Scheme does not involve any circumstances in relation to the affairs of BINGO that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

### 9.8. No other material information

Except as disclosed elsewhere in this Scheme Booklet, so far as the BINGO Directors are aware, there is no other information that is:

- material to the making of a decision by a BINGO Shareholder whether or not to vote in favour of the Scheme; and
- known to any BINGO Director at the date of lodging this Scheme Booklet with ASIC for registration,

which has not previously been disclosed to BINGO Shareholders.

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## 9.9. Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. BINGO disclaims all liabilities to such persons who contravene these laws.

BINGO Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the transaction in any jurisdiction outside of Australia or New Zealand.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia. This Scheme Booklet does not constitute an offer of Class B Shares, Class C Shares or Preference Shares in any place which, or to any person whom, it would not be lawful to make such an offer.

A Scheme Shareholder whose address shown in the BINGO Share Register is a place outside Australia or New Zealand as at the Scheme Record Date will be an Ineligible Foreign Shareholder unless MIRA BidCo and BINGO agree otherwise in writing that it is lawful and not unduly onerous or impractical to issue Class B Shares, Class C Shares and Preference Shares to that Scheme Shareholder under the Scheme.

If you are an Ineligible Foreign Shareholder and you elect to receive the Mixed Consideration, your election will be invalid and have no effect and you will receive the All Cash Consideration for all of your BINGO Shares held on the Scheme Record Date.

## 9.10. Warning statement to New Zealand investors

This offer of Class B Shares, Class C Shares and Preference Shares to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act.

In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of this Scheme Booklet are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars.

The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.



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## 9. Additional information

### 9.11. Supplementary disclosure

BINGO will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Second Court Date:

- a material statement in this Scheme Booklet is false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, BINGO may circulate and publish any supplementary document by:

- making an announcement to the ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to BINGO Shareholders at their address shown on the BINGO Share Register; and/or
- posting a statement on BINGO's website at [www.bingoindustries.com.au](http://www.bingoindustries.com.au),

as BINGO, in its absolute discretion, considers appropriate.

# 10. Glossary

## 10.1. Definitions

In this Scheme Booklet, unless the context otherwise appears, the following terms have the meanings shown below:

| Term                          | Meaning  |
|-------------------------------|--|
| <b>All Cash Consideration</b> | <p>\$3.45 in cash per BINGO Share comprising:</p> <ol style="list-style-type: none"><li>1 (if a <b>Special Dividend is paid</b>): (i) an amount of \$3.45 in cash per BINGO Share held on the Scheme Record Date less the cash amount of the Special Dividend (payable by MIRA BidCo); and (ii) the amount of the Special Dividend in cash per BINGO Share held on the Special Dividend Record Date (payable by BINGO); or</li><li>2 (if a <b>Special Dividend is not paid</b>): an amount of \$3.45 in cash per BINGO Share held on the Scheme Record Date (payable by MIRA BidCo).</li></ol> |
| <b>ASIC</b>                   | the Australian Securities and Investments Commission.  |
| <b>Associate</b>              | has the meaning given to that term in section 12 of the Corporations Act.  |
| <b>ASX</b>                    | ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.   |
| <b>ATO</b>                    | the Australian Taxation Office.  |
| <b>BINGO</b>                  | BINGO Industries Limited ACN 617 748 231.  |
| <b>BINGO Board</b>            | the board of directors of BINGO.   |
| <b>BINGO Director</b>         | a member of the BINGO Board.   |
| <b>BINGO Equity Incentive</b> | any rights to BINGO Shares issued under employee incentive arrangements of the BINGO Group.  |
| <b>BINGO Group</b>            | BINGO and each of its subsidiaries, and a reference to a <b>BINGO Group Member</b> is to BINGO or any of its subsidiaries.   |
| <b>BINGO IBC</b>              | the Independent Board Committee of the BINGO Board from time to time established to consider the Transaction comprising, at the date of this Scheme Booklet, Elizabeth Crouch AM, Maria Atkinson AM and Barry Buffier AM and <b>BINGO IBC Member</b> means any one of them.  |
| <b>BINGO Information</b>      | <p>the information contained in this Scheme Booklet, other than:</p> <ol style="list-style-type: none"><li>1 the MIRA Information;</li><li>2 section 8; and</li><li>3 the Independent Expert's Report.</li></ol>   |

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## 10. Glossary

| Term                               | Meaning   |
|------------------------------------|---|
| <b>BINGO Prescribed Occurrence</b> | <p>other than:</p> <ol style="list-style-type: none"><li>1 as fairly disclosed in:<ul style="list-style-type: none"><li>• the Disclosure Materials;</li><li>• an announcement made by BINGO or a BINGO Group Member to the ASX prior to 27 April 2021;</li><li>• a publicly available document lodged by BINGO or a BINGO Group Member with ASIC (which would be disclosed in a search of ASIC's records that are open to public inspection) prior to 27 April 2021; or</li><li>• in a publicly available document which would be disclosed in a search of:<ul style="list-style-type: none"><li>– the PPS Register on 26 April 2021; or</li><li>– the following records open to public inspection:<ul style="list-style-type: none"><li>• a search (in respect of each of the Properties only) of the registry of each of the New South Wales and Victorian Land Titles Offices (or equivalent) (had the searches been conducted on 12 April 2021);</li><li>• a search of the registry of the High Court, the Federal Court, the Federal Circuit Court, and the Supreme Courts in each state or territory of Australia (had the searches been conducted on 15 December 2020); or</li><li>• IP Australia (had the search been conducted on 30 November 2020);</li></ul></li></ul></li></ul></li><li>2 which is required by any applicable law, regulation, generally accepted accounting standards or generally accepted accounting principles, contract (but only to the extent such contract was entered into, and a copy of which was fairly disclosed to MIRA BidCo, before 27 April 2021 or otherwise in accordance with the Scheme Implementation Deed) or by a Government Agency;</li><li>3 which is within the actual knowledge of MIRA BidCo before 27 April 2021;</li><li>4 as required or expressly permitted to be done or procured by the BINGO Group in connection with the Scheme Implementation Deed or the Scheme; or</li><li>5 as agreed to, or requested, by MIRA BidCo in writing,</li></ol> <p>the occurrence of any of the following:</p> <ol style="list-style-type: none"><li>6 BINGO converting all or any of its securities (including the BINGO Shares) into a larger or smaller number;</li><li>7 BINGO resolving to reduce its share capital in any way;</li><li>8 a BINGO Group Member:<ul style="list-style-type: none"><li>• entering into a buy-back agreement; or</li><li>• resolving to approve the terms of a buy-back agreement</li></ul></li></ol> <p>under the Corporations Act;</p> <ol style="list-style-type: none"><li>9 a BINGO Group Member issuing shares (including BINGO Shares), or granting a performance right or an option over its shares, or agreeing to make such an issue or grant such a right or an option, other than:<ul style="list-style-type: none"><li>• to a wholly-owned subsidiary of BINGO; or</li><li>• on vesting or exercise of a BINGO Equity Incentive existing as at 27 April 2021 in accordance with clause 4.7 of the Scheme Implementation Deed;</li></ul></li><li>10 a BINGO Group Member issuing or agreeing to issue securities convertible into shares (including any issue or agreement to issue performance rights or options or debt securities);</li></ol> |

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| Term   | Meaning  |
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| <b>BINGO Prescribed Occurrence (continued)</b> | <p>11 a BINGO Group Member:</p> <ul style="list-style-type: none"> <li>reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares; or</li> <li>other than the Special Dividend, BINGO or another BINGO Group Member announcing, making, declaring, determining as payable, paying or distributing any distribution, dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members (whether in cash or in specie);</li> </ul> <p>12 a BINGO Group Member making any change to its constitution, other than where a BINGO Group Member that is not material in the context of the BINGO Group (taken as a whole) makes a change to its constitution that does not materially affect the Transaction or the BINGO Group (or its business);</p> <p>13 a BINGO Group Member disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property (whether by way of a single transaction or series of related transactions);</p> <p>14 a BINGO Group Member creating or granting an encumbrance, or agreeing to create or grant an encumbrance, in respect of the whole, or a substantial or material part, of the business, assets or property of the BINGO Group, other than a lien securing an obligation that is not yet due which arises by operation of law, legislation or which arises in the ordinary course of the BINGO Group's business;</p> <p>15 an Insolvency Event occurs in relation to a material BINGO Group Member;</p> <p>16 any material BINGO Group Member ceasing, or threatening to cease, the whole or a material part of its business;</p> <p>17 any BINGO Group Member creates any new security-based (or phantom security-based) incentive plan or scheme, modifies the BINGO Equity Incentive Plan - Rules, or issues or makes any offers to participate in the BINGO Equity Incentive Plan;</p> <p>18 BINGO Shares cease to be quoted, or are suspended from quotation, on ASX; or</p> <p>19 any BINGO Group Member directly or indirectly authorises, commits or agrees to take any of the actions referred to in paragraphs 6 to 16 above insofar as it applies to the BINGO Group Member the subject of the relevant actions referred to in paragraphs 6 to 18 above.</p> |
| <b>BINGO Share</b>                             | a fully paid ordinary share in the capital of BINGO.   |
| <b>BINGO Share Register</b>                    | the register of members of BINGO maintained in accordance with the Corporations Act.   |
| <b>BINGO Share Registry</b>                    | Link Market Services Limited ABN 54 083 214 537.   |
| <b>BINGO Shareholder</b>                       | each person who is registered as the holder of a BINGO Share in the BINGO Share Register.  |
| <b>Business Day</b>                            | a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia.   |
| <b>Class A Share</b>                           | a class A share in RollCo having the rights set out in the RollCo Constitution and the RollCo Shareholders' Deed.  |
| <b>Class B Share</b>                           | a class B share in RollCo with an issue price of \$1.089 having the rights set out in the RollCo Constitution and the RollCo Shareholders' Deed.   |
| <b>Class C Share</b>                           | a class C share in RollCo with an issue price of \$0.00001 having the rights set out in the RollCo Constitution and the RollCo Shareholders' Deed.   |

## 10. Glossary

| Term                      | Meaning  |
|---------------------------|--|
| <b>Competing Bidder</b>   | <p>a person other than:</p> <ol style="list-style-type: none"> <li>1 MIRA BidCo and its related bodies corporate (including any other member of the Consortium Group); or</li> <li>2 an associate of MIRA BidCo or its related bodies corporate.</li> </ol>  |
| <b>Competing Proposal</b> | <p>any proposal, offer, expression of interest, agreement, arrangement or transaction, which, if entered into or completed substantially in accordance with its terms, would result in a Competing Bidder (either alone or together with any associate(s)):</p> <ol style="list-style-type: none"> <li>1 directly or indirectly acquiring or having the right to acquire (a) a Relevant Interest in; (b) a legal, beneficial or economic interest (including by way of an equity swap, contract for difference or similar transaction or arrangement) in; or (c) control of, 20% or more of the BINGO Shares;</li> <li>2 acquiring Control (as determined in accordance with section 50AA of the Corporations Act, but disregarding sub-section 50AA(4)) of BINGO;</li> <li>3 directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or control of, all or a substantial part of BINGO's business or assets or the business or assets of the BINGO Group;</li> <li>4 otherwise directly or indirectly acquiring, being stapled to, or merging with BINGO; or</li> <li>5 requiring BINGO to abandon, or otherwise fail to proceed with, the Transaction, <p>whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement.</p> <p>For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.</p> </li></ol> |
| <b>Consortium</b>         | the consortium comprising MAIF3 and MAIT2.   |
| <b>Consortium Group</b>   | the Consortium Members and their respective related bodies corporate, which, to avoid doubt, include, but are not limited to, RollCo and MIRA BidCo.   |
| <b>Consortium Member</b>  | a member of the Consortium.  |
| <b>Control</b>            | has the meaning given in section 50AA of the Corporations Act.   |
| <b>Corporations Act</b>   | the <i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.   |
| <b>Court</b>              | the Supreme Court of New South Wales or such other court agreed to in writing by MIRA BidCo and BINGO.   |
| <b>Debt Underwriters</b>  | has the meaning given in section 6.5(d).   |
| <b>Deed Poll</b>          | a deed poll in the form of Annexure 3 under which MIRA BidCo covenants in favour of the Scheme Shareholders to perform the obligations attributed to MIRA BidCo under the Scheme.  |

| Term                              | Meaning  |
|-----------------------------------|--|
| <b>Disclosure Materials</b>       | <ol style="list-style-type: none"> <li>1 the documents and information contained in the data room made available by BINGO or its related persons to the Consortium Group or its related persons prior to execution of the Scheme Implementation Deed, the index of which has been electronically initialled by the parties' lawyers for the purposes of identification before the execution of the Scheme Implementation Deed;</li> <li>2 written responses from BINGO and its related persons to requests for further information made by the Consortium Group and its related persons, the index of which has been electronically initialled by the parties' lawyers for the purposes of identification before the execution of the Scheme Implementation Deed;</li> <li>3 the disclosure letter identified as such provided by BINGO to MIRA BidCo and countersigned by MIRA BidCo prior to entry into the Scheme Implementation Deed; and</li> <li>4 any other information made available by BINGO or its related persons to the Consortium Group or its related persons prior to execution of the Scheme Implementation Deed which is agreed between the parties in writing on the date of the Scheme Implementation Deed.</li> </ol> |
| <b>Earn-Out EBITDA</b>            | has the meaning given to the term 'Adjusted EBITDA' in Schedule 7 (Earn-Out) of the RollCo Shareholders' Deed.   |
| <b>Earn-Out Threshold</b>         | <p>each of:</p> <ul style="list-style-type: none"> <li>• FY2024 \$240m Earn-Out Threshold;</li> <li>• FY2024 \$220-240m Earn-Out Threshold; and</li> <li>• FY2022-23 \$240m Earn-Out Threshold.</li> </ul>   |
| <b>EBITDA</b>                     | earnings before interest, tax, depreciation and amortisation.  |
| <b>Effective</b>                  | the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.   |
| <b>Effective Date</b>             | the date on which the Scheme becomes Effective, currently expected to be Thursday, 15 July 2021.   |
| <b>Election</b>                   | a valid election that a Scheme Shareholder makes in accordance with the Scheme to receive the All Cash Consideration or the Mixed Consideration (as applicable).   |
| <b>Election Deadline</b>          | the latest time and date for submitting an Election online or receipt of an Election Form in order to make an Election in accordance with the terms of the Scheme, being 7.00pm (Sydney time) on Friday, 2 July 2021 or such other time and date as BINGO and MIRA BidCo agree in writing.   |
| <b>Election Form</b>              | the form by which a Scheme Shareholder (other than an Ineligible Foreign Shareholder) can make an Election.  |
| <b>Eligible BINGO Shareholder</b> | a Scheme Shareholder (other than an Ineligible Foreign Shareholder).   |
| <b>End Date</b>                   | the date that is 6 months after the date of the Scheme Implementation Deed, or such other date as agreed in writing by BINGO and MIRA BidCo.   |
| <b>EPA</b>                        | the NSW Environment Protection Authority.  |
| <b>Equity Funding</b>             | has the meaning given in section 6.5(c).   |
| <b>FIRB</b>                       | the Foreign Investment Review Board.   |

## 10. Glossary

| Term  | Meaning   |
|---|---|
| <b>First Court Date</b>                     | the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.   |
| <b>FY2021 STI</b>                           | has the meaning given in section 9.2(a).  |
| <b>FY2022-23 \$240m Earn-Out Threshold</b>  | has the meaning given in section 4.4(a).  |
| <b>FY2024 \$220-240m Earn-Out Threshold</b> | has the meaning given in section 4.4(a).  |
| <b>FY2024 \$240m Earn-Out Threshold</b>     | has the meaning given in section 4.4(a).  |
| <b>GOgetter Gift Shares</b>                 | has the meaning given in section 9.2(a).  |
| <b>Government Agency</b>                    | any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian (including ASIC and the Takeovers Panel). |
| <b>GST</b>                                  | goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.  |
| <b>GST Act</b>                              | the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).  |
| <b>GST Law</b>                              | has the same meaning as in the GST Act.   |
| <b>Implementation Date</b>                  | the tenth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as BINGO and MIRA BidCo agree in writing or is ordered by the Court or required by ASX, currently expected to be Thursday, 5 August 2021.  |
| <b>Independent Expert</b>                   | Lonergan Edwards & Associates Limited ABN 53 095 445 560, the independent expert in respect of the Scheme appointed by BINGO.   |
| <b>Independent Expert's Report</b>          | the report issued by the Independent Expert in connection with the Scheme, as set out in Annexure 1.  |
| <b>Ineligible Foreign Shareholder</b>       | a Scheme Shareholder whose address as shown in the BINGO Share Register (as at the Scheme Record Date) is in a place outside Australia or New Zealand, unless BINGO and MIRA BidCo agree in writing that it is lawful and not unduly onerous or impracticable to issue RollCo Shares to that Scheme Shareholder on the Implementation Date if the Scheme Shareholder so elects under the Scheme.  |

| Term                           | Meaning  |
|--------------------------------|--|
| <b>Insolvency Event</b>        | <p>in relation to an entity:</p> <ol style="list-style-type: none"> <li>1 the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity (other than where the order is set aside within 14 days);</li> <li>2 a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;</li> <li>3 the entity executing a deed of company arrangement;</li> <li>4 the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of the Scheme Implementation Deed;</li> <li>5 the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation); or</li> <li>6 the entity being deregistered as a company or otherwise dissolved.</li> </ol> |
| <b>Listing Rules</b>           | the official listing rules of the ASX.   |
| <b>LTI Performance Rights</b>  | has the meaning given in section 9.2(b)(2).  |
| <b>Macquarie Group</b>         | Macquarie Group Limited ACN 122 169 279.   |
| <b>MAIF3</b>                   | MAIF 3 R2 Pty Limited ACN 649 269 778 as trustee for MAIF3 R2 Trust.   |
| <b>MAIF3 Fund</b>              | Macquarie Asia-Pacific Infrastructure Management 3 Pte. Ltd, as the general partner of the Macquarie Asia-Pacific Infrastructure Fund 3 LP (a limited partnership registered in Singapore) and MAIF3 Luxembourg GP S. a. r. l, as the general partner of Macquarie Asia-Pacific Infrastructure Fund 3 SCSp.  |
| <b>MAIT2</b>                   | Macquarie Australian Infrastructure Management 2 Limited ACN 131 476 910 as trustee for MAIT2 Recycling Trust.   |
| <b>Material Adverse Change</b> | <p>an event, change, condition, matter, circumstance or thing occurring or being reasonably likely to occur: (i) after 27 April 2021; or (ii) on or before 27 April 2021 but which only becomes known to MIRA BidCo, or is only announced or publicly disclosed, after 27 April 2021 (each a <b>Specified Event</b>) which, whether individually or when aggregated with all events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have, the effect of:</p> <ol style="list-style-type: none"> <li>1 a diminution in the consolidated net assets of the BINGO Group, taken as a whole, by at least \$100,000,000; or</li> <li>2 a diminution in the recurring EBITDA of the BINGO Group, taken as a whole, of at least \$20,000,000,</li> </ol>   |



## 10. Glossary

| Term   | Meaning   |
|--|---|
| <b>Material Adverse Change</b><br><i>continued</i> | <p>other than those events, changes, conditions, matters, circumstances or things:</p> <ol style="list-style-type: none"> <li>3 that were fairly disclosed in: <ul style="list-style-type: none"> <li>• the Disclosure Materials;</li> <li>• an announcement made by BINGO or a BINGO Group Member to the ASX, or a publicly available document lodged by BINGO or a BINGO Group Member with ASIC (which would be disclosed in a search of ASIC's publicly available records), in each case prior to 27 April 2021;</li> <li>• the PPS Register on 26 April 2021;</li> <li>• the following records open to public inspection: <ul style="list-style-type: none"> <li>– a search (in respect of each of the Properties only) of the registry of each of the New South Wales and Victorian Land Titles Offices (or equivalent) had the searches been conducted on 12 April 2021;</li> <li>– a search of the registry of the High Court, the Federal Court, the Federal Circuit Court, and the Supreme Courts in each state or territory of Australia (had the searches been conducted on 15 December 2020); or</li> <li>– IP Australia (had the search been conducted on 30 November 2020);</li> </ul> </li> </ul> </li> <li>4 that are within the actual knowledge of MIRA BidCo prior to 27 April 2021;</li> <li>5 arising from changes in economic or business conditions (including changes to interest rates, exchange rates, commodity prices or markets (including domestic or international financial markets));</li> <li>6 arising from the Coronavirus or Covid-19 pandemic (or any mutation, variation or derivative) after 27 April 2021, including the outbreak, escalation or any impact of or recovery from the Coronavirus or Covid-19 pandemic (or any mutation, variation or derivative) after 27 April 2021, including as a result of lockdowns, travel restrictions, social distancing and restrictions of and on activities, venues and gatherings;</li> <li>7 arising from any change in law, regulation, generally accepted accounting standards or generally accepted accounting principles or the interpretation of any such standards or principles, or policy of a Government Agency;</li> <li>8 required or expressly permitted to be done or procured by the BINGO Group under the Scheme Implementation Deed or the Scheme;</li> <li>9 agreed to, or requested, by MIRA BidCo in writing; or</li> <li>10 arising from any act of terrorism, outbreak or escalation of war (whether or not declared) or major hostilities, an act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, other natural disaster or adverse weather conditions or the like.</li> </ol> |
| <b>Maximum Cash Consideration</b>                  | has the meaning given in section 6.5(a).  |
| <b>Maximum Scrip Threshold</b>                     | has the meaning given in section 6.4(a).  |
| <b>MidCo</b>                                       | Recycle and Resource Pty Limited ACN 649 356 874.   |
| <b>Minimum Scrip Condition</b>                     | has the meaning given in section 6.4(a).  |
| <b>MIRA</b>  | the asset management division of Macquarie Group that is primarily involved in the management of infrastructure and real assets, which business group is currently operating under the name 'Macquarie Infrastructure and Real Assets', as may be amended from time to time (and, in section 6.2 of this Scheme Booklet, <b>MIRA</b> means the entities that are part of MIRA).   |
| <b>MIRA BidCo</b>                                  | Recycle and Resource Operations Pty Limited ACN 649 357 442.  |

| Term                          | Meaning   |
|-------------------------------|---|
| <b>MIRA BidCo Board</b>       | the board of directors of MIRA BidCo.   |
| <b>MIRA BidCo Director</b>    | a member of the MIRA BidCo Board.   |
| <b>MIRA BidCo Group</b>       | RollCo and each of its subsidiaries.  |
| <b>MIRA FAQs</b>              | <p>the answers to the following questions in section 2:</p> <ol style="list-style-type: none"> <li>1 “Who are MIRA, the Consortium, MIRA BidCo and RollCo?”;</li> <li>2 “What are MIRA BidCo’s intentions for BINGO if the Scheme proceeds?”;</li> <li>3 “What is the RollCo Shareholders’ Deed?”; and</li> <li>4 “How is MIRA BidCo funding the Scheme Consideration?”.</li> </ol> |
| <b>MIRA Information</b>       | <p>the information contained in:</p> <ol style="list-style-type: none"> <li>1 MIRA FAQs;</li> <li>2 section 6;</li> <li>3 section 7.4;</li> <li>4 section 9.5 to the extent it relates to MIRA; and</li> <li>5 section 9.10.</li> </ol> <p>For the avoidance of doubt, the MIRA Information excludes the BINGO Information, section 8 and the Independent Expert’s Report.</p>      |
| <b>MIRA Shareholder</b>       | has the meaning given in section 6.4(d).  |
| <b>Mixed Consideration</b>    | has the meaning given in section 4.4.   |
| <b>NSW</b>                    | New South Wales.  |
| <b>Participant</b>            | has the meaning given in section 9.2(a).  |
| <b>Performance Right</b>      | a right issued under an employee incentive plan which confers on the holder a right to acquire a BINGO Share, as set out in section 9.2.  |
| <b>Preference Share</b>       | a preference share in RollCo with an issue price of \$0.891 having the rights set out in the RollCo Constitution and the RollCo Shareholders’ Deed.   |
| <b>Recommending Directors</b> | all of the directors of BINGO, except for Michael Coleman.  |
| <b>Relevant Interest</b>      | has the meaning given in sections 608 and 609 of the Corporations Act.  |

## 10. Glossary

| Term                              | Meaning  |
|-----------------------------------|--|
| <b>Requisite Majorities</b>       | <p>in relation to the Scheme Resolution, a resolution passed by:</p> <ol style="list-style-type: none"><li>1 unless the Court orders otherwise, a majority in number (more than 50%) of BINGO Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate BINGO Shareholders, body corporate representative); and</li><li>2 at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by BINGO Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate BINGO Shareholders, body corporate representative).</li></ol> |
| <b>RollCo</b>                     | Recycle and Resource Holdings Limited ACN 649 347 302.   |
| <b>RollCo Constitution</b>        | the constitution of RollCo.  |
| <b>RollCo Shareholders' Deed</b>  | the executed copy of the shareholders' deed dated 3 May 2021 in relation to RollCo entered into by the shareholders of RollCo, as set out in Annexure 4.   |
| <b>RollCo Shares</b>              | <p>fully paid:</p> <ul style="list-style-type: none"><li>• Class B Shares;</li><li>• Preference Shares; and</li><li>• Class C Shares,</li></ul> <p>in RollCo to be issued to Scheme Shareholders who elect to receive the Mixed Consideration under the Scheme and <b>RollCo Share</b> means any such share.</p>   |
| <b>Rollover Shareholder</b>       | has the meaning given in section 6.4(c) or 6.4(d) (as applicable).   |
| <b>Scaleback Mechanism</b>        | the scaleback mechanism set out in clause 5.5 of the Scheme of Arrangement.  |
| <b>Scheme</b>                     | the scheme of arrangement under Part 5.1 of the Corporations Act between BINGO and the Scheme Shareholders, the form of which is attached as Annexure 2, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by MIRA BidCo and BINGO.  |
| <b>Scheme Booklet</b>             | this document being the explanatory statement in respect of the Scheme, which has been prepared by BINGO in accordance with section 412 of the Corporations Act.   |
| <b>Scheme Consideration</b>       | the consideration to be provided by MIRA BidCo to each Scheme Shareholder for the transfer to MIRA BidCo of each Scheme Share, being either the All Cash Consideration or (in the case of a Scheme Shareholder who makes a valid Election) the Mixed Consideration.  |
| <b>Scheme Implementation Deed</b> | the Scheme Implementation Deed dated 27 April 2021 between BINGO and MIRA BidCo, a copy of which was released to the ASX on 27 April 2021.   |
| <b>Scheme Meeting</b>             | the meeting of BINGO Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.  |

| Term                                 | Meaning  |
|--------------------------------------|--|
| <b>Scheme Record Date</b>            | 7.00pm (Sydney time) on Thursday, 22 July 2021 or such other time and date as BINGO and MIRA BidCo agree in writing.   |
| <b>Scheme Resolution</b>             | the resolution to the terms of the Scheme, as set out in the Notice of Scheme Meeting in Annexure 5.   |
| <b>Scheme Shareholder</b>            | a holder of BINGO Shares recorded in the BINGO Share Register as at the Scheme Record Date.  |
| <b>Scheme Shares</b>                 | all BINGO Shares held by the Scheme Shareholders as at the Scheme Record Date.   |
| <b>Second Court Date</b>             | the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard, currently expected to be Thursday, 15 July 2021, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard. |
| <b>Second Court Hearing</b>          | the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.  |
| <b>Special Director Approval</b>     | has the meaning given in the RollCo Shareholders' Deed.  |
| <b>Special Dividend</b>              | a fully franked special dividend of an amount up to \$0.117 per BINGO Share held by a BINGO Shareholder as at the Special Dividend Record Date, which BINGO may in its discretion determine to declare and pay.  |
| <b>Special Dividend Payment Date</b> | the date of payment of the Special Dividend (if any), as determined by the BINGO Directors in their sole discretion, currently expected to be Wednesday, 28 July 2021.   |
| <b>Special Dividend Record Date</b>  | the record date for the Special Dividend (if any), as determined by the BINGO Directors in their sole discretion, currently expected to be 7.00pm (Sydney time) on Monday, 19 July 2021.   |
| <b>Special Investor Approval</b>     | has the meaning given in the RollCo Shareholders' Deed.  |
| <b>Special Majority Approval</b>     | has the meaning given in the RollCo Shareholders' Deed.  |
| <b>STI</b>                           | has the meaning given in section 9.2(a).   |
| <b>Syndicated Facilities</b>         | has the meaning given in section 6.5(d).   |

## 10. Glossary

| Term                     | Meaning  |
|--------------------------|--|
| <b>Superior Proposal</b> | <p>a bona fide, written Competing Proposal:</p> <ol style="list-style-type: none"> <li>1 of the kind referred to in any of paragraphs 2, 3 or 4 of the definition of 'Competing Proposal'; and</li> <li>2 not resulting from a breach by BINGO of any of its obligations under clause 10 of the Scheme Implementation Deed,</li> </ol> <p>that the BINGO IBC, acting in the best interests of BINGO Shareholders and in good faith and in order to satisfy what the BINGO IBC considers to be the BINGO IBC Member's statutory or fiduciary duties (after having obtained advice from BINGO's financial advisers and reputable external Australian legal advisers specialising in the area of corporate law) determines:</p> <ol style="list-style-type: none"> <li>3 is reasonably capable of being valued and completed within a reasonable timeframe in accordance with its terms, taking into account all terms, conditions and other aspects of the Competing Proposal, including, but not limited to: <ol style="list-style-type: none"> <li>a. the identity, reputation and financial condition of the party making the Competing Proposal;</li> <li>b. the ability of the party making the Competing Proposal to consummate the transactions contemplated by the Competing Proposal; and</li> <li>c. all relevant legal, financial, regulatory and other matters; and</li> </ol> </li> <li>4 would, if completed substantially in accordance with its terms, result in a transaction that is more favourable to BINGO Shareholders (as a whole) than the Transaction, taking into account all terms and conditions and other aspects of: <ol style="list-style-type: none"> <li>a. the Competing Proposal (including the value and type of consideration, funding, any timing considerations, any conditions precedent, the identity, reputation and financial condition of the proponent, the views of BINGO Shareholders in relation to the Competing Proposal compared to the Transaction, the ability of the proponent to complete the transactions contemplated by the Competing Proposal and the probability of the Competing Proposal being completed compared to the Transaction and relevant legal, financial, regulatory and other matters; and</li> <li>b. the Transaction (including the matters described in paragraph (a) above in respect of the Transaction).</li> </ol> </li> </ol> |
| <b>Transaction</b>       | the acquisition of the Scheme Shares by MIRA BidCo through implementation of the Scheme in accordance with the terms of the Scheme Implementation Deed.  |
| <b>Underlying EBITDA</b> | EBITDA excluding acquisition costs, capital raising costs, integration costs, prepayment amortisation, gain or loss on sale and items of a one-off nature.   |
| <b>VIC</b>               | Victoria.  |
| <b>Voting Power</b>      | has the meaning given to that term in the Corporations Act.  |
| <b>Voting Shares</b>     | Class A Shares and Class B Shares.   |
| <b>VWAP</b>              | volume weighted average price.   |
| <b>Warrington</b>        | Warrington Investment Private Limited, which is an indirectly wholly-owned subsidiary of GIC (Ventures) Private Limited.   |

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## 10.2. Interpretation

In this Scheme Booklet, unless expressly stated or the context otherwise appears:

- a. words and phrases have the same meaning (if any) given to them in the Corporations Act;
- b. words importing a gender include any gender;
- c. words importing the singular include the plural and vice versa;
- d. an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- e. a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;
- f. a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- g. headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- h. a reference to time is a reference to time in Sydney, Australia;
- i. a reference to writing includes facsimile transmissions; and
- j. a reference to dollars, \$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

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# **Annexure 1:**

## **Independent Expert's Report**

# LONERGAN EDWARDS & ASSOCIATES LIMITED

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The Independent Board Committee  
BINGO Industries Limited  
305 Parramatta Road  
Auburn NSW 2144

9 June 2021

**Subject: Proposed acquisition of BINGO Industries Limited by way of Scheme**

Dear Independent Board Committee members

## Introduction

- 1 On 19 January 2021, BINGO Industries Limited (BINGO or the Company) announced that it had received an unsolicited, highly conditional, non-binding and indicative proposal from funds advised by CPE Capital (CPEC), on behalf of CPEC and its potential co-investors which included Macquarie Infrastructure and Real Assets (the Initial Consortium), to acquire BINGO for a cash price of \$3.50 per share (Indicative Proposal)<sup>1</sup>.
- 2 Due diligence and commercial negotiations between the Initial Consortium and BINGO's Independent Board Committee (IBC)<sup>2</sup> ensued. Subsequently on 27 April 2021, BINGO announced that it and Recycle and Resource Operations Pty Limited (BidCo or the Bidder), an entity owned by Macquarie Infrastructure and Real Assets and its managed funds<sup>3</sup> (MIRA), had signed a Scheme Implementation Deed (the Agreement) pursuant to which BidCo would acquire all of the issued shares in BINGO.
- 3 The proposed acquisition of the shares is to be implemented via a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act) (the Scheme) and is subject to a number of conditions precedent (as summarised in Section I of our report).
- 4 If the Scheme is approved and implemented, BINGO shareholders (other than certain ineligible foreign shareholders) will have flexibility as regards the scheme consideration they will receive for the BINGO shares they hold on the Scheme Record Date<sup>4</sup>. Subject to certain

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<sup>1</sup> The Indicative Proposal also contemplated a scrip alternative that would provide BINGO shareholders with the option of electing to receive a mix of cash and unlisted scrip consideration.

<sup>2</sup> Comprising three independent BINGO Non-Executive Directors: Ms Elizabeth Crouch AM, Ms Maria Atkinson AM and Mr Barry Buffier AM.

<sup>3</sup> MAIF 3 R2 Pty Limited as trustee for MAIF 3 R2 Trust (MAIF3) and Macquarie Australian Infrastructure Management 2 Limited as trustee for MAIT2 Recycling Trust (MAIT2).

<sup>4</sup> The Scheme Record Date is presently expected to be 7:00pm on the fifth business day after the Scheme becomes effective.

### Authorised Representatives:

Wayne Lonergan • Craig Edwards\* • Hung Chu • Martin Hall • Martin Holt\* • Grant Kepler\* • Julie Planinic\* • Nathan Toscan • Jorge Resende

\* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.  
*Liability limited by a scheme approved under Professional Standards Legislation*

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## Annexure 1: Independent Expert's Report



conditions, BINGO shareholders may elect to receive the scheme consideration as one of two alternatives (Scheme Consideration):

- (a) **Cash Consideration** – \$3.45 cash per BINGO share held, less any special dividend determined and paid to BINGO shareholders on or before the date of implementation of the Scheme (Special Dividend)<sup>5</sup>. If the Special Dividend is determined and paid, it is expected to be no more than \$0.117 per BINGO share and to be fully franked
- (b) **Mixed Consideration** – the following mix of cash and unlisted scrip for each BINGO share held:
  - (i) \$1.32 in cash, less any Special Dividend that is determined and paid
  - (ii) unlisted scrip in Recycle and Resource Holdings Limited (RollCo) (RollCo Scrip), a corporate entity which will indirectly own 100% of BINGO<sup>6</sup> and be majority (not less than 74%) controlled by MIRA. The RollCo Scrip will comprise:
    - 1 Class B share with an ascribed issue price of \$1.089
    - 1 Preference share with an ascribed issue price of \$0.891
    - 1 Class C share (with a negligible ascribed issue price) which carries with it an entitlement to a fully franked (to the maximum extent possible) earn-out dividend of up to \$0.80 per share (Earn-Out Dividend) depending upon the future earnings before interest, tax depreciation and amortisation (EBITDA) achieved by the BINGO business in the period up to and including the financial year ending 30 June 2024 (FY24). More specifically, if the BINGO business achieves underlying post-AASB 16<sup>7</sup> EBITDA (Adjusted EBITDA)<sup>8</sup> of:
      - \$240 million or more in FY24, the entire Earn-Out Dividend will be payable
      - between \$220 million and \$240 million in FY24, a straight-line pro-rata percentage of the Earn-Out Dividend will be payable
      - less than \$220 million in FY24, no Earn-Out Dividend will be payable.

Early payment of the Earn-Out Dividend is also possible if Adjusted EBITDA of \$240 million or more is achieved in either the financial year ending 30 June 2022 (FY22) or 30 June 2023 (FY23).

- 5 The Mixed Consideration alternative is only available for Australian and New Zealand (NZ) resident shareholders and is subject to scale back if BINGO shareholders holding (in aggregate) more than 40% of the total issued capital of BINGO validly elect to receive the

<sup>5</sup> It remains at the discretion of the BINGO Board whether the Special Dividend is ultimately determined and paid.

<sup>6</sup> As it is the sole shareholder of Recycle and Resource Pty Limited which in turn is the sole shareholder of BidCo.

<sup>7</sup> Australian Accounting Standards Board (AASB) 16 – *Leases* (AASB 16).

<sup>8</sup> For this purpose Adjusted EBITDA has the meaning given to the term “Adjusted EBITDA” as defined in Schedule 7 of the RollCo Shareholders’ Deed (the Deed), the executed form of which is included as an attachment to the Scheme Booklet.

Mixed Consideration<sup>9</sup>. If this were to occur, then elections would be scaled back on a pro-rata basis to the 40% maximum threshold, with BINGO shareholders receiving the Cash Consideration in lieu of the Mixed Consideration in respect of the shares subject to scale back.

- 6 Mr Daniel Tartak (Mr Tartak) and Mr Ian Malouf (Mr Malouf), who collectively hold some 31.53% of BINGO's shares<sup>10</sup>, have stated to BINGO that<sup>11</sup> they intend to vote all the BINGO shares held or controlled by them in favour of the Scheme and elect to receive the Mixed Consideration.

## **BINGO**

- 7 BINGO is an Australian Securities Exchange (ASX) listed recycling and waste management company that provides end-to-end solutions across the resource management supply chain including collections, processing and recovery, disposal, waste equipment manufacturing and recycled products. BINGO operates through two primary segments: Collections and Post-Collections, across New South Wales (NSW) and Victoria (VIC). BINGO has a workforce of approximately 1,100 staff and a Collections fleet of more than 320 vehicles. The Company has strategic landfill assets and advanced recycling facilities at Eastern Creek and Patons Lane in NSW and an advanced recycling facility at West Melbourne in VIC, together with a network of 12 transfer facilities across both states.

## **MIRA**

- 8 MIRA is an alternative asset manager that specialises in infrastructure and renewables, real estate, agriculture, transportation finance and private credit. As at 31 March 2021, MIRA had \$195 billion in assets under management. MAIF3 and MAIT2 are indirect wholly-owned subsidiaries of funds managed by MIRA.
- 9 MIRA is a part of Macquarie Asset Management, the asset management business of ASX listed Macquarie Group Limited.

## **Purpose of report**

- 10 The Scheme is subject to a number of conditions precedent, including an independent expert concluding and continuing to conclude that the Scheme is in the best interests of BINGO shareholders. In addition:
  - (a) the IBC's, Mr Tartak's, Mr Malouf's and Mr Daniel Girgis' (together, the Recommending Directors) recommendation of the Scheme are each subject to an independent expert concluding, and continuing to conclude, that the Scheme is fair and reasonable and in the best interests of BINGO shareholders in the absence of a superior proposal

<sup>9</sup> The Scheme is also conditional upon BINGO shareholders holding (in aggregate) at least 30% of the issued capital of BINGO validly electing to receive the Mixed Consideration.

<sup>10</sup> Mr Tartak holds 129.8 million BINGO shares (19.82%) while Mr Malouf holds 76.7 million BINGO shares (11.71%). BINGO has some 655.0 million shares on issue (excluding performance rights).

<sup>11</sup> In the absence of a superior proposal (as defined in the Agreement) and subject to an independent expert concluding, and continuing to conclude, that the Scheme is fair and reasonable and in the best interests of BINGO shareholders.

## Annexure 1: Independent Expert's Report



(b) as the Scheme is considered a change of control transaction, the Australian Securities & Investments Commission's (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) also requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.

- 11 Accordingly, the IBC has requested Lonergan Edwards & Associates Limited (LEA) prepare an independent expert's report (IER) stating whether, in our opinion, the Scheme is fair and reasonable and in the best interests of BINGO shareholders and the reasons for that opinion.
- 12 LEA is independent of BINGO and MIRA and has no other involvement or interest in the proposed Scheme.

### Summary of opinion

- 13 In our opinion, the Scheme is fair and reasonable and in the best interests of BINGO shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

### Value of BINGO

- 14 We have assessed the value of BINGO shares on a 100% controlling interest basis at \$3.18 to \$3.50 per share, as shown below:

| <b>BINGO – valuation summary<sup>(1)</sup></b>                 |                  |                    |                     |
|--|------------------|--------------------|---------------------|
|  | <b>Paragraph</b> | <b>Low<br/>\$m</b> | <b>High<br/>\$m</b> |
| Assessed enterprise value                                      | 244              | 2,400.0            | 2,600.0             |
| Other assets / (liabilities) <sup>(2)</sup>                    | 271              | 39.9               | 51.6                |
| Net cash / (debt)  | 275              | (360.0)            | (360.0)             |
| <b>Equity value – controlling interest basis</b>               |                  | <b>2,079.9</b>     | <b>2,291.6</b>      |
| Fully diluted shares on issue (million)                        | 278              | 655.0              | 655.0               |
| <b>BINGO value per share – controlling interest basis (\$)</b> |                  | <b>3.18</b>        | <b>3.50</b>         |

#### Note:

- 1 Rounding differences may exist.
- 2 Does not include any allowance for the outcome of the Australian Competition and Consumer Commission's (ACCC) industry wide investigation into the NSW Building & Demolition (B&D) sector price increases that occurred on and from 1 July 2019. We note that the value of BINGO reduces by \$0.01 per share for every \$6.6 million of penalty imposed on the Company. It also excludes any allowance for the outcome of the recent EPA dispute (noting that the EPA's claim of some \$33 million (which BINGO expects to be reduced) reduces our assessed value of BINGO by some \$0.035 per share (on a tax effected basis).

### Value of Scheme Consideration

- 15 As noted above, subject to certain conditions, BINGO shareholders (other than certain ineligible foreign shareholders) may elect to receive the Scheme Consideration as one of two alternatives, being Cash Consideration or Mixed Consideration.

**Cash Consideration**

- 16 If BINGO shareholders elect to receive the Cash Consideration they will receive \$3.45 in cash per BINGO share held, less any Special Dividend which, if determined and paid<sup>12</sup>, is expected to be no more than \$0.117 per BINGO share and to be fully franked.
- 17 Given that the total cash payment that would be received by BINGO shareholders does not change as a result of the Special Dividend, we have attributed a value of \$3.45 per BINGO share to the Cash Consideration. However, due to the benefit of franking credits, we note that the value to some Australian resident shareholders may be greater than \$3.45 per BINGO share if a Special Dividend is paid.

**Mixed Consideration**

- 18 Eligible BINGO shareholders that validly elect to receive the Mixed Consideration (Rolling Shareholders) will receive \$1.32 in cash (less any Special Dividend that is determined and paid) and RollCo Scrip for each BINGO share held. Based on the proposed structure, an investment in RollCo by a Rolling Shareholder will represent a minority interest investment in an unlisted and illiquid entity.
- 19 As set out in Section VII, we have assessed the underlying value of the Mixed Consideration in the immediate or short term post implementation of the Scheme at between \$3.28 and \$3.60 per BINGO share<sup>13</sup>. This assessment of underlying value assumes the holder of RollCo Scrip has 100% control of RollCo and an unfettered ability to transact in the equity securities. **It is important for Rolling Shareholders to note that the underlying values do not incorporate any minority interest or lack of marketability / illiquidity discounts and accordingly, do not represent the values that may be realised if they theoretically sought to dispose of the RollCo Scrip in the immediate or short term post implementation of the Scheme (i.e. theoretical cash equivalent).**
- 20 Given the inherent uncertainty associated with a Rolling Shareholder's minority interest in the unlisted and illiquid RollCo, in our opinion, it is not possible to reliably determine the realisable value (i.e. theoretical cash equivalent) of the RollCo Scrip in the immediate or short term post implementation of the Scheme. Furthermore, in our opinion, any attempt to do so would be spurious in nature.
- 21 As an alternative, for the benefit of those BINGO shareholders considering an election to receive the Mixed Consideration, we set out in Section VII a range of theoretical discounts which, if applied to the high end of the range of underlying values of the Mixed Consideration, results in the realisable value of the Mixed Consideration being equal to the Cash Consideration (it is not necessary to apply a discount to the low end of the range of underlying values because these are already less than the Cash Consideration).

<sup>12</sup> It remains at the discretion of the BINGO Board whether the Special Dividend is ultimately determined and paid.

<sup>13</sup> Between \$3.28 and \$3.58 per BINGO share (assuming MIRA does not exercise its 16.67% call option) and between \$3.32 and \$3.60 per BINGO share (assuming MIRA exercises its 16.67% call option). The value ranges do not include any allowance for the outcome of the ACCC's industry wide investigation into the NSW B&D sector price increases that occurred on and from 1 July 2019. We note that the underlying values reduce by \$0.01 for every \$10.3 million of penalty imposed on BINGO. It also excludes any allowance for the outcome of the recent EPA dispute (noting that the EPA's claim of some \$33 million (which BINGO expects to be reduced) reduces the underlying values by some \$0.022 (on a tax effected basis).

## Annexure 1: Independent Expert's Report



- 22 We note that the theoretical discounts (when expressed as a percentage of the underlying value of the Class B shares) are within the range (albeit toward the low end) of the combined minority interest and lack of marketability discounts that might be applied in the circumstances. Accordingly, in our view, the realisable values of the Mixed Consideration at the high end of the range are likely to be broadly consistent with the Cash Consideration (albeit subject to an inherent high level of uncertainty).
- 23 In summary, in our view, the realisable value (i.e. theoretical cash equivalent) of the Mixed Consideration in the immediate or short term post implementation of the Scheme:
- (a) will be less than the Cash Consideration at the low end of the range (because the underlying value prior to the application of any discount is already less than the Cash Consideration)
  - (b) is likely to be broadly consistent with the Cash Consideration at the high end of the range (albeit subject to an inherent high level of uncertainty).
- 24 In addition to the above, we note that:
- (a) the Mixed Consideration alternative is only available for Australian and NZ resident shareholders (and that certain of those shareholders may be unable or unwilling to elect to receive the Mixed Consideration due to, for example, investment mandate limitations, investment horizon etc). In contrast, all BINGO shareholders (effectively other than Mr Tartak and Mr Malouf<sup>14</sup>) can elect to receive the Cash Consideration
  - (b) in our view, any decision to elect to receive the Mixed Consideration should be made independently of the decision to approve the Scheme. This is because by forgoing the Cash Consideration, those BINGO shareholders are essentially making a fresh investment decision where the investment price is equal to the Cash Consideration otherwise receivable.

### ***Conclusion on Scheme Consideration***

- 25 Having regard to the above, for the purposes of our report we have evaluated the Scheme by reference to the value of the Cash Consideration only.

### **Fair and reasonable opinion**

- 26 Pursuant to RG 111 a scheme is “fair” if the value of the scheme consideration is equal to or greater than the value of the securities the subject of the scheme.
- 27 This comparison based on the Cash Consideration is shown below:

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<sup>14</sup> Given the Scheme is conditional on BINGO shareholders holding (in aggregate) at least 30% of the issued capital of BINGO validly electing to receive the Mixed Consideration, and Mr Tartak's and Mr Malouf's interest in BINGO shares, the Scheme would be unlikely to proceed if either elected to accept the Cash Consideration. Mr Tartak and Mr Malouf are (by definition) sophisticated investors, Directors of BINGO and have extensive knowledge and understanding of the BINGO business. Accordingly, we consider them to be capable of forming their own view in relation to the Scheme.

| <b>Comparison of Cash Consideration to value of BINGO</b>                           |                     |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | <b>Low</b>          | <b>High</b>         | <b>Mid-point</b>    |
|   | <b>\$ per share</b> | <b>\$ per share</b> | <b>\$ per share</b> |
| Value of Cash Consideration   | 3.45                | 3.45                | 3.45                |
| Value of 100% of BINGO  | 3.18                | 3.50                | 3.34                |
| Extent to which the Cash Consideration exceeds (or is less than) the value of BINGO | 0.27                | (0.05)              | 0.11                |

- 28 As the Cash Consideration lies toward the high end of our assessed valuation range for BINGO shares on a 100% controlling interest basis, in our opinion, the Cash Consideration is “fair” to BINGO shareholders when assessed based on the guidelines set out in RG 111.
- 29 Pursuant to RG 111, a transaction is reasonable if it is fair. Consequently, in our opinion, the Scheme is also “reasonable”.

#### **In the best interests**

- 30 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 31 In our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 32 We therefore consider that the Scheme is also “in the best interests” of BINGO shareholders in the absence of a superior proposal.

#### **Assessment of the Scheme**

- 33 We summarise below the likely advantages and disadvantages of the Scheme for BINGO shareholders.

#### **Advantages**

- 34 In our opinion, the Scheme has the following benefits for BINGO shareholders:
- (a) the Cash Consideration of \$3.45 cash per share lies towards the high end of our assessed value range for BINGO shares on a 100% controlling interest basis. Thus, in our view, BINGO shareholders are being paid an appropriate price to compensate them for the fact that control of BINGO will pass to MIRA if the Scheme is approved and implemented
  - (b) the Cash Consideration represents a significant premium to the recent market prices of BINGO shares prior to press speculation regarding potential takeover interest in BINGO on 17 December 2020<sup>15</sup>. Furthermore, the premium is consistent with observed premiums generally paid to target company shareholders in comparable circumstances

<sup>15</sup> The Cash Consideration also represents a significant premium to the recent market prices of BINGO shares prior to the announcement of the Indicative Proposal on 19 January 2021.

## Annexure 1: Independent Expert's Report



- (c) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of BINGO shares is likely to trade at a significant discount to our valuation and the Cash Consideration due to the portfolio nature of individual shareholdings.

### Disadvantages

- 35 BINGO shareholders who elect to receive the Cash Consideration should note that if the Scheme is implemented they will no longer hold an interest in BINGO. BINGO shareholders receiving the Cash Consideration alternative will therefore not participate in any future value created by the Company over and above that reflected in the Cash Consideration.
- 36 However, as our assessed value of BINGO shares is consistent with the Cash Consideration, in our opinion, the present value of BINGO's future potential is reflected in the Cash Consideration.

### Conclusion

- 37 Given the above analysis, we consider the advantages of the Scheme to outweigh the disadvantages. Consequently, in our view, the acquisition of BINGO shares under the Scheme is fair and reasonable and in the best interests of BINGO shareholders in the absence of a superior proposal.

### Other matters relevant to Mixed Consideration

- 38 Eligible BINGO shareholders who wish to retain an economic interest in BINGO's business operations and assets have an opportunity to do so (albeit on a diluted basis) by validly electing to receive the Mixed Consideration.
- 39 However, it is important for Rolling Shareholders to note that an investment in RollCo is not the same as an investment in BINGO and will have different characteristics. In particular, we note the following:
  - (a) RollCo will have significantly higher levels of debt (i.e. gearing) than BINGO and the equity interests therein will therefore be subject to greater risk
  - (b) MIRA will have majority (not less than 74%) control of RollCo. While the Deed will provide certain rights to the Rolling Shareholders (and in particular the 5% Rolling Shareholders<sup>16</sup>) the situation faced by the majority of the Rolling Shareholders will fundamentally be no different to that faced by minority shareholders generally (and due to the size of MIRA's controlling interest, arguably a less advantageous situation than currently faced by existing minority shareholders in BINGO). Minority interests are normally discounted relative to the pro-rata value of a 100% controlling interest<sup>17</sup>

<sup>16</sup> Those Rolling Shareholders who hold at least 5% of RollCo's Class A and Class B shares (Voting Shares) on implementation of the Scheme.

<sup>17</sup> The minority interest discount associated with an assumed control premium of 30% to 35% is in the order of 23% to 26% (before the addition of any lack of marketability discount). In practice, theoretical minority discounts of 20% to 25% are often applied in the absence of any relevant shareholders' agreement. In circumstances where a shareholders' agreement prevails the range of discounts can vary widely subject to the terms of the specific agreement.

- (c) RollCo will be an unlisted entity with no public market for the trading of RollCo shares and the Deed will provide only limited liquidity mechanisms for Rolling Shareholders<sup>18</sup>. Accordingly, there is no guarantee as to whether, or when, Rolling Shareholders may be able to dispose of (either part or all of) their RollCo Scrip (and at what price). Illiquid investments are ordinarily subject to a discount to reflect their lack of marketability<sup>19</sup>
- 40 BINGO shareholders who elect to receive the Mixed Consideration should also be aware that:
- (a) they are electing to retain a minority (and illiquid) economic interest in BINGO and thereby forgoing an immediate opportunity to receive an amount (i.e. Cash Consideration) that, in our opinion, is consistent with the value of a 100% controlling interest in BINGO
  - (b) although for the purposes of this report we have attributed a value to the Earn-Out Dividend, BINGO shareholders considering an election to receive the Mixed Consideration should be aware that the Earn-Out Dividend could be \$nil
  - (c) after the first anniversary of the implementation of the Scheme, RollCo will have the power to require Rolling Shareholders who hold (Class B and Preference) shares which had, at the time of the implementation of the Scheme, an aggregate value of \$10,000 or less to dispose of their Class B shares at a price determined by a valuation practitioner based upon standard market value principles<sup>20</sup>. That is, such shareholders may be forced to sell their Class B and Preference shares in RollCo in any event after one year following the implementation of the Scheme (and realise a value for the Class B shares that potentially reflects minority and lack of marketability discounts)
  - (d) they will retain an exposure to the ongoing risks and uncertainties associated with an investment in BINGO (including (inter alia) those risks associated with the execution of its long-term strategy, and the potential for penalties to be imposed pursuant to the prevailing ACCC investigation and the recent EPA dispute), a number of which are beyond the control of BINGO. In contrast, the Cash Consideration provides cash (value) certainty in this regard.
- 41 The Mixed Consideration alternative is only likely to be appropriate for sophisticated investors that are prepared to co-invest with MIRA until a future liquidity event occurs and accept the related voting and liquidity restrictions attaching to their investment in RollCo. BINGO shareholders contemplating such an investment should seek independent professional advice.
- 42 LEA offers no recommendation in relation to the Mixed Consideration alternative<sup>21</sup>.

<sup>18</sup> Noting that the vast majority of which must be instigated by MIRA, not the Rolling Shareholders.

<sup>19</sup> Discounts for lack of marketability vary widely but are generally in the range of 20% to 30% (with lower discounts possible in certain circumstances).

<sup>20</sup> The purchase price for Preference shares will be based upon the issue price of \$0.891 (assuming this has not already been partly repaid) plus any unpaid accrued interest / coupons.

<sup>21</sup> We note that this approach is consistent with the Recommending Directors' decision to make no recommendation in relation to the Mixed Consideration alternative.



## Annexure 1: Independent Expert's Report



### General

- 43 In preparing this report we have considered the interests of BINGO shareholders as a whole. Accordingly, this report only contains general financial advice and does not consider the personal objectives, financial situations or requirements of individual shareholders.
- 44 The impact of approving the Scheme on the tax position of BINGO shareholders depends on the individual circumstances of each investor. BINGO shareholders should read the Scheme Booklet and consult their own professional advisers if in doubt as to the taxation consequences of the Scheme.
- 45 The ultimate decision whether to approve the Scheme should be based on each BINGO shareholder's assessment of their own circumstances. If BINGO shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.
- 46 For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that BINGO shareholders read the remainder of our report.

Yours faithfully

Nathan Toscan  
Authorised Representative

Martin Holt  
Authorised Representative

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## I Key terms of the Scheme

### Terms

47 An overview and key terms of the Scheme is set out at paragraphs 1 to 6.

### Conditions

- 48 The Scheme is subject to the satisfaction or waiver (if capable of waiver) of a number of conditions precedent, including the following which are outlined in the Agreement between BINGO and BidCo dated 27 April 2021:
- (a) approval of the Scheme by the Court in accordance with s411(4)(b) of the Corporations Act
  - (b) approval of the Scheme under the *Foreign Acquisitions and Takeovers Act 1975* (Cth)
  - (c) BINGO shareholder approval by the requisite majorities under the Corporations Act at the Scheme Meeting
  - (d) BINGO shareholders holding at least 30% of the issued BINGO shares making valid elections to receive the Mixed Consideration under the Scheme
  - (e) an independent expert issuing a report concluding that the Scheme is in the best interests of BINGO shareholders and not withdrawing or changing this conclusion before 8:00am on the Second Court Date
  - (f) no law, rule, regulation, restraining order, preliminary or permanent injunction or other preliminary or final decision, order or decree is made by any Australian court of competent jurisdiction or “Government Agency” (as defined in Schedule 2 of the Agreement) which could be reasonably expected to restrain, prohibit, impede or otherwise materially adversely impact upon the implementation of the Scheme is in effect by 8.00am on the Second Court Date
  - (g) each of the “Scheme Security Consideration Documents” (as defined in Schedule 2 of the Agreement) is duly executed or adopted (as applicable) no later than five business days after the date of the Agreement
  - (h) no “BINGO Prescribed Occurrence” (as set out in Schedule 2 of the Agreement) occurs in respect of BINGO between the date of the Agreement and 8.00am on the Second Court Date
  - (i) no “BINGO Material Adverse Change” (as defined in Schedule 2 of the Agreement) occurs or is discovered, announced, disclosed or becomes known to BidCo between the date of the Agreement and 8.00am on the Second Court Date.
- 49 In addition, BINGO has agreed that during the Exclusivity Period<sup>22</sup>, it will not:
- (a) directly or indirectly solicit, invite, encourage, facilitate or initiate any enquiry, expression of interest, offer, proposal, discussion, negotiation or other communications in relation to, or which may reasonably be expected to lead to, a competing proposal

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<sup>22</sup> Period from the date of the Agreement until the earlier of the Scheme Implementation Date, the date six months after the date of the Agreement and the date of termination of the Agreement, or any other date agreed in writing between the parties.

## Annexure 1: Independent Expert's Report



- (b) directly or indirectly facilitate, participate in or continue any discussions or negotiations in relation to, or which may reasonably be expected to lead to, a competing proposal
  - (c) communicate to any person any intention to do any of the things in (a) or (b)
  - (d) solicit, invite, initiate, facilitate or encourage any third party to undertake due diligence on BINGO or any "BINGO Group Member" (as defined in Schedule 2 of the Agreement)
  - (e) publicly recommend a competing proposal, and must not enter into any agreement, arrangement or understanding (whether or not in writing) to implement a competing proposal, subject to a mandatory matching right regime
  - (f) make available or permit access to a third party for the purposes of that third party making, formulating, developing or finalising, or assisting such third party to make, formulate, develop or finalise, a competing proposal, any non-public information relating to BINGO or any BINGO Group Member.
- 50 Certain of the exclusivity obligations (relating to "no talk" and "no due diligence") do not apply in respect of a bona fide written competing proposal if BINGO has complied with the various obligations set out in the Agreement and the BINGO Board or IBC determines, acting in good faith:
- (a) based on written advice from its financial advisers, that the competing proposal is, or may reasonably be expected to lead to, a Superior Proposal (as defined in Schedule 2 of the Agreement)<sup>23</sup>; and
  - (b) based on written advice from its external legal advisers, that compliance with its exclusivity obligations would be reasonably likely to be contrary to the fiduciary or statutory duties of the BINGO Directors.
- 51 A break fee of \$20 million or partial break fee of \$5 million is payable by BINGO to BidCo, and an expense reimbursement amount of \$10 million is payable by BidCo to BINGO, in certain circumstances as specified in the Agreement.

### Resolution

- 52 BINGO shareholders will be asked to vote on the Scheme in accordance with the resolution contained in the notice of meeting accompanying the Scheme Booklet.
- 53 If the resolution is passed by the requisite majorities, BINGO must apply to the Court for orders approving the Scheme and, if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme it will become binding on all BINGO shareholders who hold BINGO shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

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<sup>23</sup> Subject to any potential breach of fiduciary duties (in certain circumstances), BINGO must notify BidCo if it receives a superior competing proposal and give BidCo five clear business days to match that competing proposal.

## II Scope of our report

### Purpose

- 54 The Scheme is to be effected pursuant to Part 5.1 of the Corporations Act, which governs schemes of arrangement. Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Cth) (Corporations Regulations) prescribes information to be sent to shareholders in relation to a members' scheme of arrangement pursuant to s411 of the Corporations Act.
- 55 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.
- 56 BidCo has a relevant interest in BINGO shares of 0.9%<sup>24</sup> and has no representation on the BINGO Board. Accordingly, there is no regulatory requirement for an IER to be prepared for BINGO shareholders pursuant to the Corporations Act or the ASX Listing Rules.
- 57 However, the Scheme is subject to a number of conditions precedent, including an independent expert concluding and continuing to conclude that the Scheme is in the best interests of BINGO shareholders. In addition:
- (a) the Recommending Directors' recommendation of the Scheme are each subject to an independent expert concluding, and continuing to conclude, that the Scheme is fair and reasonable and in the best interests of BINGO shareholders in the absence of a superior proposal
  - (b) as the Scheme is considered a change of control transaction, RG 111 also requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 58 The IBC has therefore requested LEA to prepare an IER stating whether, in our opinion, the proposed acquisition of the shares in BINGO by MIRA under the Scheme is fair and reasonable and in the best interests of BINGO shareholders and the reasons for that opinion.
- 59 This report has been prepared by LEA for the benefit of BINGO shareholders to assist them in considering the resolution to approve the Scheme. Our report will accompany the notice of meeting accompanying the Scheme Booklet to be sent to BINGO shareholders. The sole purpose of our report is to determine whether, in our opinion, the Scheme is fair and reasonable and in the best interests of BINGO shareholders.
- 60 The ultimate decision whether to approve the Scheme should be based on each BINGO shareholder's assessment of their own circumstances. If in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

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<sup>24</sup> Please refer to section 6.7(a) of the Scheme Booklet for further details.

## Annexure 1: Independent Expert's Report



### Basis of assessment

- 61 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111, which, inter alia, provides guidance as to how an expert should assess the merits of a transaction.
- 62 When an IER is prepared for a scheme that involves a change of control (like the proposed Scheme concerning BINGO)<sup>25</sup>, ASIC expects the form of the analysis undertaken by the expert to be substantially the same as for a takeover bid. That is, the expert is required to assess and provide an opinion on whether the scheme is “fair” and “reasonable” to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is “in the best interests” of shareholders, being the opinion required under Part 3 of Schedule 8 of the Corporations Regulations).
- 63 Fairness involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the shares that are the subject of the scheme (assuming 100% ownership of the target company and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length, noting that any special value that may be derived by a particular “bidder” should not be taken into account<sup>26</sup>). A scheme is “fair” if the value of the scheme consideration is equal to, or greater than the value of the shares that are the subject of the scheme. Fairness effectively measures whether shareholders (in the company the subject of the scheme) are being compensated for the actual (or deemed) change of “control” in ownership.
- 64 Reasonableness involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal (e.g. the bidder’s existing shareholding in the company, the likely market price of the company’s shares if the scheme is unsuccessful, the likelihood of a superior alternative offer emerging etc). A scheme is considered “reasonable” if it is “fair”. A scheme may also be considered “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 65 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 66 Similarly, RG 111 notes that if an expert concludes that a scheme is “not fair and not reasonable”, then the expert would need to conclude that the scheme is “not in the best interests” of members of the company.
- 67 Having regard to the above, our report therefore considers:

#### Fairness

- (a) the market value of 100% of the shares in BINGO
- (b) the value of the consideration offered by MIRA

<sup>25</sup> A transaction where a person’s voting power increases from below 20% to more than 20%, or from a starting point that is above 20% and below 90%.

<sup>26</sup> e.g. synergies that are not available to other bidders.

- (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)

**Reasonableness**

- (d) the extent to which a control premium is being paid to BINGO shareholders
- (e) the extent to which BINGO shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
- (f) the listed market price of BINGO shares, both prior to and subsequent to the announcement of the proposed Scheme
- (g) the likely market price of BINGO shares if the Scheme is not approved
- (h) the value of BINGO to an alternative offeror and the likelihood of a higher alternative offer being made for BINGO prior to the date of the Scheme meeting
- (i) the advantages and disadvantages of the Scheme from the perspective of BINGO shareholders
- (j) other qualitative and strategic issues associated with the Scheme.

**Limitations and reliance on information**

- 68 Our opinions are based on the economic, sharemarket, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.
- 69 Our report is also based upon financial and other information provided by BINGO and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS). We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.
- 70 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of BINGO shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.
- 71 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.



## Annexure 1: Independent Expert's Report



- 72 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 73 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.
- 74 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
  - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the Agreement and the terms of the Scheme itself.

### III Profile of BINGO

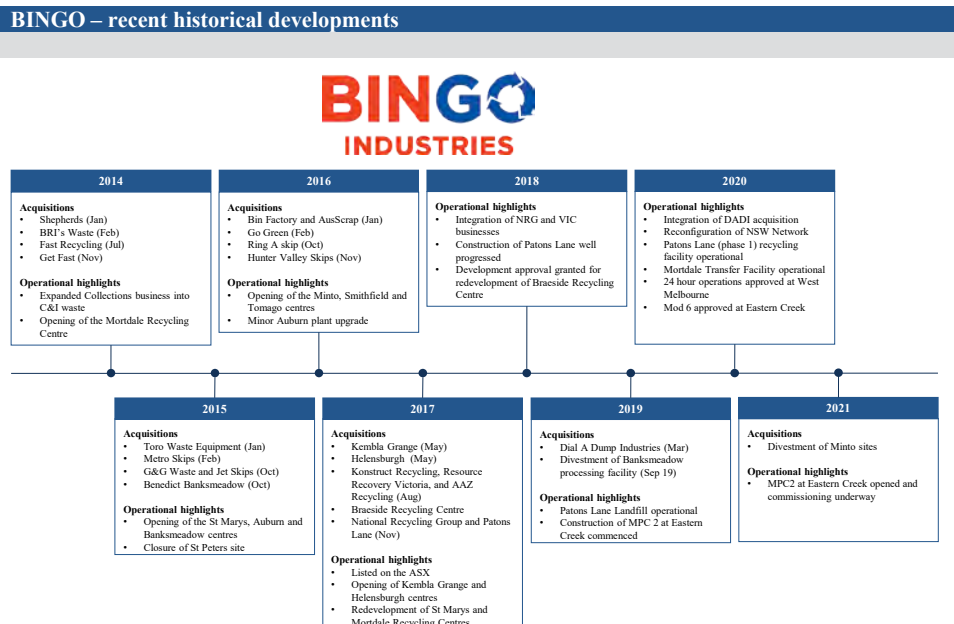
#### Overview

75 BINGO is an ASX listed recycling and waste management company that provides end-to-end solutions across the resource management supply chain including collections, processing and recovery, disposal, waste equipment manufacturing and recycled products. BINGO operates through two primary segments: Collections and Post-Collections, across NSW and VIC. BINGO has a workforce of approximately 1,100 staff and a Collections fleet of more than 320 vehicles. The Company has strategic landfill assets and advanced recycling facilities at Eastern Creek and Patons Lane in NSW and an advanced recycling facility at West Melbourne in VIC, together with a network of 12 transfer facilities across both states.

#### History

76 BINGO’s origins date back to 2005 when Mr Tony Tartak purchased BINGO, a small skip bin collection business in Sydney, which had six employees operating four trucks with 80 skip bins. Since then, BINGO has evolved into a fully integrated waste management business through a combination of organic growth and targeted bolt-on acquisitions which has facilitated geographic expansion, diversification into different waste management sectors and vertical integration across collections, processing and recovery, disposal, waste equipment manufacturing and recycled products.

77 An overview of the recent historical developments of BINGO is set out below:



Source: BINGO.

78 Further details of the more significant of these developments are set out below.

## Annexure 1: Independent Expert's Report



### **Investment in resource recovery and recycling infrastructure**

- 79 By 2014, the significant scale that had been achieved by BINGO's Collections business enabled BINGO to invest in resource recovery and recycling infrastructure, acquiring the Mortdale Recycling Centre as part of the acquisition of Get Fast in November of that year.
- 80 In 2015 and early 2016, BINGO invested in the establishment of the Auburn Recycling Centre, which was the first facility across the BINGO network to have advanced resource recovery and recycling equipment installed. During this period, BINGO also acquired the Banksmeadow, Minto, St Marys and Smithfield Recycling Centres to create one of the most strategic waste infrastructure and recycling networks in NSW.
- 81 On 3 May 2017, BINGO listed on the ASX with a network of nine recycling centres and a Collections fleet of 158 trucks throughout NSW.

### **Geographical expansion into VIC**

- 82 On 29 August 2017, BINGO geographically expanded its operations into the VIC waste management market, with the acquisition of three waste management businesses (Konstruct Recycling, Resource Recovery Victoria, and AAZ Recycling) located in the Melbourne metropolitan area. The three businesses, including one parcel of land, were acquired for a combined price of \$38 million and provided BINGO with a B&D Collections fleet in VIC comprising 40 vehicles, and two recycling facilities.
- 83 During 2017, BINGO also purchased the Braeside Recycling Centre and was granted development approval in late 2018 to redevelop the site and improve resource recovery rates.
- 84 On 27 November 2017, BINGO increased its exposure to the VIC waste management market through the acquisition of National Recycling Group (NRG) for \$37.7 million<sup>27</sup>. NRG was a B&D recycling and waste management business servicing more than 300 customers in NSW and VIC under the DATS Environment Services, Melbourne Recycling Centres and Harpers Bin Hires brands. The acquisition of NRG contributed a collections business with 48 vehicles and over 3,200 skip bins and three recycling facilities across NSW and VIC, located in regions that enhanced BINGO's geographical coverage for post-collections facilities.
- 85 On the same day (27 November 2017), BINGO also acquired the Patons Lane greenfield recycling centre and landfill located in Western Sydney for \$90 million, which had approval for the development of a recycling centre and landfill with approved throughput of 350,000 tonnes per annum at the Resource Recovery facility and total landfill capacity of 4.3 million tonnes over 25 years.

### **Dial-A-Dump Industries acquisition**

- 86 On 25 March 2019<sup>28</sup>, BINGO completed the acquisition of Dial-A-Dump Industries (DADI), a fully-integrated recycling and resource management business in NSW for consideration of

<sup>27</sup> Excluding the \$13.4 million paid for the acquisition of two related freehold properties.

<sup>28</sup> The acquisition of DADI was initially announced on 21 August 2018 but did not complete until 25 March 2019 due to a transaction review process undertaken by the ACCC.

\$577.5 million<sup>29</sup>. The acquisition of DADI was a transformational acquisition for BINGO, providing the Company with, inter alia:

- (a) increased weighting towards post-collection waste services and large-scale infrastructure through complementary post-collection assets, including an integrated recycling, landfill and recycled products manufacturing site in Eastern Creek with approved capacity of up to 2.0 million tonnes per annum (Mtpa) and remaining useful landfill life of approximately 15 years
- (b) economic benefits through volume growth and internalisation of 100% of BINGO's non-putrescible B&D and Commercial & Industrial (C&I) waste, with significant landfill capacity for external customers
- (c) a broader coverage of revenue from the excavation and demolition phases of the construction process through expanded processing capabilities into timber shredding, brick and concrete crushing, scrap steel recycling, garden organics and contaminated soils
- (d) a medium to longer term opportunity to develop a Recycling Ecology Park at Eastern Creek
- (e) a strategically located transfer station at Alexandria
- (f) a Collections fleet of 55 vehicles and some 227 employees.

87 In September 2019, BINGO divested its Banksmeadow processing facility for \$50 million pursuant to a court-enforceable undertaking that was required by the ACCC in order for BINGO to complete the acquisition of DADI.

### Current operations

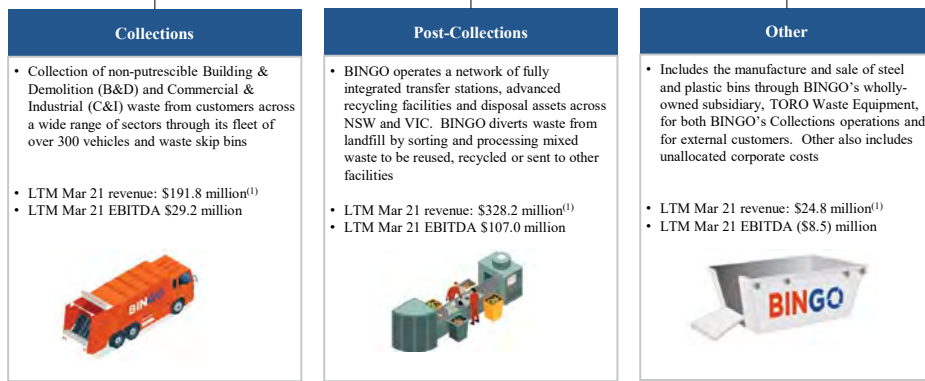
- 88 BINGO has a strategically located network of waste infrastructure assets across NSW and VIC to provide end-to-end solutions across the resource management supply chain, including collections, processing and recovery, disposal, waste equipment manufacturing and recycled products. The Company employs approximately 1,100 staff and has a Collections fleet of more than 320 vehicles. The Company has strategic integrated landfill assets and advanced waste processing facilities at Eastern Creek and Patons Lane in NSW and an advanced recycling facility at West Melbourne in VIC together with a network of 12 transfer facilities across both states.
- 89 BINGO operates through two primary segments: Collections and Post-Collections. A diagrammatic overview of BINGO's operations is set out below:

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<sup>29</sup> Based on the announced transaction value on 21 August 2018. The reported acquisition price for financial reporting purposes was approximately \$83 million lower due to a decline in the value of the scrip consideration at completion, following the decline in the BINGO share price from 21 August 2018 to 25 March 2019.

# Annexure 1: Independent Expert's Report

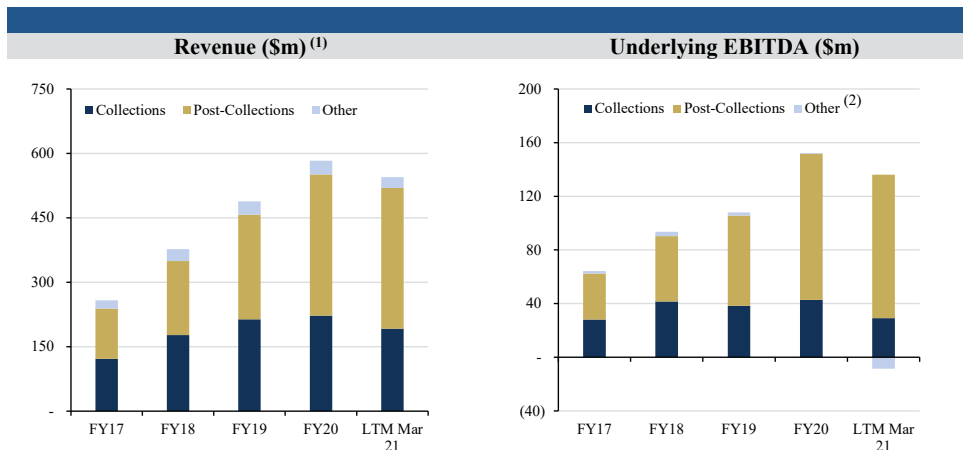
**BINGO – operations**



**Note:**

1 Prior to eliminations which represents the revenue generated by the Post-Collections segment by processing waste delivered by the Collections segment and the products sold by TORO Waste Equipment (TORO) to the Collections segment.

90 An overview of the revenue and underlying EBITDA generated by each of BINGO's operating segments for the four years to FY20 and 12 months to 31 March 2021 (LTM Mar 21) is set out below:



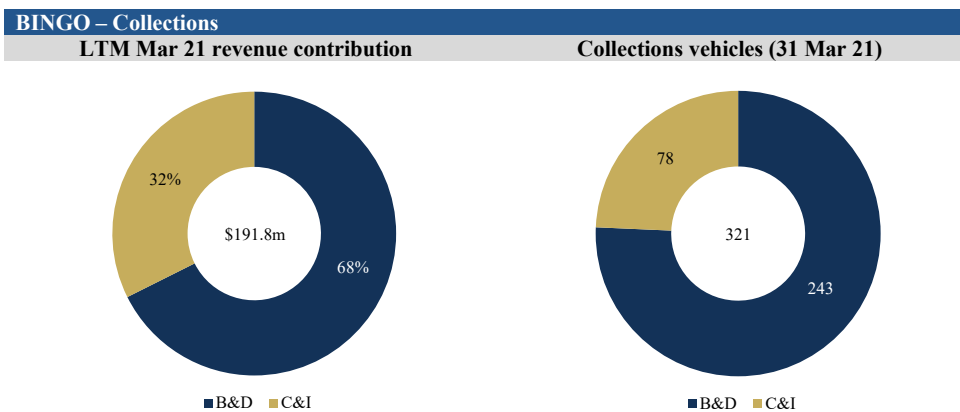
**Note:**

1 Prior to inter-segment eliminations.  
 2 "Other" reported an EBITDA loss during LTM Mar 21.  
 Source: BINGO.

**Collections**

- 91 BINGO’s Collections business collects and transports waste from customers to post-collection facilities such as transfer facilities and advanced recycling centres, and disposal / landfill sites. The Collections business is carried out through its two business divisions:
- (a) BINGO Bins (B&D) – which focuses on the collection of non-putrescible B&D waste from a wide range of construction sites, civil and infrastructure projects and households. BINGO’s B&D Collections business currently consists of a fleet of some 243 vehicles across NSW and VIC<sup>30</sup>
  - (b) BINGO Commercial (C&I) – which focuses on the collection of C&I waste from customers across a range of sectors, including commercial offices, hospitality, education, retail and manufacturing. BINGO’s C&I Collections business currently consists of a fleet of some 78 vehicles across NSW and VIC<sup>31</sup>.

- 92 BINGO’s B&D Collections accounted for approximately 68% of total LTM Mar 21 Collections revenue and 76% of BINGO’s Collections fleet as at 31 March 2021:



- 93 Large B&D customers generally receive fixed pricing rates based on bin size and weights across multiple projects, whilst smaller customers with ad hoc jobs are charged based on market rates and on a per job basis.
- 94 BINGO’s C&I customers typically enter into three year contracts with BINGO with contract terms outlining inter alia, the frequency of waste collection services, bin type and waste stream collected, pricing per service, additional charges and allowances for price increases etc.
- 95 BINGO’s five year strategy is to diversify C&I Collections revenue from current levels (around 30% of total Collections revenue) to 40% of total Collections revenue over three years, providing additional annuity style contracted revenue to the business.

<sup>30</sup> As at 31 March 2021.

<sup>31</sup> As at 31 March 2021.

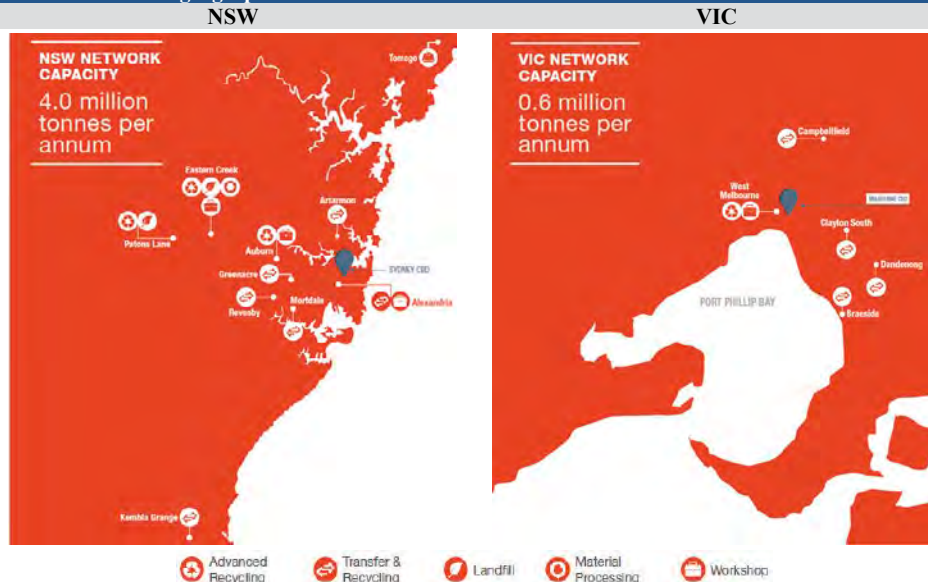
# Annexure 1: Independent Expert's Report



## Post-Collections

- 96 The transformative acquisition of DADI (completed in March 2019) increased BINGO's weighting towards Post-Collections services and exposure to large-scale waste infrastructure assets. As a result, Post-Collections has become BINGO's largest operating segment, accounting for approximately 60% of revenue<sup>32</sup> and 84% of underlying EBITDA during LTM Mar 21.
- 97 BINGO's Post-Collections network currently comprises 15 transfer facilities and advanced recycling centres across NSW and VIC, in addition to the landfill disposal assets at Eastern Creek and Patons Lane in NSW. An overview of the geographical location of BINGO's Post-Collections waste infrastructure assets is set out below:

Post-Collections – geographical location of waste infrastructure assets<sup>(1)</sup>



Note:  
 1 Excludes the Toro manufacturing facility in Coopers Plains, Queensland.  
 Source: BINGO.

- 98 BINGO's Post-Collections network of infrastructure assets is capable of providing processing, resource recovery, recycling, re-sale of recycled products and disposal of waste services. BINGO primarily generates revenue from its Post-Collections waste infrastructure assets from the following sources:
- recycling facility gate fee revenue – BINGO collects gate fees from its customers when waste is received at BINGO's network of resource recovery and recycling centres
  - landfill gate fee revenue – BINGO collects gate fees from its customers when waste is received at BINGO's landfill sites (notwithstanding these fees include the applicable landfill levies that are passed onto the government)

<sup>32</sup> Excluding inter-segment eliminations.

- (c) recycled products revenue – sale of recycled products recovered from BINGO’s recycling centres.
- 99 BINGO’s recycling and landfill facilities dispose of waste collected from BINGO’s Collections business, internal bulk transfers and from external customers. Gate fees (or tipping fees) are charged based on the quantity of waste to be disposed and include any applicable landfill levy<sup>33</sup>. Gate fee revenue is also influenced by the type and the level of recyclability of the waste being tipped, with clean-stream heavy construction waste (e.g. bricks, concrete and sand) costing less to tip than mixed waste and non-recyclable materials, such as asbestos contaminated soil, which is unrecyclable and disposed of direct to landfill.
- 100 While non-recyclable materials attract higher gate fees on a per tonne basis, the tipping of these materials requires the payment of landfill levies impacting gross margins. Conversely, while clean-stream recyclable materials attract lower gate fees, the treatment of this waste does not require the payment of landfill levies and provides an opportunity to sell recycled products. The tipping of mixed waste comprises elements of recyclable and non-recyclable materials, with a portion of this waste requiring disposal in a landfill which will require the payment of the landfill levy.

***Network capacity***

- 101 During FY20, BINGO increased its total Post-Collections network capacity from 3.6 Mtpa to 4.6 Mtpa. The increase in network capacity was primarily attributable to:
- (a) approval of Modification 6 at the Eastern Creek Recycling Ecology Park (Mod 6), expanding the annual landfill capacity to 1 Mtpa (from 700,000 tonnes per annum) and extending the operating hours to 24 hours. During the period BINGO also substantially completed the development of its second Material Processing Centre (MPC2) at Eastern Creek which, when commissioned<sup>34</sup>, will enable the business to process a greater volume of waste (subject to licence approval) and increases the diversion of waste from landfill immediately upon commencement of operation
  - (b) completion of the Mortdale transfer facility in February 2020, providing an additional 220,000 tonnes of annual capacity
  - (c) an increase in the operating hours of the West Melbourne recycling facility and Eastern Creek Material Processing Centre to 24 hours.
- 102 In December 2020, a Standard Secretary’s Environmental Assessment Requirements (SEARs) was issued for the proposed throughput increase of Eastern Creek’s recycling capacity by up to 1.5 Mtpa from the current licence limit of 2.0 Mtpa (i.e. an increase in Eastern Creek capacity to 3.5 Mtpa). This potential increase (subject to licence approval) would be attributable to recycling and would enable BINGO to fully utilise the 1.5 Mtpa operational processing capacity of MPC2.
- 103 A summary of BINGO’s network capacity and utilisation of its waste infrastructure assets during the six months ended 31 December 2020 (1H21) is set out below:

<sup>33</sup> Refer to Section IV for details of NSW and VIC landfill levies.

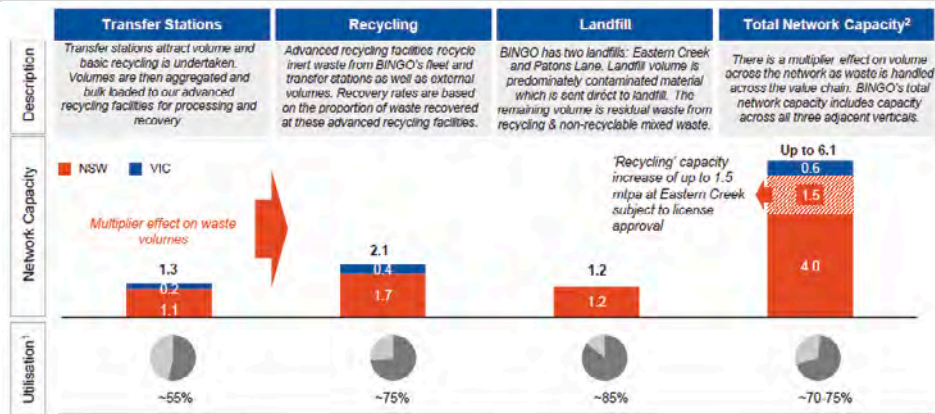
<sup>34</sup> MPC2 is scheduled to be commissioned in late FY21.



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## Network capacity of waste infrastructure assets (Mtpa)



**Note:**

- Utilisation rates represent the utilisation of assets during 1H21 under the existing network capacity of 4.6 Mtpa (i.e. excluding the potential uplift to the licence at Eastern Creek).
- Total Network Capacity includes the proposed throughput increase of 1.5 Mtpa at Eastern Creek (subject to licence approval). Excluding this additional capacity, BINGO's Total Network Capacity is 4.6 Mtpa.

Source: BINGO.

104 As indicated above, BINGO utilised approximately 70% to 75% of its Total Network Capacity during 1H21. The 30% to 35% of unutilised network capacity provides support for future growth of the Post-Collections business without the need for additional infrastructure investment. Accordingly, the Post-Collections business has a targeted focus on increasing waste volumes to improve asset utilisation rates during FY21 and beyond.

### Eastern Creek Recycling Ecology Park

105 The Eastern Creek Recycling Ecology Park comprises a combination of existing<sup>35</sup> and proposed facilities at BINGO's Eastern Creek site that was acquired as part of the acquisition of DADI. Located in Western Sydney's growth precinct, the Eastern Creek Recycling Ecology Park is a large-scale recycling precinct that processes B&D and C&I waste with current licenses to process up to 2.0 Mtpa (including landfill and recycling / processing).

106 A diagrammatic overview of the existing and proposed facilities at BINGO's Eastern Creek Recycling Ecology Park is set out below:

<sup>35</sup> i.e. included in BINGO's existing 4.6 Mtpa network capacity.

Eastern Creek Recycling Ecology Park



Source: BINGO.

*Material Processing Centres*

- 107 The majority of BINGO’s Collections and Post-Collections waste volumes in NSW are sent to the existing Materials Processing Centre (MPC1) located at Eastern Creek. MPC1 is currently capable of recovering around 80% to 85% of materials it processes, with the remaining 15% to 20% of materials sent to landfill.
- 108 BINGO has completed the development of MPC2 with commissioning having commenced in May 2021. MPC2 is BINGO’s largest recycling asset at 9,000 square metres and comprises both recovery and product manufacturing capabilities capable of processing up to 7,000 tonnes of brick, concrete, timber, metal and other recyclable materials per day.
- 109 The commissioning of MPC2 will provide BINGO with improved operational capacity through its increased size and is estimated to be capable of achieving recycling rates of up to 90% through the use of superior equipment including vibrating screens, air density separators, magnets and optical sorting equipment. MPC2 will also be capable of processing inert C&I waste volumes (MPC1 does not have this capability) enabling BINGO to address a larger market and attract more C&I waste. The majority of materials recovered by MPC2 will be repurposed into BINGO’s ECO Product range of recycled products including aggregates, mulch, sand and road base, providing a circular solution for B&D and C&I material to recover and re-use materials that are currently going to landfill.
- 110 MPC2’s roof will also be fitted with approximately 1 megawatt of photovoltaic solar panels and a rain water catchment system which supports BINGO’s long-term commitment to 100% renewable energy across all BINGO facilities by FY25.

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### Future development

111 BINGO continues to develop a Master Plan for the development of the Ecology Park at Eastern Creek which will include the construction of innovative waste infrastructure such as tyre recovery and rubber recycling, glass, paper, cardboard and plastics, ferrous and non-ferrous metal and other recycled products manufacturing facilities.

### Patons Lane

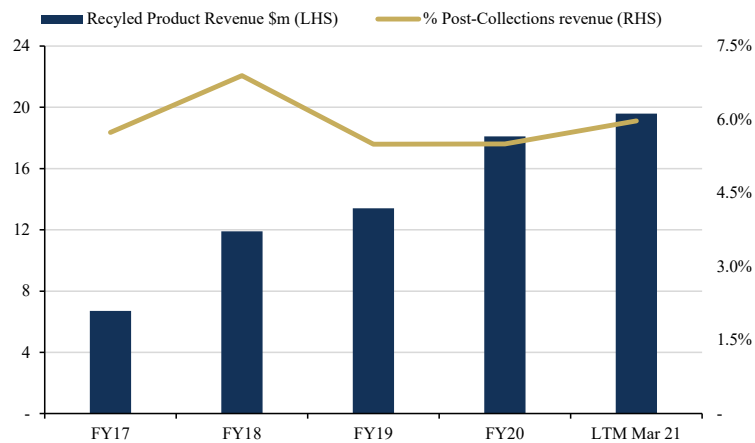
112 In July 2019, BINGO opened its new Patons Lane waste processing, recycling and landfill facility in Orchard Hills in Western Sydney. The advanced recycling equipment commenced operations in February 2020. Patons Lane has a licensed capacity of 450,000 tonnes per annum, of which the recycling centre is approved to process up to 350,000 tonnes per annum and landfill capacity is up to 205,000 tonnes per annum.

### Recycled products

113 Materials recovered from BINGO's recycling centres are used to manufacture BINGO's Eco Product range, which encompasses a variety of aggregates, road, mulch, sand and road base. These products are used to build new infrastructure and preserve the embodied energy of materials, produce less carbon than raw materials and reduce waste going to landfill.

114 BINGO's recycled product revenue currently represents approximately 6% of BINGO's Post-Collections revenue (or some 4% of total revenue) and is expected to increase as BINGO continues to invest in its recycling facilities and capabilities:

**Recycled Product Revenue (\$m)**



Source: BINGO.

### Other

115 BINGO's Other segment primarily includes the manufacture and sale of steel and plastic bins, and supply of compactor bins, through TORO, as well as unallocated corporate costs. TORO services both BINGO's Collections operations and external customers across the waste

management, mining and construction industries. External sales represented approximately 66% of TORO'S revenue in LTM Mar 21.

- 116 TORO is an important supplier for BINGO'S Collections business, ensuring BINGO has a sufficient supply of waste equipment. TORO has three manufacturing facilities located in NSW, VIC and Queensland and is targeting expansion into mechanical waste equipment for future growth and diversification, supporting BINGO'S targeted five-year strategy to achieve 60:40 revenue from B&D and C&I Collections.

#### **Major customers**

- 117 BINGO provides services to more than 15,000 customers across a range of sectors including construction (engineering construction and building construction), industrials, retail and consumer, healthcare, food and beverage and government.
- 118 BINGO'S Collections and Post-Collections operations have a diversified customer base (e.g. no single customer represented more than 5% of total revenue in LTM Mar 21).

#### **Impact of COVID-19**

- 119 The financial performance of BINGO in the final quarter of FY20 and LTM Mar 21 has been negatively impacted by the COVID-19 pandemic, albeit the extent of the impact has differed across BINGO'S service lines and locations:
- (a) Collections revenue in NSW has been impacted by a combination of volume and price impacts as a result of softening B&D end markets and a decline in waste generation at shopping centres and commercial offices affecting C&I Collections
  - (b) Collections revenue in VIC has primarily been impacted by a decline in volumes during government imposed restrictions and extended lockdown periods, noting Collections prices in VIC have remained broadly stable throughout the period
  - (c) the reduction in C&I waste volumes in NSW and VIC primarily relate to the number of bin services required, rather than a reduction in customer numbers
  - (d) price reductions have been made within the NSW Post-Collections business, however the price impact has partially been offset by an increase in waste volumes
  - (e) FY21 Collections and Post-Collections are expected to remain impacted by softer residential and non-residential construction market activity and economic outlook, with some offset from government stimulus and infrastructure investment.

#### **Financial performance**

- 120 The financial performance of BINGO for the three years ended 30 June 2020 (FY20) and LTM Mar 21 is set out below:

## Annexure 1: Independent Expert's Report



### BINGO – statement of financial performance<sup>(1)</sup>

|                                      | FY18   | FY19   | FY20 <sup>(2)</sup> | LTM<br>Mar 21 <sup>(2)(3)</sup> |
|--------------------------------------|--------|--------|---------------------|---------------------------------|
|                                      | \$m    | \$m    | \$m                 | \$m                             |
| Underlying revenue                   | 303.8  | 402.2  | 486.7               | 462.8                           |
| <b>Underlying EBITDA</b>             | 93.7   | 108.0  | 152.1               | 127.7                           |
| Depreciation and amortisation        | (21.9) | (35.8) | (61.8)              | (66.2)                          |
| <b>Underlying EBIT<sup>(4)</sup></b> | 71.8   | 72.2   | 90.3                | 61.5                            |
| Finance costs                        | (6.8)  | (6.8)  | (11.8)              | (9.9)                           |
| Non-recurring items <sup>(5)</sup>   | (9.9)  | (34.7) | 16.6                | (5.4)                           |
| <b>Profit before tax</b>             | 55.1   | 30.7   | 95.1                | 46.2                            |
| Income tax expense                   | (17.2) | (8.5)  | (29.1)              | (14.2)                          |
| <b>Profit after tax</b>              | 38.0   | 22.3   | 66.0                | 32.0                            |
| <i>Revenue growth</i>                | 44.6%  | 32.4%  | 21.0%               | (4.9%)                          |
| <i>Underlying EBITDA margin</i>      | 30.8%  | 26.9%  | 31.3%               | 27.6%                           |

#### Note:

- 1 Rounding differences may exist.
- 2 Reflects the adoption of AASB 16. The adoption of AASB 16 increased underlying EBITDA by \$5.0 million in FY20 and \$4.9 million in LTM Mar 21.
- 3 Based upon unaudited management accounts.
- 4 Earnings before interest and tax (EBIT).
- 5 Non-recurring items relate to the following:

|                                      |       |        |       |                      |
|--------------------------------------|-------|--------|-------|----------------------|
| Integration costs                    | (6.5) | (11.4) | (7.7) | (5.5) <sup>(6)</sup> |
| Capital raising costs                | (0.8) | (0.7)  | -     | -                    |
| Performance contract amortisation    | (0.3) | (0.3)  | (0.1) | -                    |
| Underlying tax adjustment            | (2.3) | -      | -     | -                    |
| Acquisition / transaction costs      | -     | (22.3) | 2.8   | 2.9                  |
| Gain on sale of Banksmeadow facility | -     | -      | 22.4  | -                    |
| Write-down of insurance receivable   | -     | -      | (0.8) | 0.8                  |
| BINGO corporate defence              | -     | -      | -     | (2.6)                |
| ACCC legal expense                   | -     | -      | -     | (1.0)                |
| Total                                | (9.9) | (34.7) | 16.6  | (5.4)                |

- 6 Includes a \$1.5 million credit adjustment relating to FY20.

Source: BINGO.

- 121 In addition to the above, we set out below a breakdown of underlying revenue and underlying EBITDA by operating segment:

| <b>BINGO – segment performance<sup>(1)</sup></b> |              |              |                           |  |
|--|--------------|--------------|---------------------------|--|
|  | <b>FY18</b>  | <b>FY19</b>  | <b>FY20<sup>(2)</sup></b> | <b>LTM<br/>Mar 21<sup>(2)(3)</sup></b> |
|  | <b>\$m</b>   | <b>\$m</b>   | <b>\$m</b>                | <b>\$m</b>                             |
| Collections                                      | 176.9        | 213.5        | 222.3                     | 192.6                                  |
| Post-Collections                                 | 172.6        | 243.8        | 329.0                     | 326.4                                  |
| Other  | 27.7         | 31.1         | 31.5 <sup>(4)</sup>       | 27.1                                   |
| Eliminations <sup>(5)</sup>                      | (73.4)       | (86.2)       | (96.2)                    | (83.3)                                 |
| <b>Underlying revenue</b>                        | <b>303.8</b> | <b>402.2</b> | <b>486.7</b>              | <b>462.8</b>                           |
| <br>   |              |              |                           |  |
| Collections                                      | 41.6         | 38.4         | 42.8                      | 29.2                                   |
| Post-Collections                                 | 48.7         | 67.2         | 109.0                     | 106.9                                  |
| Other  | 3.3          | 2.4          | 0.4                       | (8.4)                                  |
| <b>Underlying EBITDA</b>                         | <b>93.7</b>  | <b>108.0</b> | <b>152.1</b>              | <b>127.7</b>                           |
| <br>   |              |              |                           |  |
| <i>Underlying EBITDA margins:</i>                |              |              |                           |  |
| <i>Collections<sup>(6)</sup></i>                 | <i>23.5%</i> | <i>18.0%</i> | <i>19.3%</i>              | <i>15.1%</i>                           |
| <i>Post-Collections<sup>(6)</sup></i>            | <i>28.2%</i> | <i>27.6%</i> | <i>33.1%</i>              | <i>32.8%</i>                           |
| <i>Total</i>                                     | <i>30.8%</i> | <i>26.9%</i> | <i>31.3%</i>              | <i>27.6%</i>                           |

**Note:**

- 1 Rounding differences may exist.
- 2 Reflects the adoption of AASB 16. The adoption of AASB 16 increased underlying EBITDA by \$5.0 million in FY20 and \$4.9 million in LTM Mar 21.
- 3 Based upon unaudited management accounts.
- 4 Excludes \$22.4 million from gain on sale of Banksmeadow and a credit of \$0.6 million pertaining to an adjustment to the purchase price of the acquisition of DADI.
- 5 Eliminations represents the revenue generated by the Post-Collections segment by processing waste delivered by the Collections segment and the products sold by TORO to the Collections segment.
- 6 Underlying EBITDA margins prior to inter-segment eliminations.

Source: BINGO.

122 Set out below is a brief summary of the key highlights of BINGO's recent financial performance.

**Year to 30 June 2019 (FY19)**

- underlying revenue increased by 32.4% to \$402.2 million, due to a combination of:
  - an increase in Collections revenue of 20.7% to \$213.5 million, driven by a partial year contribution of DADI collections revenue as well as a full year contribution from the VIC operations
  - Post-Collections revenue increased by 41.3% to \$243.8 million. Growth in FY19 was attributable to a redistribution of volume across the BINGO network together with a partial year contribution from the DADI post-collection assets in NSW
  - Other revenue increased by 12.2% to \$31.1 million, primarily reflecting growth in TORO revenue which increased by 11% during the period
  - an increase in inter-segment eliminations to \$86.2 million
- underlying EBITDA increased by 15.3% to \$108.0 million, which was attributable to:
  - Collections underlying EBITDA decreased by 7.8% to \$38.4 million despite achieving revenue growth during the period. This reflected a decline in

## Annexure 1: Independent Expert's Report



Collections EBITDA margins due to softening residential construction activity and competitor pricing pressure experienced from late 1H19<sup>36</sup>

- Post-Collections underlying EBITDA increased by 37.9% to \$67.2 million. Higher barriers to entry in Post-Collections insulated EBITDA margins during the period, which were largely maintained despite absorbing increased costs for the whole of FY19 (including tipping and transport costs associated with sites being offline and higher compliance costs)
- Other underlying EBITDA declined from \$3.3 million to \$2.4 million, which reflected a combination of no earnings from equipment rental, higher insurance, public company and corporate costs and implementation of BINGO's long-term incentive plan

### Year to 30 June 2020 (FY20)

- underlying revenue increased by 21.0% to \$486.7 million, which was attributable to:
  - an increase in Collections revenue of 4.1% to \$222.3 million driven by a full year contribution of the DADI acquisition as well as increased operating fleet across VIC and BINGO C&I (notwithstanding the impact of COVID-19 on Collections volumes in the six months ended 30 June 2020 (2H20))
  - Post-Collections revenue increased by 34.9% to \$329.0 million which reflected a full year contribution from the acquisition of DADI and redeveloped or acquired facilities coming online during the period
  - Other revenue remained relatively flat at \$31.5 million. TORO revenue decreased to \$26.3 million from \$28.8 million, with external sales slightly up against FY19 and internal sales down following the substantial completion of the rebranding and refurbishment of bins associated with the DADI integration
  - an increase in inter-segment eliminations to \$96.2 million
- underlying EBITDA increased by 40.8% to \$152.1 million which reflected:
  - an increase in Collections EBITDA of 11.5% to \$42.8 million which was largely attributable to a 130 basis points (bps) improvement in margins driven by a combination of route optimisation, transport cost efficiencies and customer price increases
  - Post-Collections EBITDA increased by 62.2% to \$109.0 million. This was attributable to a combination of the increase in revenue combined with a 550 bps expansion in EBITDA margins to 33.1%, underpinned by operational efficiencies, cost synergies, NSW network reconfiguration and NSW price rises (which were partially offset by volume impact and customer losses during the period)
  - Other EBITDA decreased from \$2.4 million to \$0.4 million. This was primarily driven by lower interest income and increases in corporate overheads, including insurance costs. TORO EBITDA decreased by 19.6% to \$4.8 million, attributable to reduced internal sales during the period
  - the adoption of AASB 16 which increased FY20 underlying EBITDA by \$5.0 million

<sup>36</sup> Six month period to 31 December 2019.

**Year to 31 March 2021 (LTM Mar 21)**

- underlying revenue decreased to \$462.8 million which was primarily due to:
  - a decrease in Collections revenue to \$192.6 million, driven by lower volumes caused by the challenging COVID-19 environment experienced across all waste streams. The decline was predominantly in the C&I business, with reduced activity and waste generation in shopping centre and commercial office end-markets. Volumes in B&D customers also fell, due to a combination of sustained competition and a reduction in the overall addressable market due to a softening in construction activity in the near term
  - Post-Collections revenue remained relatively flat from the prior year at \$326.4 million, due to higher volumes offset by reduced pricing. Despite a softening in the addressable market, Post-Collections volumes in NSW were up, driven by a strategy to maximise utilisation of assets brought online during FY20 and in readiness for the opening of MPC2; the increase in volume was predominately driven by external tipping
  - Other operating revenue decreased to \$27.1 million. The decrease was mainly due to lower internal revenue, with a reduction in the number of bins refurbished during the COVID-19 impacted period. External sales were broadly in line year on year
- Underlying EBITDA decreased to \$127.7 which was primarily due to:
  - a decrease in Collections EBITDA to \$29.2 million mainly driven by the lower volumes as well as a reduction in the average cube rate to remain competitive in the COVID-19 market
  - a decrease in Post-Collections EBITDA to \$106.9 million due to a reduction in recycling prices in order to drive volume growth in readiness for the opening of MPC2
  - a decrease in Other to (\$8.4 million) due to a reduction in other revenue from equipment rental and gain on sale of unproductive assets, as well as a slight contraction of TORO margins due to a higher mix of lower margin bins manufactured.

**FY21 outlook**

- 123 On 22 February 2021, BINGO announced to the ASX that EBITDA margins were expected to decline in FY21 by approximately 200 to 300 bps, before rebounding to its longer-term target of 30%. The unaudited LTM Mar 21 underlying EBITDA margin of 27.6% supports this view.
- 124 BINGO management expects underlying (post-AASB 16) EBITDA for FY21 to be in the range of \$125 million to \$130 million<sup>37</sup>.

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<sup>37</sup> Refer to section 5.7(f) of the Scheme Booklet.

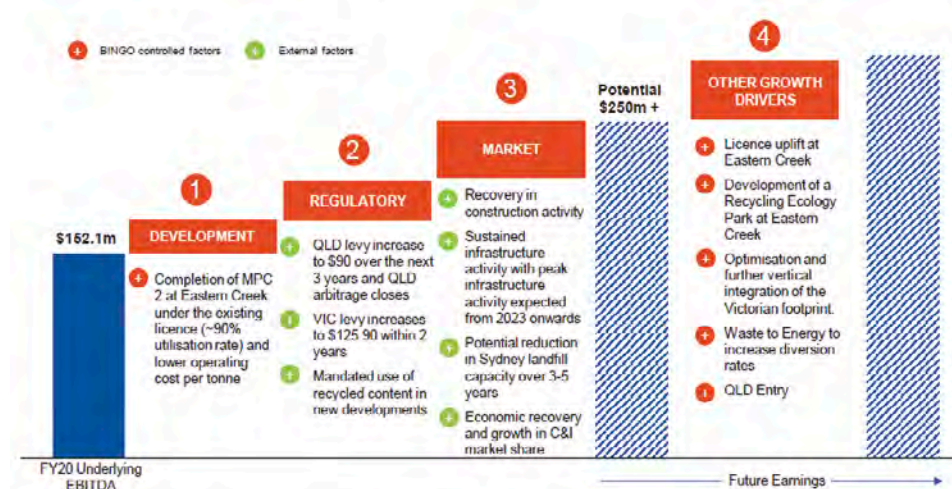


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### Medium / longer-term outlook

125 As part of its FY20 Results Presentation, and reiterated thereafter, BINGO has indicated that its existing asset base has the potential to deliver in excess of \$250 million EBITDA per annum:

#### BINGO – earnings potential of existing asset base<sup>(1)</sup>



**Note:**

1 Chart is for illustrative purposes only and does not represent the individual contributions of Development, Regulatory and Market to the potential uplift in EBITDA over the medium or long term and is subject to market conditions.

Source: BINGO.

### Cash conversion

126 Over the three years to FY20 and LTM Mar 21, BINGO generally achieved a cash conversion ratio close to or in excess of 100% from its operations:

#### BINGO – cash conversion<sup>(1)</sup>

|  | FY18        | FY19         | FY20         | LTM Mar 21 <sup>(2)</sup> |
|--|-------------|--------------|--------------|---------------------------|
|  | \$m         | \$m          | \$m          | \$m                       |
| Underlying EBITDA                            | 93.7        | 108.0        | 152.1        | 127.7                     |
| Less interest income                         | (0.1)       | (1.9)        | (0.2)        | (0.2)                     |
| Less property related activities             | -           | -            | (2.1)        | 1.0                       |
| <b>Underlying EBITDA for cash conversion</b> | <b>93.6</b> | <b>106.1</b> | <b>149.8</b> | <b>128.5</b>              |
| Operating cash flow                          | 69.6        | 75.0         | 128.9        | 137.6                     |
| Tax  | 7.3         | 22.1         | 21.5         | 21.0                      |
| Rectification (insurance claim) / costs      | 3.3         | 0.5          | (2.2)        | (2.9)                     |
| Acquisition and integration costs            | 8.8         | 18.9         | 11.9         | 7.0                       |
| <b>Underlying operating free cash flow</b>   | <b>89.0</b> | <b>116.5</b> | <b>160.1</b> | <b>162.5</b>              |
| Cash conversion ratio <sup>(3)</sup>         | 95.1%       | 109.8%       | 106.9%       | 126.5%                    |

**Note:**

- 1 Rounding differences may exist.
- 2 Based upon unaudited management accounts.
- 3 Calculated as underlying operating free cash flow divided by underlying EBITDA for cash conversion.

### Financial position

127 The financial position of BINGO as at 30 June 2020, 31 December 2020 and 31 March 2021 is set out below:

| <b>BINGO – statement of financial position<sup>(1)</sup></b> |                  |                  |                                |
|--|------------------|------------------|--------------------------------|
|  | <b>30 Jun 20</b> | <b>31 Dec 20</b> | <b>31 Mar 21<sup>(2)</sup></b> |
|  | <b>\$m</b>       | <b>\$m</b>       | <b>\$m</b>                     |
| Cash and cash equivalents                                    | 56.8             | 22.6             | 23.9                           |
| Trade and other receivables                                  | 64.6             | 61.8             | 65.4                           |
| Inventories  | 6.6              | 6.5              | 7.8                            |
| Current tax assets   | -                | 2.9              | 5.3                            |
| Other assets <sup>(3)</sup>                                  | 10.5             | 12.1             | 12.3                           |
| Assets held for sale   | 9.2              | 7.7              | -                              |
| Property, plant and equipment                                | 705.7            | 817.8            | 825.9                          |
| Intangible assets  | 502.5            | 495.0            | 491.6                          |
| Right of use assets (net of related lease liability)         | (2.9)            | (3.5)            | (3.7)                          |
| <b>Total assets</b>  | <b>1,353.1</b>   | <b>1,422.7</b>   | <b>1,428.5</b>                 |
| Trade and other payables                                     | 71.7             | 61.8             | 68.6                           |
| Tax liabilities  | 39.8             | 33.6             | 33.6                           |
| Provisions <sup>(4)</sup>                                    | 18.9             | 19.6             | 19.8                           |
| Deferred settlement payable                                  | -                | 103.4            | 103.4                          |
| Borrowings <sup>(5)</sup>                                    | 363.7            | 337.0            | 347.2                          |
| <b>Total liabilities</b>                                     | <b>494.2</b>     | <b>555.4</b>     | <b>572.6</b>                   |
| <b>Net assets</b>  | <b>858.9</b>     | <b>867.3</b>     | <b>855.9</b>                   |

**Note:**

- 1 Rounding differences may exist.
- 2 Based upon unaudited management accounts.
- 3 Includes contract assets, deposits, prepayments and other receivables.
- 4 Includes a landfill remediation provision of \$12.7 million, \$12.9 million and \$13.0 million as at 30 June 2020, 31 December 2020 and 31 March 2021 respectively.
- 5 Net of unamortised borrowing costs of \$1.3 million, \$3.0 million and \$2.8 million as at 30 June 2020, 31 December 2020 and 31 March 2021 respectively.

Source: BINGO.

128 In respect of the above, we note that:

- (a) **Working capital** – as at 30 June 2020 BINGO operated with a slightly negative net working capital position which had improved to a positive position as at 31 December 2020 and 31 March 2021:

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| <b>BINGO – working capital<sup>(1)</sup></b> |                  |                  |                  |
|--|------------------|------------------|------------------|
|  | <b>30 Jun 20</b> | <b>31 Dec 20</b> | <b>31 Mar 21</b> |
|  | <b>\$m</b>       | <b>\$m</b>       | <b>\$m</b>       |
| Current debtors, prepayments and accruals    | 75.1             | 76.7             | 83.0             |
| Inventories                                  | 6.6              | 6.5              | 7.8              |
| Current creditors, accruals and provisions   | (83.7)           | (66.2)           | (73.1)           |
| <b>Net working capital</b>                   | <b>(1.9)</b>     | <b>16.9</b>      | <b>17.7</b>      |

**Note:**

1 Rounding differences may exist.

- (b) **Property, plant and equipment** – the carrying value of BINGO's property, plant and equipment is as follows:

| <b>BINGO - Property, plant and equipment<sup>(1)</sup></b> |                  |                  |                  |
|--|------------------|------------------|------------------|
|  | <b>30 Jun 20</b> | <b>31 Dec 20</b> | <b>31 Mar 21</b> |
|  | <b>\$m</b>       | <b>\$m</b>       | <b>\$m</b>       |
| Land   | 214.0            | 314.7            | 314.8            |
| Buildings  | 135.0            | 130.7            | 129.6            |
| Landfill   | 108.4            | 108.0            | 107.7            |
| Plant and equipment  | 108.8            | 121.2            | 120.6            |
| Trucks and machinery                                       | 51.4             | 47.5             | 46.7             |
| Work in progress   | 66.6             | 74.7             | 86.1             |
| Leasehold improvements                                     | 21.4             | 20.8             | 20.3             |
| <b>Total property, plant and equipment</b>                 | <b>705.7</b>     | <b>817.8</b>     | <b>825.9</b>     |

**Note:**

1 Rounding differences may exist.

Property, plant and equipment is carried at historical cost less accumulated depreciation and impairment. The majority of BINGO's property plant and equipment relates to its waste infrastructure assets (recycling and transfer stations, landfill etc.) Work in progress relates to deposits and staged payments for certain building works and plant and equipment under construction for the Patons Lane recycling facility and MPC2 at Eastern Creek.

As part of the sale and purchase agreement for the acquisition of DADI, BINGO entered into various options over the Eastern Creek Expansion Land and the Alexandria premises (currently a key transfer station in the Collections business). The respective purchase prices payable under the option arrangements reflect market values for the relevant properties. During the period to 31 December 2020, BINGO exercised the call option for the Eastern Creek Expansion Land for \$103.4 million (including landholder duty). The Expansion Land is currently in the process of subdivision. Payment for the Eastern Creek Expansion Land is expected to be completed toward the end of CY21 or later

- (c) **Intangible assets** – a summary of BINGO's intangible assets is set out below:

| <b>BINGO – Intangible assets<sup>(1)</sup></b> |                  |                  |                  |
|--|------------------|------------------|------------------|
|  | <b>30 Jun 20</b> | <b>31 Dec 20</b> | <b>31 Mar 21</b> |
|  | <b>\$m</b>       | <b>\$m</b>       | <b>\$m</b>       |
| Goodwill                                       | 324.3            | 324.3            | 324.3            |
| Landfill void (Patons Lane and Eastern Creek)  | 139.5            | 133.4            | 131.0            |
| Customer relationships                         | 25.1             | 22.2             | 20.9             |
| Software                                       | 12.6             | 14.7             | 15.2             |
| Patents and trademarks                         | 0.2              | 0.2              | 0.2              |
| Brand names                                    | 0.8              | 0.2              | -                |
| <b>Total intangibles</b>                       | <b>502.5</b>     | <b>495.0</b>     | <b>491.6</b>     |

**Note:**

1 Rounding differences may exist.

Goodwill was recognised following the acquisition of DADI, which completed in March 2019. Goodwill is tested annually for impairment using the value in use method. As at 30 June 2020, a post-tax discount rate of 8.5% was adopted for impairment testing purposes

Landfill void is measured at fair value on acquisition using a discounted cash flow (DCF) method and is amortised over its useful life. As at 30 June 2020, the carrying value of the Patons Lane landfill void was \$27.2 million and had a remaining useful life of 21 years. The Eastern Creek landfill void had a carrying value of \$112.3 million and had a remaining useful life of 14 years<sup>38</sup>

(d) **Net debt** – the composition of BINGO’s net debt is set out below:

| <b>BINGO – net debt<sup>(1)</sup></b>                 |                  |                  |                  |
|---|------------------|------------------|------------------|
|   | <b>30 Jun 20</b> | <b>31 Dec 20</b> | <b>31 Mar 21</b> |
|   | <b>\$m</b>       | <b>\$m</b>       | <b>\$m</b>       |
| Cash and cash equivalents                             | 56.8             | 22.6             | 23.9             |
| Derivative liabilities                                | (0.1)            | (0.3)            | (0.3)            |
| Bank loans <sup>(2)</sup>                             | (365.0)          | (340.0)          | (350.0)          |
| <b>Net debt (excluding AASB 16 lease liabilities)</b> | <b>(308.2)</b>   | <b>(317.7)</b>   | <b>(326.4)</b>   |
| AASB 16 lease liabilities                             | (42.6)           | (43.0)           | (43.3)           |
| <b>Net debt (including AASB 16 lease liabilities)</b> | <b>(350.8)</b>   | <b>(360.7)</b>   | <b>(369.7)</b>   |

**Note:**

1 Rounding differences may exist.

2 Exclude unamortised borrowing costs of \$1.3 million, \$3.0 million and \$2.8 million as at 30 June 2020, 31 December 2020 and 31 March 2021 respectively.

As at 31 March 2021, BINGO had syndicated banking facilities of \$500 million which were partially drawn to \$350 million. In October 2020, BINGO refinanced its syndicated banking facility, providing increased covenant headroom and extending the facility expiry to October 2024. The syndicated facility is secured against BINGO’s business, property, plant and equipment and its subsidiaries. BINGO utilises short-term rollovers to manage its interest rate risk with no speculative trading in financial instruments.

<sup>38</sup> Landfill life based on remaining void space, the annual licence limit together with the historic compaction rate.

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The refinanced syndicated banking facilities are subject to the following financial covenants, which are tested semi-annually:

- (i) total leverage ratio (calculated as net debt to EBITDA) not to exceed 3.75 times
- (ii) interest coverage ratio (calculated as EBITDA to net interest expense) minimum of 3.0 times.

129 In addition to the above, we note that BINGO has a number of off-balance sheet contingent liabilities:

- (a) a customer has commenced legal proceedings against BINGO with respect to contaminated aggregate received from the Kembla Grange site. BINGO does not anticipate any net loss with respect to the matter as any costs or liability will be recovered under its insurance policy
- (b) the ACCC is currently investigating industry wide price increases in the NSW B&D sector that were implemented on and from 1 July 2019. Should enforcement proceedings be taken against BINGO and one or more contraventions proven, significant financial penalties are likely. In respect of each proven contravention, the maximum pecuniary penalties are the greater of:
  - (i) \$10 million; and
  - (ii) if the Court can determine the total benefit to BINGO reasonably attributable to the contravening act or omission, three times that benefit; or
  - (iii) if the Court cannot determine that benefit, 10% of FY20 annual turnover in Australia (which was \$486.7 million)
- (c) as noted in section 7.3 of the Scheme Booklet:
  - (i) the EPA has recently alleged that waste stored by BINGO at Eastern Creek exceeded its authorised limits and has issued BINGO with invoices that in aggregate amount to some \$33 million. BINGO disputes the invoices and is in the process of obtaining updated volumetric surveys, expert reports and advice on the invoices to support its position where applicable. BINGO expects that the final amount payable will be materially less than the issued invoice amounts.

Further, if the EPA forms the view that incorrect information has been provided to the EPA when reporting on the waste received at Eastern Creek, a penalty notice may be issued by the EPA. The maximum amount of any penalty notice in this regard is \$250,000 for the relevant BINGO entity and \$120,000 for any officer involved
  - (ii) SafeWork has recently commenced proceedings against BINGO in relation to a workplace incident in May 2019 in which an employee was fatally injured. Penalties for a proven contravention of the offence range from an enforceable undertaking to a financial penalty of up to \$1.7 million.

### Share capital and performance

- 130 As at 4 June 2021, BINGO had 655.0 million fully paid ordinary shares on issue<sup>39</sup>.
- 131 In addition, BINGO has approximately 4.9 million performance rights which have been issued to (eligible) key management personnel and other selected senior executives under BINGO’s short- and long-term incentive programs.
- 132 The performance rights do not carry any voting or dividend rights and each (vested) performance right converts to one BINGO share with no consideration payable. The number of performance rights that vest depends on the extent to which the performance hurdles have been satisfied over the performance period ending on the vesting date.
- 133 Unless the BINGO Board determines otherwise, unvested performance rights automatically lapse in the event the participant ceases to be an employee of BINGO except in certain situations where the employee is a “good leaver”. All performance rights that fail to vest also immediately lapse.
- 134 In relation to certain change of control events concerning BINGO (subject to the terms of the relevant rules of the programs), the BINGO Board has broad discretions in relation to the unvested performance rights.

### Significant shareholders

- 135 As at 4 June 2021, there were three substantial shareholders in BINGO. The substantial shareholders (based on the FY20 Annual Report and Director interest / substantial shareholder notices released to the ASX) were as follows:

| BINGO – substantial shareholders <sup>(1)</sup>  |             |            |
|--|-------------|------------|
|  | Shares held |            |
|  | million     | % interest |
| Daniel Tartak                                    | 129.8       | 19.8       |
| Ian Malouf                                       | 77.7        | 11.9       |
| Schroder Investment Management Australia Limited | 52.7        | 8.1        |

**Note:**

1 Rounding differences may exist.

**Source:** FY20 Annual Report and change in director interest / substantial shareholder notices released to the ASX.

### Share price performance

- 136 The following chart illustrates the movement in the share price of BINGO from 1 June 2019 to 26 April 2021<sup>40</sup>:

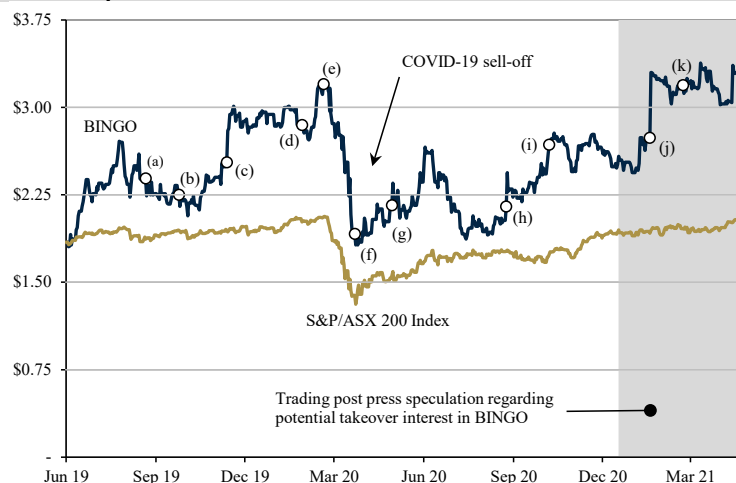
<sup>39</sup> Includes the 175,706 GOgetter Gift Shares (refer section 9.2 of the Scheme Booklet).

<sup>40</sup> Being the last trading day prior to the announcement of the Scheme.

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**BINGO – share price history<sup>(1)</sup>**  
**1 June 2019 to 26 April 2021**



**Note:**

<sup>1</sup> Based on closing prices. The S&P/ASX 200 Index has been rebased to BINGO's last traded price on 1 June 2019, being \$1.85.

Source: Bloomberg.

137 From 1 June 2019 through to 26 April 2021 (i.e. the last trading day prior to announcement of the Scheme), BINGO generally outperformed the ASX 200 Index. Key market sensitive announcements during the period are as follows:

- (a) **22 August 2019** – BINGO released its FY19 results, reporting underlying revenue of \$403.2 million and underlying EBITDA of \$106.1 million<sup>41</sup>
- (b) **25 September 2019** – the ACCC approved CPEC as the purchaser of BINGO's Banksmeadow facility under the terms of the court-enforceable undertaking of 28 February 2019, which was required to support the acquisition of DADI
- (c) **13 November 2019** – BINGO provided earnings guidance for FY20 with underlying EBITDA expected to be in the range of \$159 million to \$164 million
- (d) **28 January 2020** – BINGO announced that the ACCC was conducting an investigation into the B&D waste sector in NSW. The Company also reaffirmed its FY20 EBITDA guidance of \$159 million to \$164 million
- (e) **20 February 2020** – BINGO released its results for the six months ended 31 December 2019 (1H20), reporting revenue of \$271.2 million and underlying EBITDA of \$82.0 million<sup>42</sup>
- (f) **23 March 2020** – as a result of the increased uncertainty arising from the COVID-19 pandemic, BINGO withdrew its FY20 earnings guidance

<sup>41</sup> FY19 underlying EBITDA was restated to \$108.0 million to include interest income in the FY20 Annual Report.

<sup>42</sup> Reported underlying EBITDA includes profit on sale of properties of \$3.2 million.

- (g) **30 April 2020** – BINGO announced that it had secured approval for Mod 6 at Eastern Creek which would increase of the annual landfill limit from 0.7 Mtpa<sup>43</sup> and increase operating hours of the Material Processing Centres to 24 hours, 7 days per week
- (h) **25 August 2020** – BINGO released its FY20 results, reporting underlying revenue of \$486.7 million and underlying EBITDA of \$152.1 million. The Company also announced that it expected total EBITDA margins to decline by approximately 200 to 300 bps in FY21 before rebounding to its longer-term target of 30% in order to maintain and grow waste volumes
- (i) **8 October 2020** – BINGO announced it had secured the refinancing of its \$500 million syndicated banking facilities. The Company also provided a trading update, announcing Post-Collections waste volumes in July and September 2020 were record months, with September average daily volumes 5% higher than July 2020 while total daily collection volumes were 10% to 15% below pre COVID-19 levels during the first quarter of FY21
- (j) **19 January 2021** – BINGO announced that it had received the Indicative Proposal
- (k) **22 February 2021** – BINGO released its 1H21 results, reporting underlying revenue of \$241.1 million and underlying EBITDA of \$65.2 million.

#### Liquidity in BINGO shares

138 The liquidity in BINGO shares based on trading on the ASX over the 12 month period prior to 26 April 2021<sup>44</sup> is set out below:

| BINGO – liquidity in shares |            |           |                            |  |  |                            |
|-----------------------------|------------|-----------|----------------------------|--|--|----------------------------|
| Period                      | Start date | End date  | No of shares traded<br>000 | WANOS <sup>(1)</sup><br>outstanding<br>000 | Implied level of liquidity<br>Period <sup>(2)</sup><br>% | Annual <sup>(3)</sup><br>% |
| 1 month                     | 27 Mar 21  | 26 Apr 21 | 32,514                     | 654,961                                    | 5.0  | 59.6                       |
| 3 months                    | 27 Jan 21  | 26 Apr 21 | 126,534                    | 654,805                                    | 19.3   | 77.3                       |
| 6 months                    | 27 Oct 20  | 26 Apr 21 | 256,636                    | 654,498                                    | 39.2   | 78.4                       |
| 1 year                      | 27 Apr 20  | 26 Apr 21 | 691,208                    | 654,182                                    | 105.7  | 105.7                      |

**Note:**

- 1 Weighted average number of shares outstanding (WANOS) during relevant period.
- 2 Number of shares traded during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.

139 The implied level of liquidity in BINGO shares (on an annualised basis) has marginally decreased over the observed period. Nevertheless, BINGO shares are relatively liquid, particularly when considering the large parcels of stock that have historically been closely held, for example by Mr Tartak and Mr Malouf.

<sup>43</sup> Excluding residual waste from the Material Processing Centres.

<sup>44</sup> Being the last trading day prior to the announcement of the Scheme.



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## IV Industry overview

### Introduction

140 BINGO operates in the Australian waste management sector, providing total waste management services across the waste value chain, from waste collections to waste processing and disposal and recycled products. Through its Collections and Post-Collections segments, BINGO focuses on the provision of waste management services for B&D and C&I waste streams across NSW and VIC.

### Australian waste management sector

141 The Australian waste management sector can be categorised by the type and origin of the waste stream being managed. The three main waste streams are:

- (a) **B&D waste** – waste produced by demolition and construction of residential and commercial buildings, civil projects, infrastructure development and household renovations and repairs
- (b) **C&I waste** – waste collected primarily from commercial buildings, businesses, government facilities, educational institutions and industrial sites
- (c) **municipal solid waste (MSW)** – waste collected from households and councils through curbside collections.

142 The three waste streams indicated above can be further categorised as:

- (a) non-hazardous or hazardous waste
- (b) putrescible or non-putrescible waste<sup>45</sup>.

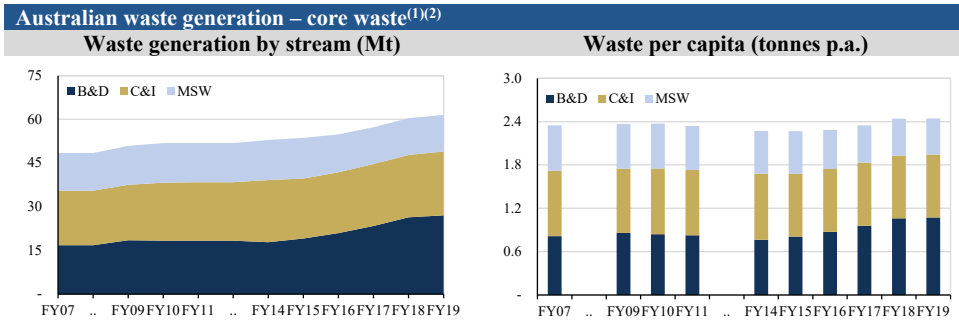
143 BINGO's Collections and Post-Collections businesses primarily focus on non-putrescible and non-hazardous B&D waste (but do handle some hazardous waste in the form of asbestos contaminated material at its Eastern Creek landfill), in addition to both putrescible and non-putrescible C&I waste.

144 Over the 12 years from FY07 to FY19<sup>46</sup>, total core waste generation<sup>47</sup> in Australia increased at a compound annual growth rate (CAGR) of 2.0% to reach 61.5 million tonnes (Mt) of waste, equivalent to 2.44 tonnes per capita:

<sup>45</sup> Non-putrescible waste, also referred to as inert waste, typically does not readily decay under standard conditions, emit offensive odours nor attract vermin.

<sup>46</sup> Being the latest available data.

<sup>47</sup> Core waste generation excludes fly ash waste that is generated from the coal combustion process used in electricity generation (i.e. it represents waste volumes managed by the waste and resource recovery sector).



**Note:**  
 1 Excludes fly ash (i.e. represents waste volumes managed by the waste and resource recovery sector). Fly ash is a naturally occurring waste product from the coal combustion process used in electricity generation.  
 2 National data was not collected for FY08, FY12 and FY13.  
 Source: National Waste Report 2020.

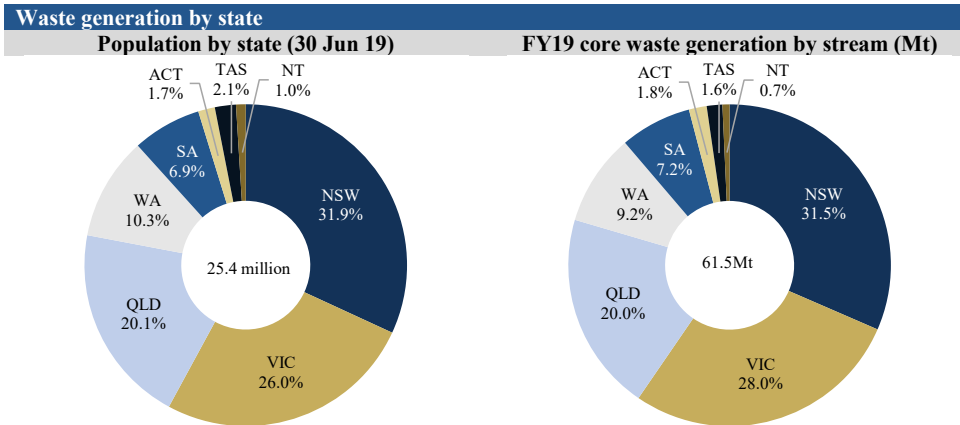
- 145 During FY19, B&D<sup>48</sup> waste was the largest waste stream in Australia, accounting for 27.0 Mt (44%) of core waste generation. This was followed by C&I waste, which generated 21.9 Mt of waste (36%) and MSW which produced 12.6 Mt (20%).
- 146 B&D waste volumes remained fairly consistent between FY07 and FY14 but increased significantly in the more recent period to FY19, attributable to the significant level of construction activity across Australia’s major capital cities. In the five years to FY19, B&D waste volumes increased by a CAGR of 8.8%. Over the same five year period, C&I waste increased at a CAGR of only 0.6% while MSW waste declined by an average annual rate of 1.8%.
- 147 On a per capita basis, Australian waste generation has marginally increased since FY07, but has typically ranged from 2.3 to 2.4 tonnes per annum.

**NSW and VIC segments**

- 148 Waste generation is closely linked with Gross Domestic Product growth and population size, with (other things being equal) higher population resulting in higher waste generation. As indicated in the charts below, Australia’s two biggest states, NSW and VIC, represented approximately 57.9% of Australia’s population as at 30 June 2019 and 59.6% of Australian waste generation during FY19.

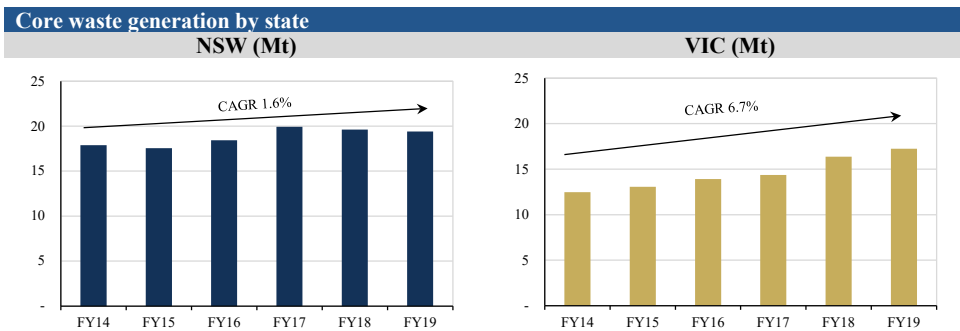
<sup>48</sup> In the National Waste Report, B&D waste is defined as construction and demolition (C&D) waste. For consistency throughout our report, any reference to C&D waste in the National Waste Report has been referred to as B&D.

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Source: Australian Bureau of Statistics (ABS) and National Waste Report 2020.

149 The core waste volumes generated by NSW and VIC over the five years to FY19<sup>49</sup> are set out below:



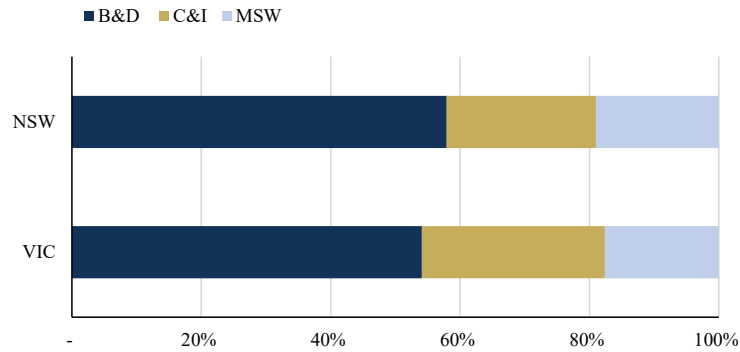
Source: National Waste Report 2020.

150 Over the five years to FY19, waste generation in NSW increased at a CAGR of 1.6%, broadly consistent with the increase in population (1.5% CAGR). Over the same period, VIC waste generation increased at a higher CAGR of 6.7% (the largest of all states in Australia), which significantly exceeded its population growth (2.3% CAGR). The increase in VIC waste generation over this period was primarily attributable to a substantial increase in the volume of B&D waste as a result of land development and public transport infrastructure works, including level crossing removals.

151 B&D and C&I waste streams are estimated to account for over 80% of the waste generated in NSW and VIC:

<sup>49</sup> Being the latest available data.

Waste generation in NSW and VIC by waste stream

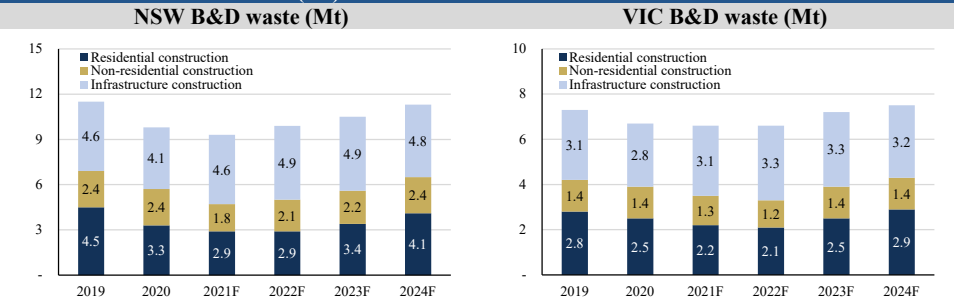


Source: NSW EPA, Waste Avoidance and Resource Recovery Strategy Progress Report 2017-18 and Infrastructure Victoria, Recycling and Resources Recovery Infrastructure October 2018.

**B&D waste volumes**

152 In the more recent period, the COVID-19 pandemic has impacted B&D waste volumes in NSW and VIC due to a decline in residential construction activity and subdued non-residential end markets. BINGO management estimate that B&D waste volumes in NSW and VIC will slightly decline in FY21, before achieving a broader recovery in FY22 and beyond, primarily due to a rebound in residential and non-residential construction activity, together with strong growth in infrastructure construction underpinned by the announced pipeline of committed federal and state infrastructure projects:

Forecast B&D waste volumes (Mt) in NSW and VIC



Source: BINGO.

153 As indicated above, BINGO management expect B&D waste in NSW and VIC to increase at a CAGR of 6.7% and 4.4% respectively over the period from 2021 to 2024.

**C&I waste volumes**

154 C&I waste volumes in NSW and VIC have been impacted by the COVID-19 pandemic due to government imposed restrictions and extended lockdown periods (particularly in VIC) which have reduced the waste volumes generated by, inter alia, shopping centres, hospitality venues and commercial offices.

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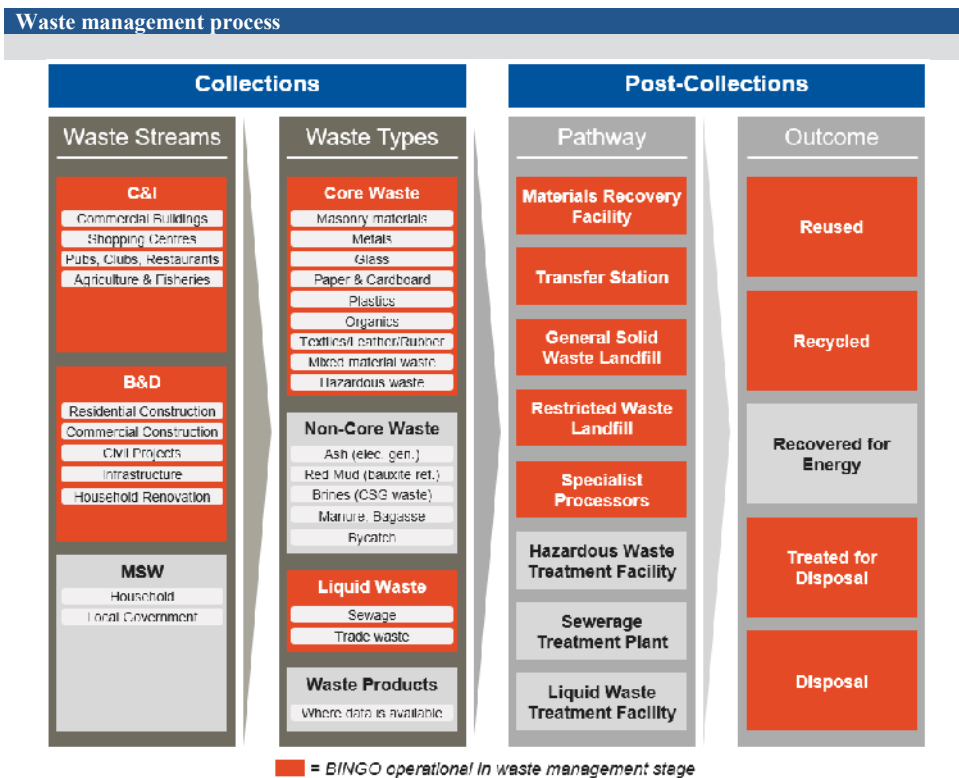
155 C&I waste volumes are forecast to increase modestly over the four years to 2024, broadly in line with economic and population growth<sup>50</sup>.

### Waste management value chain

156 The waste management value chain is broadly separated into collections and post-collections services, details of which are:

- (a) **collections** – involves the collection and transport of solid and liquid waste to post-collections facilities. Bins are typically provided to customers and waste is delivered to a post-collections facility in a specialised vehicle
- (b) **post-collections** – relates to the processing and disposal of waste, waste remediation, materials recovery and energy generation. Post-collections facilities include resource recovery and recycling centres, transfer stations and landfills. Resource recovery involves waste separation and the recovery of reusable or saleable products, with residual waste typically disposed of in landfill.

157 The diagram below sets out an overview of the different services provided in the Australian waste management industry (including the areas in which BINGO operates):



Source: BINGO.

<sup>50</sup> Source: BINGO management estimates.

### Collections services

- 158 The first process in the waste management value chain involves the collection of waste from the point of generation and transportation to post-collections facilities. Bins are typically delivered to customers, which are then filled by the customer with waste. The bin is then collected and its contents are transported to and deposited at a post-collections facility (such as a transfer station, recycling facility or landfill site). The transport of waste is generally performed as a commercial service through the use of specialised trucks.
- 159 Collections services can be broadly broken down into solid and liquid waste collection services:
- (a) **solid waste collection** – solid waste accounts for the majority of waste collection services in Australia and involves the collection and haulage of domestic (including organic material, paper and cardboard and glass and plastic), commercial or industrial hazardous and non-hazardous solid waste (including masonry and metal waste)
  - (b) **liquid waste collection** – liquid waste collection is a smaller component of the waste management industry and covers the haulage of domestic, commercial and industrial liquid waste and other waste types (excluding sewage and its related waste). Liquid collection services are primarily undertaken in relation to sludge, contaminated liquids, used industrial oils and used cooking oils.

### Post-collections services

- 160 Post-collections facilities include resource recovery<sup>51</sup> and recycling<sup>52</sup> facilities, transfer stations and landfills. Waste is collected and transported to resource recovery and recycling facilities and transfer stations for sorting and processing. Material suitable for recycling or other forms of recovery are either recycled into products or transported to appropriate facilities for further processing. Residual waste material that is unsuitable for recycling, material recovery or other alternative uses is generally disposed of at landfills.
- 161 Treatment facilities for hazardous and specialised waste materials are designed to receive and process specialty waste materials. Similar to non-hazardous waste, some hazardous waste materials may be suitable for reuse or recycling, with the remaining waste generally disposed of at landfills or specialty hazardous material disposal sites once treated.
- 162 Post-collections services can be broadly classified into waste treatment and disposal services, and waste remediation and materials recovery services:
- (a) **waste treatment and disposal** – covers the treatment or disposal of solid, liquid and other waste types (including hazardous waste), as well as the operation of landfills, incinerators, composting and other treatment facilities (excluding sewage treatment facilities), including waste transfer stations
  - (b) **waste remediation and materials recovery** – involves the remediation and clean-up of contaminated buildings and mine sites, the removal of hazardous materials such as asbestos and lead paint and other toxic material abatement<sup>53</sup>.

<sup>51</sup> Resource recovery refers to the process of separating waste material for reuse.

<sup>52</sup> Recycling refers to the conversion of recovered materials into a useable product and saleable good.

<sup>53</sup> Operators also engage in the on-selling of recovered scrap materials.

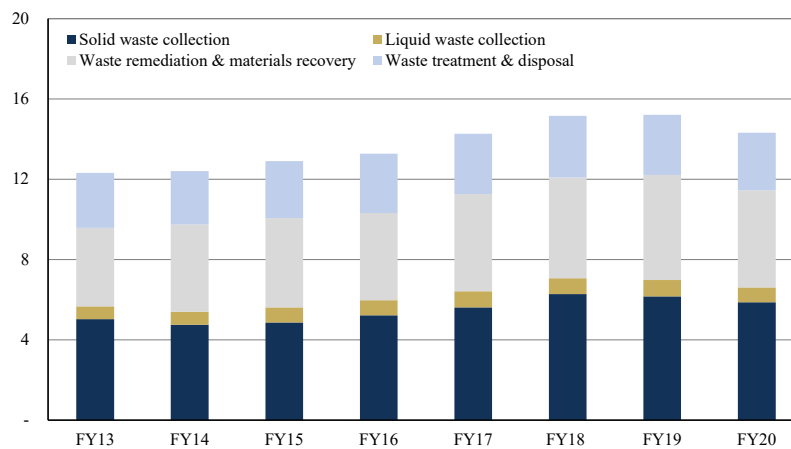
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## Industry revenue

163 Turnover for the Australian waste management industry was estimated at \$14.3 billion in FY20, having declined from the historical high achieved in FY19:

**Australian waste collection, treatment and disposal services revenue (\$ billion)**



Source: IBISWorld.

164 Over the six years to FY19, industry revenue increased by a real CAGR of 3.6%, driven by a combination of growing population levels, increasing urbanisation, higher per capita waste generation and growth in key waste producing sectors such as construction. These growth drivers were somewhat offset by declines in the manufacturing industry, increased importation of goods and a shift towards individuals and businesses reducing waste.

165 By waste management industry segment we note that over the six years to FY19:

- (a) revenue from solid waste collections services grew at a real CAGR of 3.4%, due to natural increases in waste volumes, with growth offset by increased competition and pricing pressure
- (b) liquid waste collections revenues grew at a faster rate than the overall industry (real CAGR of 4.3%), due to the earlier introduction of legislation that prompted liquid waste producers to outsource waste management services in order to comply with environmental guidelines, greater recycling rates and higher waste output from key customers (e.g. food and beverage manufacturers)
- (c) revenue for waste treatment and disposal services marginally increased by a real CAGR of 1.5%. This was primarily attributable to the diversion of waste volumes to waste remediation and materials recovery facilities in response to new government policies aimed at increasing recycling rates and reducing landfill expansion<sup>54</sup>

<sup>54</sup> Examples of such government policies include increasing landfill levies, providing paper and organic municipal recycling collection services and introducing stricter regulations for waste disposal methods.

(d) revenue from waste remediation and materials recovery services grew at a real CAGR of 5.0% (and was the fastest growing industry segment), as government waste recovery targets resulted in the diversion of waste from landfill towards industry operated materials recovery facilities.

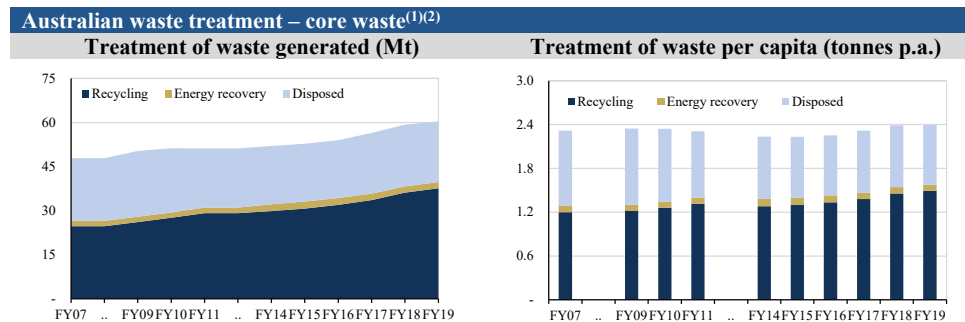
166 During FY20, industry revenue declined by 5.8% to \$14.3 billion, primarily due to the effects of the COVID-19 pandemic which reduced waste B&D and C&I waste generation volumes, driven by some delays in construction activity and demand declines from cafes, restaurants, bars, pubs and accommodation services as a result of government imposed restrictions.

167 Industry revenue is expected to decline by approximately 4% in FY21 as waste production volumes remain subdued as a result of the COVID-19 pandemic, after which a recovery is expected to stimulate revenue growth in the four years to FY25.

### Recycling

168 Recycling is a strategically important service in the waste management sector, particularly given the ongoing preference of customers towards the diversion of waste from landfills and the transition to a circular economy to align with their environmental, social and governance aspirations and government policies.

169 Whilst total waste volumes in Australia increased over the 12 years to FY19, the volume of recycling over the same period increased at a greater rate (CAGR of 3.6%), which resulted in a reduction in the percentage of waste sent to landfill annually:



**Note:**

1 Excludes fly ash (i.e. represents waste volumes managed by the waste and resource recovery sector). Fly ash is a naturally occurring waste product from the coal combustion process used in electricity generation.

2 National data was not collected for FY08, FY12 and FY13.

Source: National Waste Report 2020.

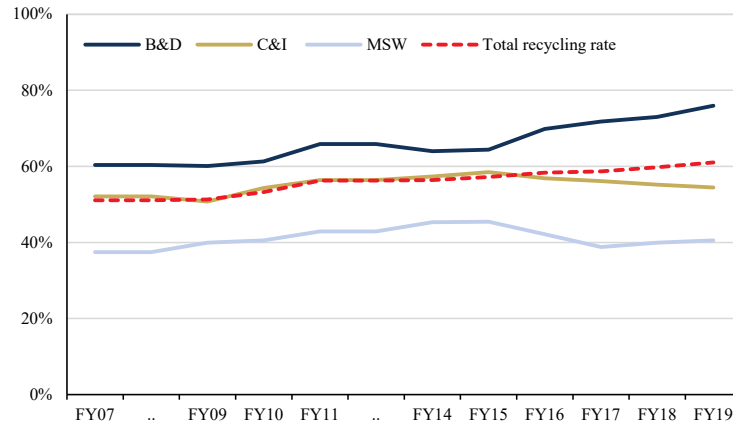
170 Since FY07, total recycling rates for core waste have improved from around 50% to 60%:



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**Australian recycling rates by stream – core waste<sup>(1)</sup>**



**Note:**  
 1 National data was not collected for FY08, FY12 and FY13.  
**Source:** National Waste Report 2020.

- 171 As indicated above, the proportion of materials recycled is highest for B&D waste streams, which achieved recycling rates in excess of 75% during FY19. B&D waste materials tend to be homogenous and the management thereof is sensitive to landfill prices. The increase in B&D recycling rates in recent years is attributable to a combination of increased landfill levies, the increasing importance of environmental, social and corporate governance considerations and the success of demolition waste recycling in providing an alternative source of materials for road base and construction aggregates, with state governments encouraging the use of recycled B&D products in civil construction projects.
- 172 C&I waste streams have achieved fairly constant recycling rates around 55% while MSW waste has the lowest recycling rate at around 40%.
- 173 During FY19, the estimated recovery rate was highest for metals (90%) followed by masonry materials (82%), paper and cardboard (66%), organics (60%), glass (59%) and hazardous waste (30%)<sup>55</sup>. Plastics had the lowest recovery rate of all materials at 15%.

### COAG ban on waste exports

- 174 During FY20, Australia exported some 3.88 Mt of core waste for recovery overseas. Whilst the quantity of Australia waste exported is relatively small compared to the total core waste volumes generated, exports of waste came to public prominence after China announced in 2017 and 2018 that it would restrict the import of certain waste derived products. Whilst global flows of these materials have since been displaced to other south-eastern Asian countries, many of these countries have also implemented their own import restrictions.
- 175 In response, the Council of Australian Governments (COAG) announced in August 2019 that bans would be established on the export of some waste-derived products, commencing in the second half of 2020. The bans, which have a four year implementation timetable, will apply

<sup>55</sup> Excludes hazardous waste sent to treatment as this cannot be readily classified as recovered or disposed of.

to waste plastic, paper, glass and tyres that have not been recycled and processed into value-added material.

- 176 As a consequence of the COAG ban on waste exports, local Australian recycling and processing facilities together with recycled product stewardship have become increasingly important.

#### **Recycling Modernisation Fund**

- 177 On 6 July 2020, the Australian Federal Government announced that it would commit \$190 million of funding to a new Recycling Modernisation Fund (RMF) that will generate \$600 million of recycling investment and drive a billion-dollar transformation of Australia's waste and recycling capacity.
- 178 The RMF will support innovative investment in new infrastructure to sort, process and remanufacture materials such as mixed plastic, paper, tyres and glass, with federal funding contingent on co-funding from industry, states and territories.
- 179 The RMF is part of a national strategy to protect the Australian environment, transition to a circular economy and reach a national resource recovery target of 80% by 2030. The RMF will provide opportunities for waste recovery and recycling operators such as BINGO.
- 180 On 22 January 2021, the Australian Federal Government and NSW Government announced a \$35 million grant round for recycling companies ready to invest in new projects that will help continue the transformation of NSW's waste industry.

#### **Competition**

- 181 Industry participants tend to compete on price, geographical reach, service offering, recovery rates and the ability to provide total waste management services, as clients increasingly seek to consolidate multiple contracts under one operator to reduce time, complications and costs. Ownership of waste processing facilities and waste management intellectual property are also important differentiators amongst industry participants.
- 182 Collections services (which have low barriers to entry) are likely to experience greater competition than post-collections services (which have higher barriers to entry).

#### **Regulation**

- 183 The Australian waste management industry is regulated at federal, state and local government levels. The *National Environment Protection Council Act 1994* (Cth) was established to provide national environmental protection standards. It also regulates matters such as interstate transport of waste and provides the basis for national extended producer responsibility schemes. Amendments to the *Australian Hazardous Waste (Regulation of Exports and Imports) Act 1989* (Cth) came into force in December 1996. From that date, all exports, imports and transits of hazardous waste destined for recovery, recycling or final disposal require a permit issued by the Australian Federal Minister.
- 184 In 2009, the Federal and State Governments established the National Waste Policy which aimed to address concerns about the disposal of hazardous waste and e-waste, increase recycling and recovery rates and reduce waste generation. This policy led to increased government regulation at the state and local level, including the introduction of landfill levies and recycling targets, which has encouraged the diversion of waste volumes from landfill to

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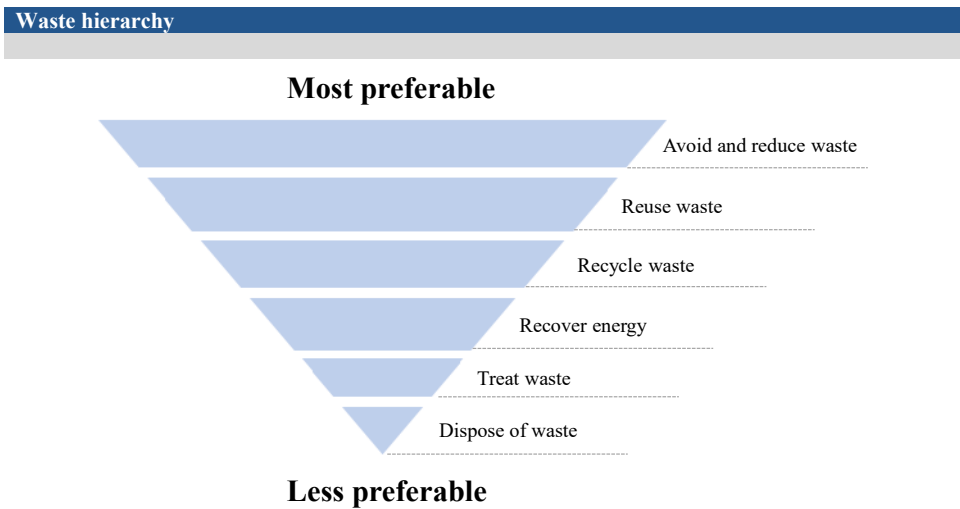


recycling and resource recovery facilities. In addition, in 2011 the National Television and Computer Recycling Scheme was established to provide Australian households and small businesses with access to industry-funded collection and recycling services for televisions and computers. This has driven e-waste collection volumes, diverted hazardous materials away from landfill and enabled the reuse of valuable resources contained in e-waste.

185 The degree of regulation varies and is largely dependent on the type of waste and the potential damage to people and the environment that can be incurred through unsuitable storage, transport, treatment and disposal. For instance, due to the highly toxic and dangerous nature of some medical waste and sharps, medical waste services are highly regulated by the various EPAs in each state and territory, with industry participants generally requiring appropriate licenses and permits. Hazardous waste types also require industry operators to hold EPA licenses. Whilst these licenses can be obtained upon application, it can be difficult to develop new waste facilities due to the considerable environmental impacts and resistance often faced from nearby communities. As a result, such licenses have increased industry barriers to entry.

### State and territory governments

186 State and territory governments have primary responsibility for managing waste through legislation, policy, regulation, strategy and planning, as well as permitting and licensing waste transport, storage, treatment and disposal operations. The policy frameworks in each state and territory differ, but there are common themes such as ensuring waste is safely managed and that the waste hierarchy is implemented:



Source: National Waste Report 2020.

187 An overview of the strategic objectives of the NSW and VIC Governments (being the two states in which BINGO primarily operates) is set out below:

**State government waste strategy**

**NSW Government**

*NSW Waste Avoidance and Resource Recovery Strategy 2014-21*

By 2021–22:

- reduce waste generation per capita
- increase recycling rates for:
  - B&D waste from 75% to 80%
  - C&I waste from 57% to 70%
  - MSW from 52% (in 2010-11) to 70%
- increase landfill waste diversion from 63% (in 2010-11) to 75%
- establish or upgrade 86 drop-off facilities or services for household problem wastes
- continue to reduce litter items.

**VIC Government**

*Recycling Victoria: A new economy (2020)*

- 100% of households to have access to separate glass services by 2027
- introduce container deposit scheme by 2023

By 2025:

- 72% waste diversion from landfill
- 50% reduction in volume of organics waste sent to landfill

By 2030:

- 15% reduction in waste generation per capita
- 80% waste diversion from landfill
- 50% reduction in volume of organics waste sent to landfill
- 100% of households have access to food and garden organics services or local composting

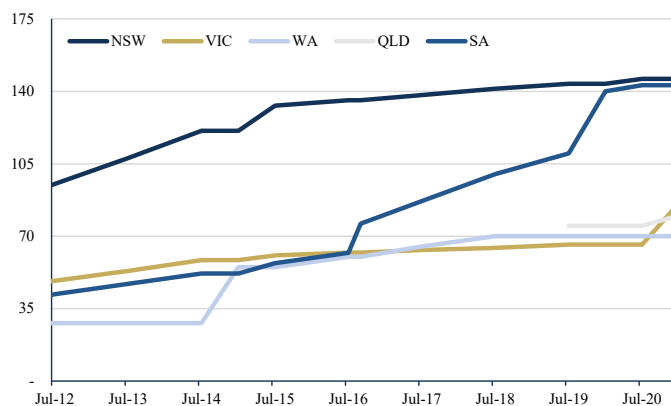
**Source:** National Waste Report 2020.

**Waste levies**

188 Most jurisdictions require post-collections waste facility operators to pay some amount to their state government for each tonne of collected waste deposited in landfill. The additional fee pushes up the cost of landfill and increases the attractiveness of recycling. Landfill levy fees are often used to fund recycling infrastructure and environmental and sustainability programs to improve waste management.

189 The chart below indicates the solid waste levies set by the various states in Australia:

**Solid waste levies by state (\$ per tonne)<sup>(1)</sup>**



**Note:**

<sup>1</sup> NSW levies represent the levies for the Sydney metropolitan area, VIC represents the levies for municipal and industrial waste in metropolitan and provincial premises, Western Australia represents levies for putrescible waste, Queensland represents levies for general waste and South Australia represents levies for solid waste in metropolitan Adelaide.

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190 As indicated in the diagram above:

- (a) NSW has the highest landfill levies for solid waste generated in metropolitan areas at \$146.0 per tonne as at 1 July 2020. While NSW landfill levies have historically been the most expensive, the landfill levies in South Australia and other states have increased in recent periods. On 1 July 2021, VIC's landfill levies will increase to \$105.90 per tonne and will further increase to \$125.90 per tonne by 1 July 2022
- (b) the Northern Territory and Tasmania<sup>56</sup> do not currently impose any waste levies but still charge tipping fees which discourages the use of landfill sites
- (c) the Australian Capital Territory (ACT) Government announced as part of the 2018-2019 budget that it would impose a levy on all commercial customers that dispose of landfill waste at ACT Government facilities
- (d) from 1 July 2012 to 1 July 2019 the Queensland government removed waste levies, resulting in a significant increase in the transportation of waste from NSW to Queensland to avoid the payment of waste levies. Since 1 July 2019, the Queensland government has reintroduced waste levies and waste volumes transported for disposal in Queensland have reduced. Waste levies in Queensland are proposed to increase by \$5 per tonne on 1 July each year to \$90 per tonne.

191 BINGO operates two landfill sites, located at Eastern Creek and Patons Lane in NSW. The NSW Government applies landfill levies that are calculated based on the origin of waste generation, rather than where it is disposed. A summary of the landfill levies currently charged by the NSW Government is set out below:

| NSW waste levy rates (2020-2021) <sup>(1)</sup> |                   |               |
|---|-------------------|---------------|
|   | Metropolitan area | Regional area |
| Solid waste                                     | \$146.00/t        | \$84.10/t     |
| Virgin excavated natural material               | \$131.40/t        | \$75.70/t     |
| Prescribed shredder floc                        | \$76.70/t         | \$44.20/t     |
| Recovered fines <sup>(2)</sup>                  | \$36.50/t         | \$21.00/t     |
| <b>Other levy rates</b>                         |                   |               |
| Trackable liquid waste                          |                   | \$78.20/t     |
| Coal washery rejects                            |                   | \$15.00/t     |

**Note:**

- 1 The 2020-2021 waste levy rates in NSW apply from 1 July 2020.
- 2 The Recovered Fines Alternative Daily Cover Specifications must be met to receive the concessional levy rate.

**Source:** NSW EPA.

192 The waste levy in NSW will continue to escalate in line with CPI<sup>57</sup> over the near term according to the *Protection of the Environment Operations (Waste) Regulation 2014* (NSW), and is a key policy tool for the NSW Government to divert more waste from landfills as capacity becomes increasingly scarce.

<sup>56</sup> Tasmania does have a voluntary levy adopted by regional waste groups at levels between \$nil to \$7.50 per tonne.

<sup>57</sup> Consumer Price Index.

193 Alternatives to landfill, such as recycling centres, do not incur the landfill levy for materials that are recovered or recycled. The profitability of materials processing and recycling facilities is therefore impacted by the recovery and recycling rates of the waste processed.

**Local government**

194 Local governments are primarily responsible for MSW curbside collections, public place waste management and provision of recycling and disposal infrastructure. The services provided by local governments vary primarily based on geographic location, with metropolitan governments and councils providing a larger range of services.

**Growth drivers**

195 Growth in the Australian waste management industry is underpinned by a number of factors including economic growth, the size of the population, household formation and the level of urbanisation, growth of key industries (including construction, manufacturing and resources) and environmental issues and regulation. A summary of these drivers shown across the most relevant industry segments for BINGO is as follows:

| Growth drivers by industry segment  | Collections<br>Solid waste<br>collection | Post-collections<br>Waste treatment<br>and disposal |
|-------------------------------------|--|---|
| Economic growth                     | ✓  | ✓   |
| Population                          | ✓  | ✓   |
| Number of households / urbanisation | ✓  | -   |
| Construction activity               | ✓  | ✓   |
| Environmental issues / regulation   | ✓  | ✓   |
| Gate fees and waste levies          | -  | ✓   |
| Recycling / COAG waste export ban   | -  | ✓   |
| Solid waste collection              | -  | ✓   |

196 All segments of the waste management industry benefit from economic growth and increasing population levels. The number of households and level of urbanisation also affects solid waste collections. Post-collections services are also impacted by construction, manufacturing and resources activity levels; however, a primary driver of these services is the level of government regulation and policies with respect to waste disposal and recycling.

**Economic growth**

197 The growth of Australia’s economy has historically contributed to increased waste volumes. This is due to a number of factors including, inter alia, rising incomes (which tend to drive demand for new material goods), advances in technology (which lead to larger product ranges and the shorter retention of goods), and increases in urban living and the related development of housing and infrastructure.

**Population growth**

198 Waste generation, particularly municipal waste, has a high correlation to population size. In general, a higher population translates to more waste. Australia’s population has grown on average at 1.6% per annum over the 10 years to FY20<sup>58</sup>.

<sup>58</sup> Source: ABS.

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199 Australia's population increased marginally by 0.1% in the June quarter of 2020, the slowest increase since quarterly estimates began in June 1981, which was primarily driven by a reduction in net overseas immigration. The June 2020 quarter was the first full quarter impacted by restrictions on international travel as a result of the COVID-19 pandemic, with overseas migrant arrivals falling from 124,400 in the June 2019 quarter to 13,700 in the June 2020 quarter, an 89% reduction. The COVID-19 travel restrictions have profoundly impacted migration, a significant driver of population growth, and it is uncertain whether or when Australia will return to its previously high immigration levels.

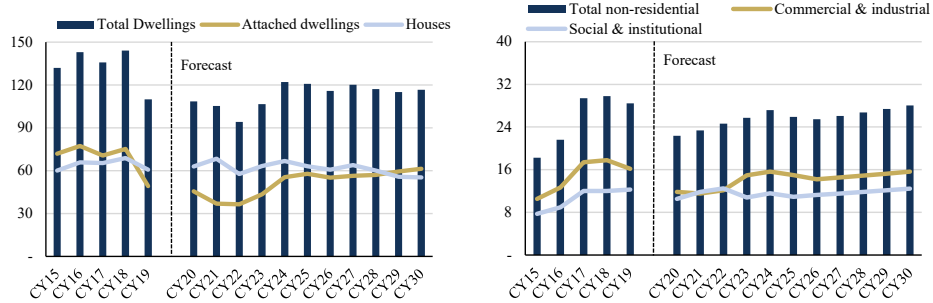
### Number of households

200 Due to continued population growth and a declining trend in household sizes, the number of households in Australia is expected to increase at a CAGR of 1.6% from 9.9 million in 2020 to approximately 11.6 million in 2030<sup>59</sup>. Over the same period the number of single-person households is expected to increase at a CAGR of 1.9%. This is expected to lead to greater demand for housing and associated consumables such as furniture, furnishing, whitegoods and electronics (all of which are likely to increase waste generation due to product replacement over the medium term).

### Construction (including infrastructure)

201 As a result of COVID-19, a decline in reported construction activity is anticipated across residential and non-residential construction in NSW and VIC, with positive growth not expected until FY22-FY23:

**NSW and VIC residential and non-residential construction**  
**Residential dwelling commencements (000s)**      **Total non-residential commencements (ASbn)**



Source: BINGO.

202 NSW and VIC Governments collectively account for approximately 68% of total general government infrastructure spending, have committed over \$150 billion to infrastructure projects over four years, and have announced the fast-tracking of numerous projects which provides a pipeline of infrastructure activity<sup>60</sup>.

<sup>59</sup> Source: ABS and LEA analysis. It should be noted that the household and family projections data was released by the ABS on 14 March 2019 (i.e. prior to the COVID-19 pandemic). In the absence of an updated publication, it is unknown as to how the COVID-19 pandemic may have altered these projections.

<sup>60</sup> Source: Australian Infrastructure Budget Monitor 2020-21.

### **Environmental issues / regulation**

- 203 Due to heightened public concern about the environment<sup>61</sup> the amount of waste banned or restricted from landfill<sup>62</sup> is continually increasing. This has led to an increase in specialised waste management services which are more operationally complex and require unique treatment technologies. Landfill levies, which are set by state governments, have also been increasing in most states, resulting in higher costs to industry operators. This has also led to the increased use of recycling technologies to avoid unnecessary landfill.
- 204 Changes in the regulatory environment including greater involvement from government and regulatory bodies poses implications for compliance costs for industry participants, however higher minimum standards for compliance increases the barriers to entry for new participants.
- 205 Recent consolidation in the Australian waste management industry has also led to increased scrutiny from market regulators, with the ACCC currently investigating competition in the NSW B&D waste sector. Outcomes of the ACCC investigation are ongoing and are yet to be determined, however these could have implications for market leading participants in the NSW B&D waste sector such as BINGO.

### **Post-collections gate fees and waste levies**

- 206 Gate fees at post-collections facilities are driven by a number of factors including landfill levies, the landfill capacity, location of facilities relative to alternative disposal sites, cost base and the volume and type of waste being disposed (e.g. mixed versus sorted waste).
- 207 Levies on waste deposited in landfills are a key component of the gate fees charged by landfills. Alternatives to landfill, such as recycling centres, do not incur the landfill levy for materials that are recovered or recycled<sup>63</sup>. Nevertheless, materials processing and recycling facility operators may set gate fees that are comparable to landfill rates depending on several factors including location and proximity of competing facilities.

### **Recycling / COAG waste ban**

- 208 As indicated above, recycling has become a fundamental service in the Australian waste management sector as the various levels of government aim to achieve a circular waste economy. The COAG ban on certain waste exports and the RMF will support investment in new infrastructure to sort, process and re-manufacture materials such as mixed plastic, paper, tyres and glass.

### **Other considerations**

- 209 Other factors that support growth in the industry include:
- (a) the evolving scalability and effectiveness of waste treatment technologies making recovery and reprocessing more competitive and tailorable

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<sup>61</sup> For example, the VIC Government is currently proposing to ban all mercury-containing light globes from landfill.

<sup>62</sup> Landfill bans and restrictions vary across the different states and territories of Australia. Examples of waste generally banned from landfill includes medical waste (sharps, human tissue, pharmaceuticals etc.), e-waste, liquid waste and tyres.

<sup>63</sup> Resource recovery and recycling facilities are only subject to the waste levy on residual waste unable to be processed and is ultimately sent to landfill.



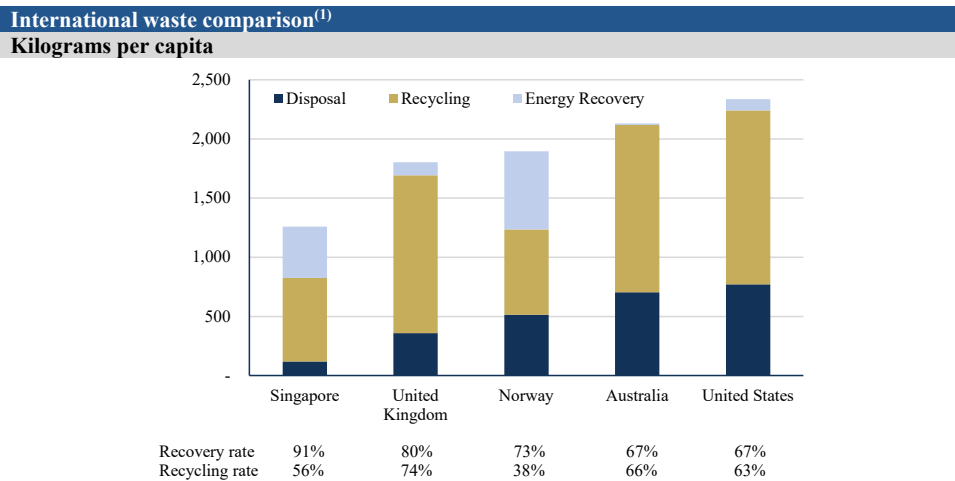
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- (b) increasing sophistication of customers and companies seeking sustainable environmentally friendly solutions
- (c) consumer trends around convenience and food consumption, which can have the impact of increasing waste volumes (e.g. take away food packaging versus fresh food)
- (d) the development of waste-to-energy plants in Australia
- (e) declining landfill void space in the greater Sydney region.

## International comparison

210 The chart below sets out a comparison of Australia's waste generation, disposal, recycling and resource recovery with selected other countries:



**Note:**

<sup>1</sup> To ensure a consistent comparison, the Australian data excludes hazardous waste, fly ash and energy recovery from landfill gas. Figures are indicative only and data is compiled for different years (2016 to 2019) and source due to limitations on data availability. Source: National Waste Report 2020.

211 As indicated above, out of the sampled international peer group:

- (a) Singapore has the lowest per capita waste generation, at 1.26 tonnes. This was followed by the United Kingdom (UK) and Norway which generated some 1.80 and 1.90 tonnes respectively. Australia is the second highest waste generating nation at 2.13 tonnes, preceded by the United States of America (US) at 2.34 tonnes
- (b) disposal rates vary widely, with Singapore having the lowest disposal per capita, reflecting the lack of landfill space available in the region. Australia is the second largest with disposal rates of 704 kilograms (kg) per capita followed by the US at 771 kg
- (c) Norway and Singapore have the highest energy recovery rates per capita, due to the widespread use of energy from waste facilities. Australia's energy recovery rates are significantly lower at just 15 kg of waste per capita. There are currently no large-scale energy from waste facilities dedicated to core wastes in Australia, but some are under development or proposed
- (d) the UK has the highest recycling rate at 74%, followed by Australia at 66%.

## V Valuation methodology

### Valuation approaches

- 212 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:
- (a) the DCF methodology
  - (b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
  - (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
  - (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
  - (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.
- 213 Under the DCF methodology the value of the business is equal to the net present value (NPV) of the estimated future cash flows including a terminal value. In order to arrive at the NPV the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.
- 214 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future “maintainable” earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.
- 215 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation (EBITA), EBIT or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.
- 216 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the

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proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.

### **Methodologies selected**

- 217 The market value of the shares in BINGO has been assessed by aggregating the market value of its business operations (on a "control" basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings.
- 218 The valuation of BINGO's business operations has been made on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length within a reasonable timeframe.
- 219 The DCF methodology has been adopted as the primary method to determine the market value of BINGO's business operations. The key reasons for adopting this method are:
- (a) BINGO management have forecast significant growth in earnings in the short-to-medium term
  - (b) financial forecasts for the short-to-medium term have been prepared by BINGO management, which we have reviewed in detail and amended where appropriate (such that we consider them sufficiently reliable for valuation purposes)
  - (c) the DCF methodology more accurately reflects the quantum and timing of the forecast growth in earnings than the capitalisation of earnings methodologies.
- 220 As a cross-check on our assessed value of BINGO's business operations, we have considered the reasonableness of the EBITDA multiples implied by our adopted DCF valuation range. We have not adopted the capitalisation of earnings (EBITDA) as a primary valuation methodology as, at the valuation date, BINGO has a reasonable expectation of continued growth in earnings based on the business infrastructure currently in place (which is operating significantly below potential capacity). As such, it is likely to be the medium rather than the short term before the operating performance of BINGO reflects a "maintainable" position.
- 221 We have also cross-checked our assessed value of BINGO (on a per share basis), by comparing our assessed value of the equity in BINGO (on a per share basis) with the "undisturbed" listed market prices of BINGO shares on the ASX, adjusted for a premium for control.

## VI Valuation of 100% of BINGO

### Overview

- 222 As stated in Section V, the market value of the shares in BINGO has been assessed by aggregating the market value of its business operations (on a “control” basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings.
- 223 The valuation of BINGO’s business operations has been made on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length within a reasonable timeframe.
- 224 The DCF methodology has been adopted as the primary method to determine the market value of BINGO’s business operations. As a cross-check, we have considered the reasonableness of the EBITDA multiples implied by our adopted DCF valuation range.
- 225 We have also cross-checked our assessed value of BINGO (on a per share basis) by comparing our assessed value of the equity in BINGO (on a per share basis) with the listed market prices of BINGO shares on the ASX, adjusted for a premium for control.

### DCF valuation

- 226 Under the DCF methodology, the market value of BINGO’s business operations is equal to the NPV of the estimated future cash flows including a terminal value (TV). In order to arrive at the NPV, the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

### Cash flow projections

- 227 Our DCF valuation is based upon a simplified, high level financial model of BINGO’s operations developed by LEA (DCF Model). In summary, the DCF Model:
- (a) allows the key drivers of revenue and earnings to be modelled and sensitised
  - (b) projects nominal operating cash flows on an ungeared basis (i.e. before interest)<sup>64</sup> less taxation payments<sup>65</sup>, capital expenditure and working capital requirements. The cash flow projections cover the nine year period from 1 July 2021 to 30 June 2030 (Forecast Period) and include a TV at the end of the forecast period; and
  - (c) models a number of different cash flow scenarios (which are outlined below) that illustrate the sensitivity of the NPV outcome to changes in key assumptions.
- 228 The DCF Model was developed having regard to, inter alia, the cash flow projections prepared by BINGO and its advisers and related discussions with BINGO management. BINGO’s cash flow projections represent an amalgamation of the projections for BINGO’s existing business operations with the projections for a number of individually modelled

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<sup>64</sup> Projecting cash flow on an ungeared basis is adopted to enable the value of the business operations to be determined irrespective of the level of debt funding employed.

<sup>65</sup> Also calculated on an ungeared basis.

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growth initiatives that when combined, illustrate BINGO's pathway to achieving \$250 million (and potentially above) in annual EBITDA from the existing asset base<sup>66</sup>.

- 229 The individual components were separately modelled by BINGO and its advisers for the period 1 July 2021 to 30 June 2027 and then combined and extrapolated to 30 June 2030. A general description of the individually projected components follows:
- (a) **Existing Business** – existing business EBITDA from 1 July 2021 through to 30 June 2027 reflects an assumed recovery from the COVID-19 related price declines experienced in NSW in FY21 (the recovery is expected to occur over FY22 and FY23). The existing business EBITDA does not allow for any volume growth as this is explicitly modelled and reflected in the individual growth initiatives outlined below
  - (b) **MPC2** – incremental EBITDA derived from operating MPC2 (at higher recycling rates and lower operating costs per tonne than MPC1) together with the assumed approval (of the December 2020 dated application) to increase the licensed recycling capacity at Eastern Creek by 1.5 Mtpa<sup>67</sup>. MPC2 is projected (in FY22) to assume all recycling volumes previously processed by MPC1 (some 0.7 Mtpa) and volumes processed by MPC2 are estimated to progressively ramp-up (from that baseline) to a maximum assumed capacity of 1.8 Mtpa
  - (c) **Mod 6** – incremental EBITDA arising from fully utilising the approved (300,000 tonne per annum) increase in landfill capacity and extended (24 hour a day) operating hours at Eastern Creek. The projections reflect the full benefit of this growth initiative from FY22
  - (d) **Patons Lane** – incremental EBITDA from the increased utilisation of the recently developed Patons Lane Landfill and Recycling Facility which became operational in July 2019 and February 2020 respectively<sup>68</sup>. Patons Lane is projected to operate at maximum capacity from FY22
  - (e) **Other** – incremental EBITDA achieved from a number of other initiatives that have less individually significant incremental earnings impacts. These include:
    - (i) growth in the market share of the C&I Collections business
    - (ii) improved sales (and pricing) of recycled products that may arise as a result of the possible mandated use of recycled material in the manufacturing and construction industries, and
    - (iii) improved revenue arising from increasing waste levies in VIC.
- 230 With the exception of a small capital expenditure outlay in FY22 and FY23 (required for C&I fleet vehicles to support growth in market share of the C&I Collections business), all remaining capital expenditure associated with the growth initiatives outlined above is

<sup>66</sup> We note that BINGO management also provided us with illustrative cash flow projections for a number of other growth initiatives that require further investment in its asset base (e.g. expansion of activities in VIC, entry into Queensland, development of its Ecology Park). LEA considers these initiatives and the associated cash flow projections to be too uncertain to be relied upon for the purposes of developing the DCF Model.

<sup>67</sup> Total current licensed capacity at Eastern Creek is 2.0 Mtpa (of which up to 1.0 Mtpa of material can go into landfill).

<sup>68</sup> Patons Lane has a licensed capacity of 450,000 tonnes per annum, of which the recycling facility is approved to process up to 350,000 tonnes per annum and landfill capacity is up to 205,000 tonnes per annum.

expected to be incurred in FY21 (i.e. the vast majority of projected capital expenditure over the Forecast Period is business as usual / maintenance in nature).

- 231 LEA has undertaken a detailed review of each of the individual components modelled by BINGO and its advisors to satisfy itself that the forward looking information was prepared on a reasonable basis and therefore sufficiently reliable for the purposes of developing the DCF Model. Our review included (but was not limited to):
- (a) discussions with BINGO management regarding the business' financial performance, operating environment and prospects as well as the financial modelling process adopted by the Company
  - (b) detailed analysis of the key assumptions which underpinned the cash flow projections prepared by BINGO and its advisers and (where possible) comparison of the assumptions and projections against the historic performance achieved by BINGO. Examples of the types of analysis undertaken include:
    - (i) analysis and comparison of the historic recycling rates achieved by BINGO and discussions with BINGO management regarding the basis for improved recycling rates at MPC2 (i.e. superior equipment including vibrating screens, air density separators, magnets and optical sorting equipment)
    - (ii) analysis and comparison of the revenue per tonne assumptions relative to the historical prices achieved across the business both pre and post COVID-19 pricing impacts
    - (iii) review and enquiry as to the justification for operating costs (e.g. landfill and tipping costs, transport costs, power costs and employee costs) both on an absolute and per tonne basis
    - (iv) analysis as to the impact of different waste mix assumptions on revenue and profitability
    - (v) analysis and comparison of the implied cumulative landfill tonnes over the Forecast Period relative to the remaining airspace capacity of the landfill sites
  - (c) benchmarking of the aggregate level projections (e.g. whole of Company revenue, EBITDA etc) against analyst forecasts (where available)
  - (d) adjustment of the projections where considered necessary.
- 232 Based upon the above, nothing came to our attention that would indicate that the projections prepared by BINGO and its advisers could not be relied upon for the purposes of developing the DCF Model. That said, it should be noted that in respect of both BINGO's projections and those implicit in the DCF Model:
- (a) the major assumptions underlying the projections were formulated in the context of current economic, financial and other conditions (noting that there remains significant uncertainty regarding the ongoing impact of the COVID-19 pandemic on the economy and businesses generally)
  - (b) the projections and the underlying assumptions have not been reviewed by an investigating accountant for reasonableness or accuracy of compilation and application of assumptions

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- (c) future profits and cash flows are inherently uncertain
- (d) the achievability of the projections is not warranted or guaranteed by BINGO or LEA, as they are predictions of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of BINGO and its management
- (e) actual results may be significantly more or less favourable.

233 As the detailed cash flow projections are commercially sensitive they have not been set out in our report. However, information on the major assumptions underlying the free cash flow projections implicit in the DCF Model is set out below.

### Base Case and alternate scenario assumptions

234 In undertaking our DCF analysis, we have considered the following key assumptions under Scenario A (Base Case)<sup>69</sup>:

| Scenario A            |  |
|-----------------------|--|
| Driver                | Assumption   |
| Existing Business     | <ul style="list-style-type: none"> <li>• Revenue growth of 2.5% per annum which is marginally above medium term inflation expectations</li> <li>• EBITDA margins of 26.5% broadly consistent with the LTM Mar 21 result on a pre-AASB 16 basis</li> </ul>  |
| COVID-19 price impact | <ul style="list-style-type: none"> <li>• COVID-19 price impact on FY21 of \$40 million. It is estimated that it will take one year for prices to gradually recover to pre-COVID prices (i.e. FY23 is the first full year period that reflects pre-COVID-19 pricing)</li> <li>• Implied EBITDA margin (post COVID-19 price recovery) of some 32% on a pre-AASB 16 basis</li> </ul>  |
| MPC2                  | <ul style="list-style-type: none"> <li>• Volumes processed by MPC2 in FY22 (its first year of operation) are estimated to be the same as those processed by MPC1 during FY21. Volumes processed by MPC2 progressively ramp up from FY23 to reach full utilisation of 1.8 Mtpa by FY28</li> <li>• Approval of 1.5 Mtpa increase in licensed recycling capacity received prior to FY24 to support volume growth beyond current licensed capacity</li> <li>• Whilst MPC2 volumes ramp-up to full utilisation, revenue per tonne is assumed to remain constant (i.e. prices remain competitive to support volume growth). Once full utilisation is achieved, revenue per tonne is assumed to grow in line with the Existing Business at 2.5% per annum</li> <li>• Operating costs per tonne assumed to increase at 2.5% per annum broadly in line with medium term inflation expectations</li> </ul> |
| Mod 6                 | <ul style="list-style-type: none"> <li>• Full utilisation of 1.0 Mtpa landfill licence assumed from FY22</li> <li>• Landfill prices adopted consistent with assumed COVID-19 recovery period</li> </ul>  |
| Patons Lane           | <ul style="list-style-type: none"> <li>• Patons Lane achieves full utilisation of its Recycling Facility from FY22 (no change in landfill utilisation from FY21 is assumed)</li> </ul>   |

<sup>69</sup> The EBITDA figures and margins for BINGO adopted in our DCF valuation exclude the impact of the AASB 16 accounting adjustments for leases because these accounting entries (which replace rent costs with the amortisation of right to use assets and notional interest costs) have no cash flow impact and no impact on the underlying profitability and value of the business. AASB 16 was adopted by BINGO for the first time in FY20 and increased reported underlying EBITDA in that year by around \$5.0 million (or by some 3.4%). We further note that AASB 16 increased the underlying EBITDA margin in FY20 by only 1.1% (30.2% pre versus 31.3% post). Accordingly, the impact of AASB 16 is not all that material in the context of BINGO's reported EBITDA.

| Scenario A                           |   |
|--------------------------------------|---|
| Driver                               | Assumption  |
| Other growth initiatives             | <ul style="list-style-type: none"> <li>No additional C&amp;I growth is assumed above the Existing Business forecast (i.e. C&amp;I growth is limited to 2.5% per annum)<sup>(1)</sup></li> <li>No allowance is made for improved sales (and pricing) of recycled products due to the possible mandated use of recycled material in the manufacturing and construction industries</li> <li>Improved revenue arising from increasing waste levies in VIC during FY22 and FY23 based on the low end of BINGO management projections (escalated at 2.5% per annum thereafter)</li> </ul> |
| EBITDA margin adjustments            | <ul style="list-style-type: none"> <li>We have cross checked the EBITDA margins implied by our cash flow projections (pre-AASB 16 and pre public company cost savings) and have adjusted the cash flows as appropriate, to reflect EBITDA margins reasonably achievable given expected market conditions and competitor positioning. In this regard we note that the maximum EBITDA margin for our Scenario A (post adjustments) is estimated to be 34.5%</li> </ul>  |
| Public company cost savings          | <ul style="list-style-type: none"> <li>We have allowed for some \$7.9 million of public company cost savings which are escalated at 2.5% per annum</li> </ul>   |
| Capital expenditure                  | <ul style="list-style-type: none"> <li>All growth capital expenditure is completed by FY21</li> <li>Maintenance capital expenditure estimated at 9.0% of sales</li> </ul>   |
| Depreciation and capital expenditure | <ul style="list-style-type: none"> <li>Capex / depreciation percentages range from around 75% to 80% over FY22 to FY27</li> <li>From FY28 to FY30 capex / depreciation gradually increases from 80% to 100%</li> </ul>  |
| Tax                                  | <ul style="list-style-type: none"> <li>Australian corporate tax rate of 30%.</li> </ul>   |
| Working capital                      | <ul style="list-style-type: none"> <li>Net working capital estimated at 5.0% of revenue</li> </ul>  |

**Note:**

<sup>1</sup> Also excludes the small amount of associated growth capital expenditure in FY22 and FY23.

235 LEA has also considered the impact of alternative assumptions for the key business drivers to provide some indication of the sensitivity of the NPV outcome to changes in those assumptions (for instance, the NPV outcome is particularly sensitive to the assumptions regarding MPC2, noting that the incremental earnings from MPC2 represents approximately 33% of Scenario A EBITDA by the end of the Forecast Period). These scenarios have been developed in consultation with BINGO management. It should be noted that the scenarios do not (nor do they purport to) represent the range of potential outcomes (i.e. there is a wide range of potential outcomes outside these scenarios). They are simply theoretical indicators of the sensitivity of the NPV to the alternative assumptions adopted.

236 A description of each of the additional scenarios is outlined in the table below.



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| BINGO – DCF scenario assumptions |  |
|----------------------------------|--|
| Scenario                         | Description  |
| Scenario A                       | As described above   |
| Scenario A(i)                    | Scenario A except: <ul style="list-style-type: none"> <li>• COVID-19 price recovery is assumed to take two years (i.e. FY24 is the first full year that reflects pre COVID-19 prices)</li> <li>• Patons Lane progressively ramps-up to achieve full utilisation of its Recycling Facility from FY24 (i.e. full utilisation is delayed by two years)</li> </ul> |
| Scenario A(ii)                   | Scenario A except: <ul style="list-style-type: none"> <li>• Patons Lane achieves full utilisation of its Recycling Facility and its landfill from FY22</li> </ul>  |
| Scenario A(iii)                  | Scenario A(ii) except: <ul style="list-style-type: none"> <li>• Improved revenue arising from increasing waste levies in VIC based on the high end of BINGO management projections</li> </ul>  |
| Scenario A(iv)                   | Scenario A(iii) except: <ul style="list-style-type: none"> <li>• Additional C&amp;I Collections business growth is assumed above the Existing Business forecast which requires some capital expenditure for additional C&amp;I fleet vehicles</li> <li>• An allowance is made for improved sales (and pricing) of recycled products</li> </ul>                 |
| Scenarios B to B(iv)             | Same as corresponding Scenario A (and its sub-variants) except: <ul style="list-style-type: none"> <li>• MPC2 volumes progressively ramp-up from FY23 to reach full utilisation of 1.8 Mtpa by FY30 (i.e. full utilisation is delayed by two years)</li> <li>• Maximum EBITDA margin assumed at 34.0%</li> </ul>   |
| Scenarios C to C(iv)             | Same as corresponding Scenario A (and its sub-variants) except: <ul style="list-style-type: none"> <li>• MPC2 volumes progressively ramp up from FY23 to reach full utilisation of 1.8 Mtpa by FY26 (i.e. full utilisation is achieved two years faster)</li> <li>• Maximum EBITDA margin assumed at 35.0%</li> </ul>  |

## Discount rate and TV growth rate

- 237 An after corporate tax discount rate in the range of 7.5% to 8.5% (with a mid-point of 8.0%) per annum has been applied for the reasons set out in Appendix C.
- 238 A TV growth rate of 2.5% per annum has been adopted at the end of the Forecast Period (i.e. as at 30 June 2030) reflecting, inter alia, real growth over and above inflation of around 0.25% per annum<sup>70</sup>. We consider this to be reasonable, having regard to the growing and continued demand for recycling as federal and state governments, as well as industry and corporate Australia, continue to promote a circular economy. The application of this TV growth rate implies a TV / EBITDA multiple (on a controlling interest basis) of between 8.4 and 10.2 times (depending upon the scenario adopted), which we consider reasonable.
- 239 We note that the adoption of a TV at the end of the Forecast Period implicitly assumes the perpetual nature of the business being valued. Whilst we consider this appropriate we note that, by their nature, landfill assets have a finite economic life. The landfill assets currently operated by BINGO are the Eastern Creek and Patons Lane facilities located in NSW. BINGO management have advised that assuming full utilisation of the current licensed capacity (at 1.0 Mtpa), additional chute waste from the growth initiatives and historical

<sup>70</sup> Implied inflation based on the difference between nominal and indexed 10 year Australian Government Bond yields.

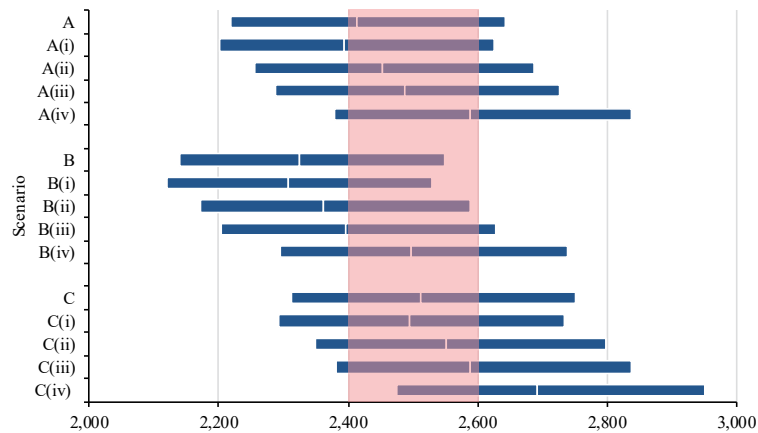
compaction rates, the economic life of the Eastern Creek landfill is likely to coincide with the end of the Forecast Period<sup>71</sup>.

240 Whilst BINGO management consider it unlikely that approval for a new landfill facility in the Sydney Basin would be forthcoming, it is reasonable to expect that there will be an ongoing market requirement for landfill facilities in respect of waste generated in the Sydney region. For the purposes of our report, we have therefore assumed BINGO will be able to secure access to a replacement landfill facility (or facilities) as / when required. We have allowed for the estimated associated cost of accessing such facilities in our TV. We have also allowed in our TV for the estimated residual land value of the Eastern Creek landfill net of the associated remediation costs (and tax), as well as the annual environmental monitoring and testing costs post-closure of the Eastern Creek landfill<sup>72</sup>.

**Valuation outcomes and value range adopted**

241 The NPV outcomes of the scenarios are depicted diagrammatically below relative to LEA’s assessed valuation range:

**BINGO – NPV outcomes by scenario (\$m)<sup>(1)(2)</sup>**



**Note:**

- 1 The low and high of our assessed valuation range is represented by the pink shaded area.
- 2 The low and high value range of each scenario reflects the adoption of a discount rate of 8.5% and 7.5% respectively. The white line represents the NPV outcome for each scenario based on the mid-point of our discount rate range.

242 In respect of the valuation outcomes above, we note that:

- (a) each of the scenarios above assume that BINGO’s application to increase the licensed recycling capacity at Eastern Creek from 1.0 Mtpa to 2.5 Mtpa will be approved by FY24 / FY25 based on the scenario adopted (i.e. around three years since the SEARs was issued in December 2020):

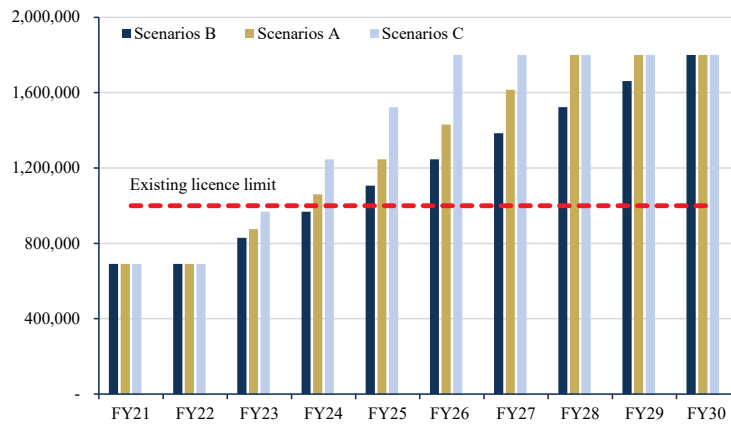
<sup>71</sup> The remaining economic life of Patons Lane significantly exceeds the Forecast Period.

<sup>72</sup> Unless otherwise agreed with the NSW EPA, ongoing monitoring at Eastern Creek will be required for a period of 30 years after waste emplacement activities cease, albeit these ongoing monitoring costs are relatively immaterial in the context of BINGO.

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**MPC2 volumes by scenario (tonnes per annum)**



We consider this reasonable having regard to BINGO's strong track record of obtaining licence approvals noting that, for example:

- (i) the redevelopment of the Mortdale Recycling Centre took approximately 24 months to be approved from the date the SEARs was issued in December 2015, noting that this proposal involved the demolition and construction of a new waste processing facility in addition to an increase in licence capacity from 30,000 tonnes per annum to 220,000 tonnes per annum
  - (ii) the approval to expand the resource recovery facility at Minto and increase the licence from 30,000 tonnes per annum to 220,000 tonnes per annum took some 30 months since the SEARs was issued in January 2016
  - (iii) the approval for Mod 6 landfill limit increase at Eastern Creek took approximately 36 months from the date the SEARs was issued in April 2017, noting applications for landfill licence increases typically take longer than recycling limit increases
- (b) Scenarios A, B and C (including their sub-variants) imply a CAGR in volumes processed by MPC2 of 17.3%, 12.7% and 27.0% respectively in order to achieve full utilisation of the 1.8 Mtpa capacity by the targeted period (which ranges from FY26 to FY30). In this regard we note that BINGO is well positioned to increase the volumes processed by MPC2 due to a combination of, inter alia:
- (i) broader economic recovery in construction end-markets including residential and non-residential construction, noting BINGO management estimate B&D waste volumes in NSW are projected to increase at a CAGR of 6.7% from 2021 to 2024 (refer Section IV, paragraph 153)
  - (ii) MPC2 will be capable of processing inert C&I waste volumes (MPC1 does not have this capability). Accordingly, BINGO will be able to address a larger market and attract more C&I waste once MPC2 is operational
  - (iii) diminishing landfill capacity across the greater Sydney region combined with increasing landfill levies in Queensland will increase demand for BINGO's Sydney based network capacity over the medium term

- (iv) federal and state governments, as well as industry and corporate Australia, continue to promote recycling to achieve a circular economy
  - (c) Scenario C (and its sub-variants) exhibit a greater degree of risk than Scenarios A and B (and their sub-variants) due to the higher assumed rates of growth in waste volumes processed by MPC2 and higher estimated EBITDA margins. Accordingly, in our opinion, this scenario should attract a discount rate that is toward the higher end rather than the bottom end of our assessed range. In other words, the low-to-mid end of the valuation ranges for Scenario C are considered by us to be more credible than the high end of the valuation range (and vice versa for Scenario B and to a lesser extent Scenario A)
  - (d) sub-variant (i) reflects the impact of further delay in recovery in prices to pre COVID-19 levels and a delay in achieving full utilisation of Patons Lane Recycling Facility. As indicated above, these additional assumed delays have a relatively immaterial impact on value
  - (e) sub-variants (ii) and (iii) incorporate the value associated with growth initiatives that have commenced (or in the case of the increase in VIC waste levies are mandated to occur in the near term)
  - (f) sub-variant (iv) reflects the illustrative value that may arise from growth in the C&I Collections business (over and above that reflected in the forecast of the Existing Business) and improved sales (and pricing) of recycled products. These initiatives are very early stage and in, our opinion, too uncertain to attribute any significant value to.
- 243 We have also considered the impact of changes to a number of other assumptions. While we have not set out the results of these other variations (due to their complexity), we note that the resultant range of values are broadly consistent with those (and our adopted valuation range) set out above.
- 244 After considering the above factors, in LEA's view, the DCF analysis supports an enterprise value for BINGO's business operations (i.e. prior to the allowance for net debt and any non-core or surplus assets / (liabilities)) of between \$2,400 million to \$2,600 million (which broadly corresponds with the mid-to-high end of Scenarios A and B (including sub-variants A(iii) and B(iii) and the low-to-mid end of Scenario C (including sub-variant C(iii))). This represents the value of the business on a 100% controlling interest basis.

#### **Reasonableness of implied EBITDA multiples**

- 245 As stated in Section V, as a cross-check on our assessed value of BINGO's business operations, we have considered the reasonableness of the EBITDA multiples implied by our adopted DCF valuation range. In undertaking our cross-check we have:
- (a) initially considered the projected earnings (EBITDA) of BINGO for FY22 and FY23
  - (b) based on the projected earnings for those years and our assessed DCF valuation range, derived the EBITDA multiples implied by our valuation
  - (c) considered the reasonableness of the implied EBITDA multiple range.

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### EBITDA adopted for valuation cross-check purposes

246 We have adopted EBITDA for valuation cross-check purposes of \$165 million in FY22 and \$205 million in FY23<sup>73</sup>. The levels of EBITDA adopted reflect:

- (a) as a primary source, the FY22 and FY23 EBITDA inherent in the cash flow projections on which our DCF valuation is based
- (b) the current analyst EBITDA estimates for FY22 and FY23 following BINGO's 1H21 results announcement.

247 As noted above our DCF valuation of BINGO has considered a number of scenarios as regards future operating performance. The range of respective inherent projected earnings (EBITDA) for FY22 and FY23 are set out below:

| FY22 and FY23 EBITDA implied by our DCF valuation scenarios <sup>(1)</sup> |              |       |
|--|--------------|-------|
| Scenario   | EBITDA (\$m) |       |
|  | FY22F        | FY23F |
| Scenario A (including sub-variants) – min                                  | 149          | 185   |
| Scenario A (including sub-variants) – max                                  | 172          | 221   |
| Scenario B (including sub-variants) – min                                  | 149          | 181   |
| Scenario B (including sub-variants) – max                                  | 172          | 217   |
| Scenario C (including sub-variants) – min                                  | 149          | 192   |
| Scenario C (including sub-variants) – max                                  | 172          | 228   |
| All scenarios (including sub-variants) – average                           | 164          | 205   |

**Note:**

1 Pre-AASB 16 and excludes public company cost savings.

248 The increase in earnings in FY22 and FY23 reflects inter alia, the assumed COVID-19 price recovery and assumptions for BINGO's growth initiatives on which our DCF is based.

249 We set out below the current analyst EBITDA estimates:

| Consensus analyst EBITDA estimates for BINGO <sup>(1)(2)(3)</sup> |              |       |       |
|---|--------------|-------|-------|
|   | EBITDA (\$m) |       |       |
|   | FY21F        | FY22F | FY23F |
| Average   | 136.5        | 170.6 | 194.4 |
| Median  | 136.5        | 170.1 | 192.0 |
| Min   | 132.3        | 164.1 | 186.4 |
| Max   | 141.4        | 181.0 | 209.0 |
| Number of analyst forecasts                                       | 8            | 8     | 7     |

<sup>73</sup> EBITDA forecasts exclude the impact of AASB 16.

**Note:**

- 1 Excludes outliers.
- 2 Based on estimates from Evans & Partners (22 February 2021), Citi and Shaw and Partners (23 February 2021) and Bank of America, Credit Suisse, Goldman Sachs, Morgans, Morningstar and UBS (27 April 2021).
- 3 Two of the forecasts in each year are prepared on a pre-AASB 16 basis, while one is prepared on a post-AASB-16 basis. The remaining analysts do not specify whether their forecasts have been prepared on a pre or post-AASB 16 basis. However, we note the impact of AASB 16 on BINGO's underlying EBITDA is relatively immaterial (for example, the adoption of AASB 16 by BINGO in FY20 only increased its underlying EBITDA by around \$5.0 million (or 3.4%)).

- 250 As indicated above, current analyst estimates forecast underlying EBITDA to decline in FY21 from \$152.1 million in FY20 to around \$135 million to \$140 million, which is marginally higher than the underlying (post-AASB 16) FY21F EBITDA projected by BINGO (\$125 million to \$130 million).
- 251 Over the following years in FY22 and FY23, the consensus analyst estimates project an improvement in underlying EBITDA reflecting, inter alia, a combination of the factors on which our projected increase in earnings for these years is based:
- (a) Broker 1 – *“MPC 2 is expected to be commissioned in late 2H21 which will operate at a lower cost per tonne. This, combined with regulatory tailwinds supporting increased recycling volumes, can support the company’s target of potential \$250mn in EBITDA with no incremental capex as volumes recover. Subject to approval, the increase in recycling capacity at Eastern Creek by 1.5mtpa would bring total network capacity to 6.1mtpa, which presents further upside to the potential A\$250mn EBITDA”*
  - (b) Broker 2 – *“We believe the outlook for BIN remains very positive, due to recovery in earnings post FY21, driven by macro tailwinds and improving capacity utilization”*
  - (c) Broker 3 – *“MPC 2 site on track to be commissioned in 2H21. The Material Resource Centre will have a processing capacity of 1.5mntpa, with scope to increase throughput to 3.5mtpa (pending approval). We forecast ~14% growth to Post Collection revenue in FY22e from a full year contribution of the MPC 2 facility. We also forecast an uplift in Post Collection margins as a result”.*
- 252 However, whilst the consensus analyst estimates for FY22F are broadly consistent with the level of earnings adopted in our DCF valuation, we note that the consensus analyst estimates for FY23F<sup>74</sup> are below the comparative earnings adopted in our DCF valuation. Whilst we are not in a position to provide an informed comment as to this difference for FY23F, we note that (inter alia):
- (a) our DCF valuation and the cash flows (and related inherent earnings) on which it is based reflect the benefit of detailed discussions with BINGO management as to the current and projected operating performance of the business. In comparison, the broker forecasts have been formulated with less visibility as to BINGO's pathway to achieve

<sup>74</sup> In considering the analyst estimates for FY23 we have excluded as an outlier an analyst forecast EBITDA of \$249.0 million as (prima facie) this is based on an assumed 1.5 Mtpa throughput increase at Eastern Creek, which is currently subject to licence approval and would result in total tonnes processed by Eastern Creek of some 2.3 Mtpa (i.e. some 0.5 Mtpa more than our adopted 1.8 Mtpa maximum practical capacity).

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\$250 million EBITDA (and potentially above) and the sensitivity of the key assumptions which underpin this earnings growth

- (b) the consensus analyst estimates have been formulated without the benefit of any further financial disclosure or information than that included in the 1H21 results announcement in February 2021 (which occurred some three months ago)
- (c) the potential pre versus post-AASB 16 comparability issues are relatively immaterial.

### Implied EBITDA multiples

253 As noted in our DCF section above, adopting this methodology, we have assessed the enterprise value of BINGO in the range of \$2,400 million to \$2,600 million. Based on the level of EBITDA adopted for valuation cross-check purposes, this implies the following EBITDA multiples:

| DCF valuation – implied EBITDA multiples      |           | FY22       |             | FY23       |             |
|---|-----------|------------|-------------|------------|-------------|
|   | Paragraph | Low<br>\$m | High<br>\$m | Low<br>\$m | High<br>\$m |
| Assessed enterprise value                     | 244       | 2,400      | 2,600       | 2,400      | 2,600       |
| EBITDA for cross-check purposes (pre-AASB 16) | 246       | 165        | 165         | 205        | 205         |
| Implied EBITDA multiple (times)               |           | 14.5       | 15.8        | 11.7       | 12.7        |

### Reasonableness of implied EBITDA multiples

254 We discuss below the specific factors taken into consideration when assessing the reasonableness of the EBITDA multiples implied by our DCF valuation range.

### Trading evidence

255 BINGO focuses on the provision of waste management services for non-hazardous solid B&D and C&I waste across NSW and VIC. Accordingly, we have considered the trading multiples of listed Australian and international waste management companies primarily engaged in the provision of non-hazardous solid waste services. A summary of the implied EBITDA multiples for these companies is set out below<sup>75</sup>:

<sup>75</sup> We have also considered the trading multiples of Veolia Environment SA (Veolia) and Suez SA (Suez) given their considerable market share and participation in the Australian waste management sector. However, we do not consider the multiples upon which these companies trade to be relevant in the context of valuing BINGO due to the significant proportion of earnings these companies generate from water and wastewater treatment services (being a segment of the market in which BINGO does not participate).

| Listed waste management company multiples <sup>(1)</sup> |          |                           |                             |                               |           |                                  |           |                              |           |
|--|----------|---------------------------|-----------------------------|-------------------------------|-----------|----------------------------------|-----------|------------------------------|-----------|
| Company <sup>(2)</sup>                                   | Year end | EV<br>A\$m <sup>(3)</sup> | Gearing<br>% <sup>(4)</sup> | EV /<br>EBITDA <sup>(5)</sup> |           | EBITDA<br>margins <sup>(5)</sup> |           | Capex / sales <sup>(5)</sup> |           |
|  |          |                           |                             | FY22<br>x                     | FY23<br>x | FY22<br>%                        | FY23<br>% | FY22<br>%                    | FY23<br>% |
| <b>Australian companies</b>                              |          |                           |                             |                               |           |                                  |           |                              |           |
| Cleanaway  | 30 Jun   | 6,771                     | 14.9                        | 11.8                          | 11.0      | 23.0                             | 23.1      | 16.7                         | 10.0      |
| BINGO  | 30 Jun   | 2,092                     | 14.3                        | 11.9                          | 10.5      | 30.6                             | 31.0      | 11.6                         | 9.5       |
| <b>North American</b>                                    |          |                           |                             |                               |           |                                  |           |                              |           |
| Waste Management   | 31 Dec   | 93,701                    | 17.9                        | 13.8                          | 13.1      | 29.2                             | 29.4      | 10.6                         | 10.6      |
| Republic Services  | 31 Dec   | 56,671                    | 20.2                        | 12.8                          | 12.3      | 30.1                             | 31.3      | 11.0                         | 11.5      |
| Waste Connections  | 31 Dec   | 46,424                    | 11.4                        | 17.8                          | 16.5      | 31.8                             | 32.0      | 10.6                         | 10.7      |
| GFL Environmental  | 31 Dec   | 19,977                    | 33.4                        | 11.9                          | 11.0      | 27.3                             | 27.8      | 9.8                          | 10.1      |
| Casella Waste Systems                                    | 31 Dec   | 5,021                     | 9.8                         | 18.7                          | 16.8      | 23.4                             | 23.6      | 12.1                         | 12.0      |
| <b>European</b>  |          |                           |                             |                               |           |                                  |           |                              |           |
| Biffa  | 31 Mar   | 1,982                     | 24.0                        | 6.3                           | 5.6       | 14.0                             | 14.7      | 9.2                          | 8.1       |
| Renewi   | 31 Mar   | 1,145                     | 37.8                        | 3.7                           | 3.3       | 11.3                             | 12.2      | 6.9                          | 6.8       |

**Note:**

- 1 Enterprise value (EV) and earnings multiples calculated as at 17 May 2021, based upon latest available information. BINGO's EV and multiples as at 18 January 2021 (being the last trading day prior to the announcement of the Indicative Proposal).
- 2 A brief description of each company's operations is set out at Appendix D.
- 3 EV includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities, market capitalisation adjusted for material option dilution (for the purpose of reducing debt) and excludes surplus assets. For the avoidance of doubt, net debt excludes IFRS / AASB 16 lease liabilities. Foreign currencies have been converted to AUD at the exchange rate prevailing as at 17 May 2021.
- 4 Gearing equals net debt (cash adjusted for material option dilution) divided by EV.
- 5 Earnings, margins and capital expenditure are based on Bloomberg broker average forecasts (excluding outliers and outdated forecasts).

**Source:** Bloomberg, company announcements and LEA analysis.

256 The above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover). This broadly translates to a premium of 20% to 25% at the EBITDA multiple or enterprise value level, although this varies depending on the level of debt funding employed in each company.

257 In addition, we note that:

- (a) it is difficult to discern the extent to which Bloomberg consensus EBITDA reflects the full impact of IFRS / AASB 16 (due to, inter alia, the fact that some analysts do not specify on what basis their forecasts are prepared). That said, we note that:
  - (i) AASB 16 has had a relatively immaterial impact on BINGO's underlying EBITDA (increasing it by only 3.4% in FY20). The impact of AASB 16 on Cleanaway is greater, having increased the underlying FY20 EBITDA by some 9.0%. It is likely that in the absence of AASB 16 the observed multiples for Cleanaway (and to a lesser extent BINGO) would be higher



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- (ii) Waste Management, Republic Services, Waste Connections and Casella all report under US GAAP<sup>76</sup> standards. The adoption of the new lease standard (ASC 842) does not impact the reported EBITDA of these companies
  - (iii) the impact of IFRS 16 on GFL Environmental is relatively immaterial<sup>77</sup>
  - (iv) the impact of IFRS 16 on Biffa and Renewi is relatively material (having increased the underlying FY20 EBITDA of these companies by some 12.2% and 19.2% respectively). It is likely that in the absence of IFRS 16 the observed multiples for these companies would be higher
- (b) many of the companies do not share the same fiscal year end as BINGO, and the above stated multiples need to be adjusted, or “calendarised”, such that they are based on a 30 June year end for improved comparability. If this adjustment were made, the multiples for the North American companies would be slightly higher and the European companies slightly lower
- (c) none of the above listed companies are directly comparable to BINGO. In that regard, we note that:
- (i) Cleanaway’s Solid Waste Services division is largely underpinned by long-term contracts with municipal councils, hospitals, infrastructure resources, commercial and industrial customers. Cleanaway also operates liquid treatment plants and refineries and provides hazardous and medical waste services. As a result, Cleanaway trades on marginally lower EBITDA margins which reflects, inter alia, the business’ exposure to lower margin waste management services and sectors<sup>78</sup>
  - (ii) the international companies operate in different geographic regions and are therefore subject to different economic / industry cycles as well as different government policies and regulation. In that regard we note that the North American companies trade on broadly similar EBITDA margins and multiples while the European companies generate significantly lower EBITDA margins and trade on lower EBITDA multiples
- (d) the FY22 and FY23 capital expenditure forecasts (as a percentage of sales) are generally consistent for each of the listed companies at around 10% to 11%
- (e) the multiples are based on closing share prices at a point in time and are not necessarily representative of the range of multiples that the companies trade on over time (refer below).

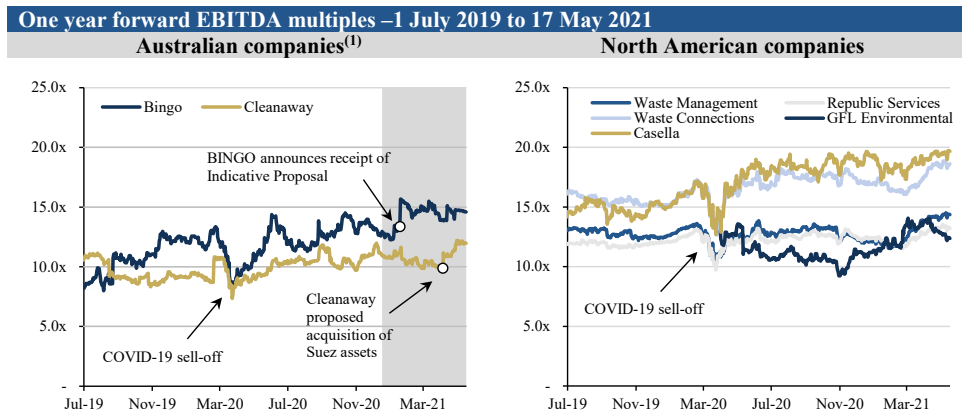
<sup>76</sup> Generally accepted accounting principles.

<sup>77</sup> IFRS 16 increased GFL Environmental’s adjusted EBITDA for the 12 months to 31 March 2019 by some 2.1%. GFL did not disclose the impact of IFRS 16 on its reported FY20 EBITDA.

<sup>78</sup> In 1H20 Cleanaway’s solid waste services division (the most comparable to BINGO) generated EBITDA margins of 27.6% while its Industrial & Waste Services and Liquid Waste & Health Services divisions generated EBITDA margins of 13.9% and 20.4% respectively.

**Listed company multiples over time**

258 We set out below the one year forward EBITDA multiples (based upon average analyst forecasts sourced from Bloomberg) for the Australian and North American companies over the period 1 July 2019 to 17 May 2021<sup>79</sup>:



**Note:**  
<sup>1</sup> The shaded grey area reflects the period post press speculation regarding potential takeover interest in BINGO.  
**Source:** Bloomberg and LEA analysis.

259 In respect of the above, we note that:

- (a) it is likely that in the absence of IFRS / AASB 16, the observed multiples for BINGO, Cleanaway and GFL Environmental would be higher (refer paragraph 257(a))
- (b) prior to the announcement of the Indicative Proposal, BINGO traded on broadly consistent (albeit marginally higher) one year forward EBITDA multiples relative to its historic trading range prior to the COVID-19 induced sell-off in February/March 2020. The one year forward EBITDA multiples for BINGO are discussed in further detail below
- (c) Cleanaway was trading at similar one year forward EBITDA multiples to its pre-COVID-19 pandemic trading ranges, but these forward multiples have increased in the more recent period following the 6 April 2021 announcement of the proposed acquisition of Suez’s Australian recycling and recovery (R&R) operations (which was terminated on 27 April 2021) and the alternative proposal to acquire Suez’s Sydney post-collections assets (refer paragraphs 264(d) and (e))
- (d) Waste Management and Republic Services are all currently trading at similar one year forward EBITDA multiples to their pre COVID-19 pandemic trading ranges
- (e) the slight increase in Waste Connections’ one year forward EBITDA multiple post the COVID-19 sell-off appears to be attributable to its temporarily depressed short-term earnings outlook, noting the increase in its two year forward EBITDA multiple (which is not depicted above) is less significant

<sup>79</sup> Due to the significantly lower EBITDA margins and multiples on which the European waste management companies trade (and the more significant IFRS 16 impacts faced by these companies), we consider the implied one year forward EBITDA multiples for these companies to be less relevant in the context of valuing BINGO.

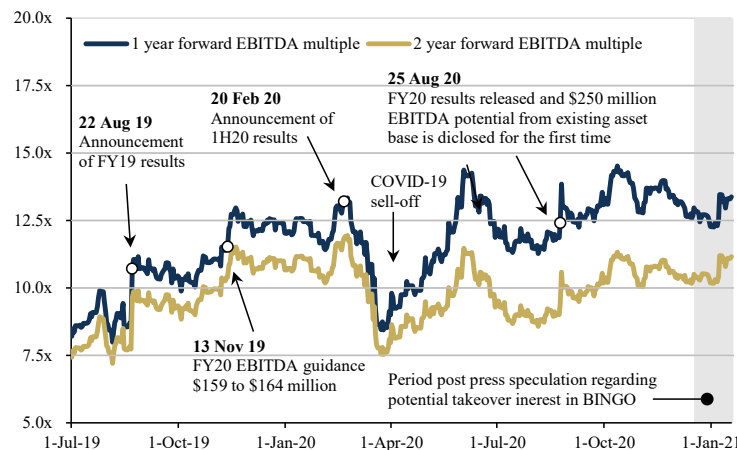
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- (f) Casella's one year forward EBITDA multiples has increased post the COVID-19 sell off, noting the business has reduced its gearing post the COVID-19 pandemic and has achieved growth in its income and margins
- (g) GFL Environmental listed on the New York Stock Exchange in March 2020 (i.e. during the COVID-19 induced market sell-off period). That said, the one year forward EBITDA multiple of GFL Environmental has increased significantly since November 2020 which appears to be attributable to a favourable outlook for the business following the completion of two transformative acquisitions<sup>80</sup>.

260 In addition to the above, we set out below BINGO's one and two year forward EBITDA multiples up to and including the last trading day prior to the announcement of the Indicative Proposal:

**BINGO – forward EBITDA multiples**  
1 July 2019 to 18 January 2021<sup>(1)</sup>



**Note:**  
1 Being the last trading day prior to the announcement of the Indicative Proposal.  
**Source:** Bloomberg and LEA analysis.

261 In respect of the above, we note that:

- (a) it is likely that in the absence of AASB 16, the observed multiples for BINGO would be marginally higher (refer paragraph 257(a)(i))
- (b) prior to the COVID-19 induced sell-off (1 July 2019 to 20 February 2020), BINGO generally traded on a one year forward EBITDA multiple between 10.0 times to 12.5 times (with an average of 11.0 times)

<sup>80</sup> GFL Environmental announced the successful closing of the acquisition of WCA Waste Corporation and a selection of Advanced Disposal Services solid waste assets on 1 October 2020 and 30 October 2020 respectively. Further details of these transactions are set out at Appendix E.

- (c) from mid-2020 to 18 January 2021 (i.e. prior to the announcement of the Indicative Proposal), BINGO generally traded on a similar (albeit marginally higher) one year forward EBITDA multiple range of between 12.0 times to 14.0 times
- (d) the increase in BINGO's one year forward EBITDA multiple post the COVID-19 sell-off appears to be attributable to its temporarily depressed short-term earnings outlook
- (e) BINGO's longer term outlook has not been as negatively affected and the Company has generally traded on a two year forward EBITDA multiple of between 9.0 times and 11.0 times both prior to and following the COVID-19 induced sell off (with an average of 10.1 times over the period set out above).

#### **Transaction evidence**

262 In recent years, there has been a number of transactions involving the acquisition of entities that were (at the time of the transaction) engaged in provision of waste management services in Australia and NZ. We have also considered recent transactions involving international waste management businesses primarily engaged in the provision of non-hazardous solid waste services.

263 A summary of the transactions that we identified and for which multiples can be derived based upon publicly available information is set out in the following table:

| <b>Transaction evidence – waste management<sup>(1)(2)</sup></b> |   |                                  |                       |                       |
|---|---|----------------------------------|-----------------------|-----------------------|
| <b>Date<sup>(3)</sup></b>                                       | <b>Target</b>                                       | <b>EV<sup>(4)</sup><br/>A\$m</b> | <b>EV / EBITDA</b>    |                       |
|   |   |                                  | <b>Historic<br/>x</b> | <b>Forecast<br/>x</b> |
| Apr 21  | Suez's Australian R&R operations <sup>(5)</sup>     | 2,520                            | 11.7 <sup>(6)</sup>   | na                    |
| Apr 21  | Suez's Sydney post-collection assets <sup>(5)</sup> | 501                              | 6.9 <sup>(6)</sup>    | na                    |
| Aug 18  | DADI  | 578                              | 11.2 <sup>(6)</sup>   | 9.6 <sup>(6)</sup>    |
| <b>Other Australian / NZ transactions</b>                       |   |                                  |                       |                       |
|   | Average   | 479                              | 8.8                   | 8.5                   |
|   | Median  | 227                              | 8.7                   | 8.8                   |
|   | Min   | 130                              | 5.9                   | 6.5                   |
|   | Max   | 1,560                            | 10.9                  | 10.0                  |
| <b>International transactions</b>                               |   |                                  |                       |                       |
|   | Average   | 3,607                            | 11.9                  | 9.8 <sup>(7)</sup>    |
|   | Median  | 1,779                            | 10.9                  | 9.8 <sup>(7)</sup>    |
|   | Min   | 582                              | 9.0                   | 9.8 <sup>(7)</sup>    |
|   | Max   | 8,452                            | 18.5                  | 9.8 <sup>(7)</sup>    |

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**Note:**

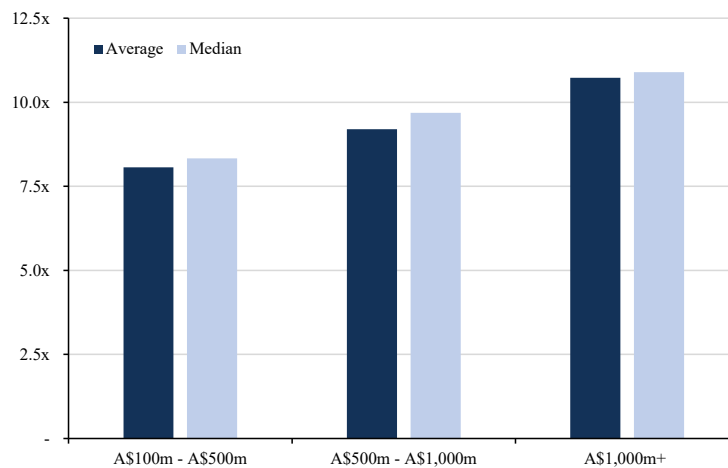
- 1 A brief description of each transaction is set out at Appendix E.
  - 2 We have excluded Australian / NZ transactions with a transaction value of less than A\$100 million and international transactions with a transaction value of less than A\$500 million.
  - 3 Date of announcement.
  - 4 Implied value of an acquisition of 100% if transaction does not already involve an acquisition of 100%. Foreign currencies have been converted to AUD at the exchange rate prevailing as at the date of announcement.
  - 5 On 12 April 2021, Veolia and Suez announced that they had reached an in-principle agreement on the key terms and conditions of the proposed merger between the two. On that basis, Cleanaway's proposed acquisition of Suez's Australian R&R operations was terminated on 27 April 2021 and Cleanaway's acquisition of the portfolio of Suez's Sydney post-collections assets is expected to proceed (subject to various conditions including ACCC approval).
  - 6 All stated on a pre-AASB 16 basis.
  - 7 A forecast multiple was available for only one of the international transactions.
- na – not available.

**Source:** Company announcements, press commentary and LEA analysis.

264 In relation to the transaction evidence, it should be noted that:

- (a) except where noted, the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control
- (b) the majority of the Australian and NZ acquired companies are smaller and have less diversified operations than BINGO. In this regard we note that all else being equal, smaller waste management companies generally transact on lower multiples than larger waste management companies:

**Transaction evidence – EBITDA multiples by size<sup>(1)</sup>**



**Note:**

- 1 Adopting a preferred multiple (which prioritises the forecast multiple where available) and excluding the Viridor transaction which is considered to be an outlier.

- (c) BINGO's acquisition of DADI is considered the most comparable precedent transaction, noting the DADI acquired assets<sup>81</sup> account for a considerable proportion of BINGO's current business operations
- (d) Cleanaway's proposed acquisition of Suez's Australian R&R operations (which was terminated on 27 April 2021) reflected an historic EBITDA multiple of 11.7 times. Whilst this proposed transaction is the most recent and comparable to BINGO (in terms of size) we note that:
  - (i) Suez's Australian R&R business primarily services MSW and C&I waste streams and its revenue is largely driven by annuity style collection contracts. In comparison, BINGO's revenue is largely driven by construction activity due to its greater exposure to B&D waste streams which are typically priced on bin size and weights. Whilst annuity style contracts are generally more stable, they provide less opportunity for growth as they are typically restricted to contract terms. In comparison, BINGO has a reasonable expectation of continued growth in earnings based on the business infrastructure currently in place (which is operating significantly below potential capacity)
  - (ii) Suez's Australian R&R business operates on significantly lower EBITDA margins of around 15% reflecting, inter alia, its greater exposure to collections services which generally operate at lower EBITDA margins relative to post-collections services<sup>82</sup>. In comparison, BINGO is estimated to operate on underlying EBITDA margins in excess of 30% over the longer term
  - (iii) Suez's Australian R&R business owns many putrescible<sup>83</sup> post-collections sites while BINGO only owns non-putrescible sites. Landfills designed to receive putrescible waste require extensive landfill-gas collection and utilisation systems to be installed to cater for the generation of methane-rich gas
  - (iv) Cleanaway's acquisition of Suez's Australian R&R operations was expected to deliver significant annual cost synergies of \$70 million, which were expected to be realised by FY25.

Having regard to the above, we consider, on balance, the appropriate EBITDA multiple for BINGO should be higher than that implied by Cleanaway's proposed acquisition of Suez's Australian R&R operations

- (e) we consider the historic EBITDA multiple implied by Cleanaway's (alternative) proposed acquisition of a portfolio of Suez's Sydney post-collection assets (Sydney Assets Acquisition) to be low, noting that:
  - (i) the implied EBITDA multiple is based on assumptions in relation to volumes that would be delivered under Cleanaway's ownership (i.e. post synergy benefits). Accordingly, the implied EBITDA multiple pre-synergy benefits would be higher than 6.9 times

<sup>81</sup> At the time of the acquisition, DADI's primary assets were its Eastern Creek recycling centre and landfill void, a transfer station in Alexandria and a collections fleet of 55 trucks.

<sup>82</sup> As at the announcement date, Suez had an Australian collections fleet of more than 1,000 vehicles. In comparison, BINGO has a collections fleet of some 300 vehicles.

<sup>83</sup> Putrescible waste is waste containing organic matter that is liable to putrefaction (rapid degradation by micro-organisms). Examples of putrescible waste sources include household waste (which contains organics and food waste), waste from litter bins collected by councils, manure, night soil, animal waste, and disposable nappies.

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- (ii) the purchase price of \$501 million factored in the estimated costs associated with the onerous contract to supply waste volumes to Global Renewables Limited's alternative waste treatment facility. Absent this adjustment, the implied EBITDA multiple would be higher than 6.9 times
- (iii) Veolia referred to the proposed Sydney Assets Acquisition as "*the transfer to Cleanaway of a number of significant and very profitable assets, without any competition, and at a knock-down price of \$501 million (6.8x [sic] the normalized EBITDA published by Cleanaway)*"
- (iv) on 6 April 2021, the market reacted favourably to Cleanaway's proposed transactions (with Suez), with Cleanaway's market capitalisation increasing by some 15.9% or \$0.7 billion to \$5.2 billion. On 27 April 2021, Cleanaway announced that its proposed acquisition of Suez's Australian R&R operations had been terminated. Notwithstanding this, Cleanaway shares continue to trade at elevated levels and as at 17 May 2021, Cleanaway's market capitalisation remained some \$1.2 billion higher compared to pre-announcement. This indicates the market considers the Sydney Assets Acquisition to be significantly value accretive based on the purchase price of \$501 million
- (f) the transaction multiples are generally calculated based on the most recent actual earnings (historic multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of the multiple which would be derived from an assessment of each target company's "maintainable" earnings.

### **Potential synergies**

265 MIRA has not provided any specific guidance on the level of synergies it expects to realise from the acquisition of BINGO. However, if the Scheme is approved and implemented, BINGO will be delisted from the ASX, resulting in the elimination of listed public company costs.

266 That said:

- (a) as set out in RG 111, synergies that are not available to other potential bidders should not be taken into account in the valuation of the target company when assessing whether an offer is fair
- (b) the EBITDA multiples implied by recent transaction evidence generally reflected an expectation that synergies would be generated
- (c) the existence of synergies from business combinations is one of the key reasons why bidders pay a control premium to acquire a company.

267 Consequently, in our opinion, it would be inappropriate (in the circumstances of BINGO) to expect the multiple implied by our DCF valuation to reflect other than a normal level of synergies.

### **Other factors**

268 In assessing the reasonableness of the EBITDA multiples implied by our DCF valuation range we have also had regard to (inter alia):

- (a) **BINGO's Post-Collections infrastructure network** – the earnings contribution from BINGO's higher margin Post-Collections infrastructure assets has increased in recent years and is expected to increase further following the commissioning of MPC2
- (b) **leveraged business model** – BINGO is able to support future growth through increased utilisation of its existing network capacity without the need for further capital expenditure or investment
- (c) **competition / price risks** – a number of entities compete with BINGO in the NSW and VIC waste management sectors. That said, landfill capacity in the Greater Sydney region is diminishing and BINGO is well positioned to benefit from its vertically integrated network, scale, available capacity and low cost base enabling the Company to remain competitive on price
- (d) **ongoing recovery in macroeconomic environment** – the performance of the BINGO business has a large exposure to macroeconomic factors in NSW and VIC that are generally outside of management's control (e.g. population growth, construction activity etc.). The Company is expected to continue to benefit from the broader economy's recovery from the COVID-19 pandemic (and in particular, ongoing government investment in infrastructure initiatives)
- (e) **positive regulatory environment** – BINGO is well positioned to benefit from the favourable regulatory environment that is expected to continue over the medium-to-long term (and drive continued increased demand for waste recycling services).

***Conclusion on reasonableness of implied EBITDA multiples***

269 In concluding on the reasonableness of the implied EBITDA multiples based on our assessed enterprise value of BINGO adopting the DCF methodology we note that:

- (a) in our opinion, the appropriate EBITDA multiple for BINGO on a 100% controlling interest basis should be higher than the multiple implied by the DADI transaction (of 9.6 times forecast EBITDA) as:
  - (i) the current BINGO business is a larger and more diversified business than DADI and has achieved vertical integration amongst its Collections and Post-Collections waste management services, reducing reliance on third party waste volumes
  - (ii) since the DADI acquisition was completed, BINGO has substantially completed the construction of MPC2, has expanded the operational hours of MPC1 to 24/7 and has increased the licensed landfill capacity at Eastern Creek from 0.7 Mtpa to 1.0 Mtpa. In that context we note neither the FY22 nor FY23 EBITDA adopted for valuation cross-check purposes fully reflects the incremental earnings from these initiatives
- (b) prior to the COVID-19 induced sell-off, BINGO typically traded on a one year forward EBITDA multiple between 10.0 and 12.5 times and a two year forward EBITDA multiple between 9.0 and 11.0 times, which broadly translates to a controlling interest multiple of some 12.5 to 16.0 times and 11.0 to 14.0 times respectively<sup>84</sup>

<sup>84</sup> Based upon a theoretical control premium of 30% to 35% being applied to the market capitalisation of BINGO over those time periods.



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- (c) adopting a preferred multiple (which prioritises the forecast multiple were available) and excluding outliers, the average EBITDA multiple for the transactions shown above with an EV greater than A\$1.0 billion is 10.7 times (the average EV of these transactions is A\$3.3 billion).

270 Based on the above, in our opinion, the implied FY22 and FY23 EBITDA multiples based on our assessed enterprise value of BINGO adopting the DCF methodology are reasonable.

## Other assets / (liabilities)

271 BINGO has a number of other assets / (liabilities) that are not reflected in our abovementioned business valuation and for which it is appropriate that an allowance be made. The assets and liabilities are as follows, and in aggregate amount to a net positive \$39.9 million to positive \$51.6 million:

- (a) **ACCC investigation** – the ACCC is currently investigating industry wide price increases in the NSW B&D sector that were implemented on and from 1 July 2019. Should enforcement proceedings be taken against BINGO and one or more contraventions proven, significant financial penalties are likely (refer paragraph 129(b)). As it is unable to be quantified with any degree of certainty, we have not made any allowance for any penalty that may be payable (if any) in respect of the ACCC investigation<sup>85</sup>
- (b) **customer legal proceedings** – a customer has brought a circa \$2 million claim against BINGO with respect to contaminated aggregate received from the Kembla Grange site. BINGO does not anticipate any net loss with respect to this matter (and in any event, in our opinion, the potential liability to BINGO is immaterial)
- (c) **Ecology Park** – as noted in Section III, BINGO has exercised an option to acquire additional land at Eastern Creek adjacent to its existing operations. This land is intended to be used associated with the development of the proposed Ecology Park and associated business initiatives<sup>86</sup>. Whilst the option has been exercised, payment for the land of \$103 million remains outstanding and is not scheduled for payment until subdivision of the land is completed, which is not estimated to occur until early 2022. For the purpose of our report we have attributed a net value to the land and associated proposed development in the range of \$50 million to \$60 million, which recognises both the added-value (based on the current development plans and progress) together with the payment liability outstanding
- (d) **EPA dispute** – as noted in section 7.3 of the Scheme Booklet and at paragraph 129(c)(i), the EPA has recently alleged that waste stored by BINGO at Eastern Creek exceeded its authorised limits. As it is unable to be quantified with any degree of certainty, we have not made any allowance for the final amount that may ultimately be payable by BINGO in respect of this issue<sup>87</sup>

<sup>85</sup> We note that the value of BINGO reduces by \$0.01 per share for every \$6.6 million of penalty imposed on the Company (noting any financial penalty is not assumed to be tax deductible).

<sup>86</sup> These initiatives are generally at an early stage of development / conception and are excluded from our DCF growth scenarios on the basis that at this early stage there would be no reasonable basis for any associated cash flow forecasts / projections.

<sup>87</sup> We note that the EPA's claim of some \$33 million (which BINGO expects to be reduced) reduces our assessed value of BINGO by some \$0.035 per share (on a tax effected basis).

- (e) **options over Alexandria properties** – as part of the DADI acquisition, BINGO has an option to acquire properties in Alexandria<sup>88</sup> for a combined price of \$63.6 million escalated at 4.0% per annum from 25 March 2019, compounded monthly. From 25 March 2022 the price payable under the option is the greater of the market price and the indexed amount. We have been advised that the current estimated combined value of the properties is less than the indexed amount. Accordingly, we do not consider these options to have any value as at our valuation date
- (f) **MPC2 capital expenditure** – we understand that some \$8.4 million of the capital expenditure associated with MPC2 which was incurred in FY21 will not be paid until early FY22 (and accordingly, is not reflected in our DCF Model). We have therefore made an allowance for this expenditure
- (g) **SafeWork** – as noted in section 7.3 of the Scheme Booklet and at paragraph 129(c)(ii), SafeWork has recently commenced proceedings against BINGO in relation to a workplace incident in May 2019 in which an employee was fatally injured. We have included an allowance of negative \$1.7 million to \$nil in respect of this item.

### Net debt

- 272 As at 31 March 2021, BINGO had net debt of \$369.7 million (including derivative financial instruments and AASB 16 lease liabilities). Excluding AASB 16 lease liabilities (which should be ignored for valuation purposes as our DCF valuation takes into account the full cash costs (e.g. rent) associated with leased assets), BINGO's net debt as at 31 March 2021 was \$326.4 million.
- 273 Further, as noted above, we have adopted a valuation date of 30 June 2021 and accordingly, the net debt adopted for valuation purposes should incorporate the free cash flow generated by the BINGO business over the three months to 30 June 2021.
- 274 For the purposes of our valuation, we have therefore had regard to BINGO management's detailed monthly net debt forecast to 30 June 2021. For completeness, we note that the forecast net debt as at 30 June 2021 is broadly consistent with the average (actual and forecast) net debt position over the 12 months to 30 June 2021.
- 275 Having regard to the above, we have concluded that net debt of \$360.0 million is appropriate for valuation purposes. This figure includes an allowance of \$16.4 million for the cash settlement of the 4.9 million performance rights that will have vested or will vest if the Scheme becomes effective<sup>89</sup> and an allowance for unavoidable transaction costs.

<sup>88</sup> The properties include 76-82 Burrows Road and 84-88 Burrows Road, Alexandria.

<sup>89</sup> Some 0.643 million short-term incentive performance rights will (other than as set out in Section 9.1 of the Scheme Booklet) be cash settled at \$3.45 per performance right (payable shortly after they vest in accordance with their terms, expected to be early July). Of the remaining 4.284 million long-term incentive performance rights, 50% will (other than as set out in Section 9.1 of the Scheme Booklet) be cash settled at \$3.30 per performance right (payable on or before implementation), with the remaining 50% payable in cash shortly after 30 June 2024 (at a price based upon the combined market value, as defined in the RollCo Deed, of a Class B share and Preference share at the time the payment is made). For the purposes of this report we have allowed for a notional cash settlement of \$3.30 per performance right for the deferred element. Please see Section 9.2 in the Scheme Booklet for further details.

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## Share capital outstanding

- 276 BINGO has some 655.0 million fully paid ordinary shares on issue.
- 277 In addition, BINGO has approximately 4.9 million outstanding performance rights which have been issued to (eligible) key management personnel and other selected senior executives under BINGO's short- and long-term incentive programs. Under the relevant rules of the programs, in the event of certain change of control events concerning BINGO, the BINGO Board has broad discretions in relation to the treatment of any unvested performance rights. The BINGO IBC has exercised its discretion and has determined to accelerate and vest all of the outstanding performance rights subject to the Scheme becoming effective (other than the outstanding performance rights which vest in accordance with their terms prior to that date). The BINGO IBC has also resolved that the terms of the outstanding performance rights will be amended such that the vested performance rights will be cash settled which, as noted above, has been allowed for in our assessment of net debt.
- 278 Accordingly, for valuation purposes we have adopted 655.0 million fully diluted shares on issue.

## Valuation summary

- 279 Given the above, we have assessed the value of 100% of the equity in BINGO on a controlling interest basis as follows:

| BINGO – valuation summary <sup>(1)</sup>                       |           |                |                |
|--|-----------|----------------|----------------|
|  | Paragraph | Low<br>\$m     | High<br>\$m    |
| Assessed enterprise value                                      | 244       | 2,400.0        | 2,600.0        |
| Other assets / (liabilities) <sup>(2)</sup>                    | 271       | 39.9           | 51.6           |
| Net cash / (debt)  | 275       | (360.0)        | (360.0)        |
| <b>Equity value – controlling interest basis</b>               |           | <b>2,079.9</b> | <b>2,291.6</b> |
| Fully diluted shares on issue (million)                        | 278       | 655.0          | 655.0          |
| <b>BINGO value per share – controlling interest basis (\$)</b> |           | <b>3.18</b>    | <b>3.50</b>    |

### Note:

- 1 Rounding differences may exist.
- 2 Does not include any allowance for the outcome of the ACCC's industry wide investigation into the NSW B&D sector price increases that occurred on and from 1 July 2019. We note that the value of BINGO reduces by \$0.01 per share for every \$6.6 million of penalty imposed on the Company. It also excludes any allowance for the outcome of the recent EPA dispute (noting that the EPA's claim of some \$33 million (which BINGO expects to be reduced) reduces our assessed value of BINGO by some \$0.035 per share (on a tax effected basis).

- 280 We have cross-checked our valuation of BINGO for reasonableness by comparing our assessed value of the equity in BINGO (on a per share basis) with the "undisturbed" listed market prices of BINGO shares on the ASX, adjusted for a premium for control. For the purposes of determining the "undisturbed" market price, we have considered trading in BINGO shares up to and including two different cut-off dates:

- (a) 17 December 2020, being the last trading day prior to press speculation regarding potential takeover interest in BINGO<sup>90</sup>
- (b) 18 January 2021, being the last trading day prior to the announcement of the Indicative Proposal.

281 Although it is customary to limit the analysis of trading up to and including one cut-off date, we have considered an alternative date in this instance because trading in BINGO shares (price and volume) in the days immediately following the AFR article did not appear to be materially affected (in fact, the share price marginally declined through to 7 January 2021). That said, BINGO’s share price traded some 8.7% higher (on higher volumes) on 8 January 2021, whilst Cleanaway and the S&P/ASX 200 Index increased on that day by lesser amounts (of 5.5% and 0.7% respectively). This gain was maintained by BINGO through to 18 January 2021 (being the last trading day prior to the announcement of the Indicative Proposal), while Cleanaway and the S&P/ASX 200 Index both declined (by 1.6% and 1.4% respectively) over the ensuing period<sup>91</sup>. It is therefore arguable that BINGO’s share price trading subsequent to 7 January 2021 (and potentially subsequent to 17 December 2020) cannot reasonably be considered “undisturbed”.

282 The volume weighted average price (VWAP) for BINGO shares (based upon all trading<sup>92</sup>) in the one and three month periods up to 17 December 2020 and 18 January 2021 are as follows:

| BINGO – VWAPs    |           |           |
|------------------|-----------|-----------|
|                  | 17 Dec 20 | 18 Jan 21 |
|                  | \$        | \$        |
| One month VWAP   | 2.64      | 2.59      |
| Three month VWAP | 2.60      | 2.62      |

- 283 Having regard to the above, we have adopted an “undisturbed” share price of \$2.60 for the purposes of our cross-check.
- 284 Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)<sup>93</sup>.
- 285 Adding a 30% to 35% premium for control to the adopted “undisturbed” share price results in a theoretical “control” value of \$3.38 to \$3.51 per BINGO share, which is broadly consistent with the high end of our assessed valuation range.

<sup>90</sup> The Australian Financial Review (AFR) article, *Infrastructure funds think about cleaning up Bingo*, was published post market close on 17 December 2020.

<sup>91</sup> From 17 December 2020 through to 18 January 2021, Cleanaway and the S&P/ASX 200 Index increased by some 3.3% and negative 1.4% respectively.

<sup>92</sup> Including for example, block trades, privately negotiated trades, pre-trading and after trading hour market trades.

<sup>93</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2019. LEA’s study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

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## VII The Mixed Consideration alternative

### Overview

286 If the Scheme is approved and implemented, as an alternative to the Cash Consideration, BINGO shareholders (other than certain ineligible foreign shareholders) may elect to receive the following for each BINGO share held:

- (a) \$1.32 in cash, less any Special Dividend that is determined and paid
- (b) RollCo<sup>94</sup> Scrip, which will comprise:
  - (i) 1 Class B share with an ascribed issue price of \$1.089
  - (ii) 1 Preference share with an ascribed issue price of \$0.891
  - (iii) 1 Class C share (with a negligible ascribed issue price) which carries with it an entitlement to an Earn-Out Dividend<sup>95</sup> depending upon the level of Adjusted EBITDA<sup>96</sup> achieved by the BINGO business in the period up to and including FY24.

287 The Mixed Consideration alternative is only available for Australian and NZ resident shareholders and is subject to scale back if BINGO shareholders holding (in aggregate) more than 40% of the total issued capital of BINGO validly elect to receive the Mixed Consideration<sup>97</sup>. If this were to occur, then elections would be scaled back on a pro-rata basis to the 40% maximum threshold, with BINGO shareholders receiving the Cash Consideration in lieu of the Mixed Consideration in respect of the shares subject to scale back.

288 Mr Tartak and Mr Malouf, who collectively hold some 31.53% of BINGO's shares<sup>98</sup>, have stated to BINGO that<sup>99</sup> they intend to vote all the BINGO shares held or controlled by them in favour of the Scheme and elect to receive the Mixed Consideration.

289 We assume that the BINGO shareholders contemplating an election to receive the Mixed Consideration will do so with a medium-to-long term investment horizon and will be prepared to co-invest with MIRA until a future liquidity event occurs.

290 Notwithstanding the above, we set out in this section of our report an analysis of the following:

<sup>94</sup> RollCo is a corporate entity which will indirectly own 100% of BINGO and be majority (not less than 74%) controlled by MIRA.

<sup>95</sup> Being a fully franked (to the maximum extent possible) earn-out dividend of up to \$0.80 per share.

<sup>96</sup> For this purpose Adjusted EBITDA has the meaning given to the term "Adjusted EBITDA" as defined in Schedule 7 of the Deed, the executed form of which is included as an attachment to the Scheme Booklet.

<sup>97</sup> The Scheme is also conditional upon BINGO shareholders holding (in aggregate) at least 30% of the issued capital of BINGO validly electing to receive the Mixed Consideration.

<sup>98</sup> Mr Tartak holds 129.8 million BINGO shares (19.82%) while Mr Malouf holds 76.7 million BINGO shares (11.71%). BINGO has some 655.0 million shares on issue (excluding performance rights).

<sup>99</sup> In the absence of a superior proposal (as defined in the Agreement) and subject to an independent expert concluding, and continuing to conclude, that the Scheme is fair and reasonable and in the best interests of BINGO shareholders.

- (a) **underlying value** – our view of the underlying value of the individual components of the Mixed Consideration immediately post implementation of the Scheme<sup>100</sup>. Our assessment of underlying value of the RollCo Scrip assumes the holder has 100% control of RollCo and an unfettered ability to transact in the equity securities
- (b) **realisable value** – our assessment of the extent to which the underlying value could be theoretically realised by Rolling Shareholders (in the immediate or short term post implementation of the Scheme) given that their factual position will be very different to that assumed in respect of the determination of underlying value.

291 This analysis has been undertaken primarily to provide BINGO shareholders with a theoretical value comparison between the Cash Consideration and the Mixed Consideration.

### **Underlying value of Mixed Consideration**

#### **Cash element of \$1.32**

- 292 Rolling Shareholders will receive (inter alia) \$1.32 in cash, less any Special Dividend, which if determined and paid<sup>101</sup>, is expected to be no more than \$0.117 per BINGO share and to be fully franked.
- 293 Given that the total cash payment to be received by Rolling Shareholders does not change as a result of the Special Dividend, for the purposes of this section of our report we have attributed a value of \$1.32 per BINGO share to the cash component of the Mixed Consideration. However, due to the benefit of franking credits, we note that the value to some Australian resident shareholders may be greater than \$1.32 per BINGO share if a Special Dividend is paid.

#### **RollCo Scrip**

- 294 We understand that RollCo and its subsidiaries (including BidCo) are special purpose entities established specifically for the purposes of the acquisition of BINGO pursuant to the Scheme.
- 295 We further understand that should the Scheme be approved and implemented, then RollCo's primary asset will be its equity interest in BINGO (held via its wholly owned subsidiaries). Its other assets and liabilities are expected to be limited to those created or incurred as a result of facilitating the implementation of the Scheme.
- 296 As set out in the Scheme Booklet, the cash required by RollCo to fund the acquisition of BINGO will come from an equity contribution from MIRA of \$1,508 million to \$1,648 million<sup>102</sup> and a new syndicated debt facility of around \$825 million. The cash proceeds will be used to:
- (a) fund the cash payable to BINGO shareholders under the Scheme (i.e. the Cash Consideration and the \$1.32 cash element of the Mixed Consideration, less any Special Dividend determined and paid)

<sup>100</sup> The future underlying value of the RollCo Scrip is inherently uncertain and dependent upon a number of factors (e.g. the performance of the business, economic conditions etc) all of which are unknown at this point in time.

<sup>101</sup> It remains at the discretion of the BINGO Board whether the Special Dividend is ultimately determined and paid.

<sup>102</sup> MIRA will subscribe for Class A shares and Preference shares. The equity contributed by MIRA will depend upon the number of BINGO shareholders that validly elect to receive the Mixed Consideration.

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- (b) pay transaction costs associated with the Scheme
- (c) refinance certain of BINGO's existing net debt (which for valuation purposes we have estimated at \$360 million, refer paragraph 275).

297 Based on the above, in our opinion, the underlying value of RollCo equity immediately post implementation of the Scheme and assuming payment of a Special Dividend of \$0.117 per BINGO share is as follows:

|  | Paragraph | Mixed Consideration Election Scenario <sup>(3)</sup> |              |              |              |
|--|-----------|--|--------------|--------------|--------------|
|  |           | Min (30.0%)  |              | Max (40.0%)  |              |
|  |           | \$m  | \$m          | \$m          | \$m          |
| Assessed enterprise value of BINGO         | 244       | 2,400  | 2,600        | 2,400        | 2,600        |
| Other assets/(liabilities) <sup>(4)</sup>  | 271       | 40   | 52           | 40           | 52           |
| Pro-forma net debt <sup>(5)</sup>          |           | (658)  | (658)        | (658)        | (658)        |
| <b>Equity value – controlling interest</b> |           | <b>1,782</b>   | <b>1,994</b> | <b>1,782</b> | <b>1,994</b> |

**Note:**

- 1 Rounding differences may exist.
- 2 Immediately post implementation of the Scheme.
- 3 Min scenario assumes 30% of total issued capital of BINGO (given Mr Tartak's and Mr Malouf's stated intention to elect to receive the Mixed Consideration, the minimum number of elections will be higher). Max scenario assumes 40.0% of total issued capital of BINGO.
- 4 Does not include any allowance for the outcome of the ACCC's industry wide investigation into the NSW B&D sector price increases that occurred on and from 1 July 2019 or any allowance for the outcome of the recent EPA dispute.
- 5 Calculated as follows:

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Cash from MIRA                                     | 1,648   | 1,648   | 1,508   | 1,508   |
| Cash from new debt facility                        | 825     | 825     | 825     | 825     |
| Total available cash                               | 2,473   | 2,473   | 2,333   | 2,333   |
| Less Adj cash to BINGO shareholders <sup>(6)</sup> | (1,764) | (1,764) | (1,625) | (1,625) |
| Less transaction costs <sup>(7)</sup>              | (104)   | (104)   | (104)   | (104)   |
| Less Adj BINGO net debt <sup>(8)</sup>             | (437)   | (437)   | (437)   | (437)   |
| Residual available cash                            | 167     | 167     | 167     | 167     |
| New debt facility                                  | (825)   | (825)   | (825)   | (825)   |
| Pro-forma net debt                                 | (658)   | (658)   | (658)   | (658)   |
- 6 Excludes assumed payment of the Special Dividend (of \$0.117 per BINGO share):

|                                  |         |         |         |         |
|----------------------------------|---------|---------|---------|---------|
| Total cash to BINGO shareholders | (1,841) | (1,841) | (1,702) | (1,702) |
| Add back Special Dividend        | 77      | 77      | 77      | 77      |
| Adj cash to BINGO shareholders   | (1,764) | (1,764) | (1,625) | (1,625) |
- 7 Adjusted to exclude transaction costs reflected in net debt adopted by LEA for valuation purposes.
- 8 Includes assumed cost of funding Special Dividend (of \$0.117 per BINGO share):

|                                       |       |       |       |       |
|---------------------------------------|-------|-------|-------|-------|
| BINGO net debt for valuation purposes | (360) | (360) | (360) | (360) |
| Add cost of Special Dividend          | (77)  | (77)  | (77)  | (77)  |
| Adj BINGO net debt                    | (437) | (437) | (437) | (437) |

**Source:** Section VI of this report and section 6 of the Scheme Booklet.

298 Immediately post implementation of the Scheme, RollCo will have the following equity securities on issue:

- (a) Class A shares (to be issued to MIRA at an ascribed issue price of \$1.089 per share)

- (b) Class B shares (to be issued to Rolling Shareholders at an ascribed issue price of \$1.089 per share)
- (c) Preference shares (to be issued to both MIRA and Rolling Shareholders at an ascribed issue price of \$0.891 per share)
- (d) Class C shares (to be issued to Rolling Shareholders at a negligible ascribed issue price).

299 The number of securities in RollCo that will be held by MIRA and the Rolling Shareholders immediately post the implementation of the Scheme will differ based upon the number of BINGO shareholders that validly elect to receive the Mixed Consideration (albeit in all scenarios, RollCo will be majority owned by MIRA).

|  | RollCo – RollCo securities on issue (and split of security holdings) <sup>(1)(2)</sup> |              |                |              |
|--|--|--------------|----------------|--------------|
|  | Mixed Consideration Election Scenario <sup>(3)</sup>                                   |              |                |              |
|  | Min (30.0%)  |              | Max (40.0%)    |              |
|  | million  | %            | million        | %            |
| <b>Class A and Class B shares</b>            |  |              |                |              |
| Class A shares – MIRA                        | 832.1  | 80.9         | 761.6          | 74.4         |
| Class B shares – Rolling Shareholders        | 196.5  | 19.1         | 262.0          | 25.6         |
| <b>Total</b>                                 | <b>1,028.6</b>   | <b>100.0</b> | <b>1,023.6</b> | <b>100.0</b> |
| <b>Preference shares</b>                     |  |              |                |              |
| MIRA   | 832.1  | 80.9         | 761.6          | 74.4         |
| Rolling Shareholders                         | 196.5  | 19.1         | 262.0          | 25.6         |
| <b>Total</b>                                 | <b>1,028.6</b>   | <b>100.0</b> | <b>1,023.6</b> | <b>100.0</b> |
| <b>Class C shares – Rolling Shareholders</b> | 196.5  | 100.0        | 262.0          | 100.0        |

**Note:**

- 1 Rounding differences may exist.
- 2 Immediately post implementation of the Scheme.
- 3 Min scenario assumes 30% of total issued capital of BINGO (given Mr Tartak's and Mr Malouf's stated intention to elect to receive the Mixed Consideration, the minimum number of elections will be higher). Max scenario assumes 40.0% of total issued capital of BINGO.

**Source:** Section 6 of the Scheme Booklet.

300 MIRA is a party, and the Rolling Shareholders will become party to the Deed. The Deed (the executed form of which is included as an attachment to the Scheme Booklet) details the rights and restrictions that attach to each RollCo security.

301 We set out below our assessment of the underlying value of each of the Class B shares, Preference shares and Class C shares.

**Class B shares**

302 Rolling Shareholders will receive (inter alia) one Class B share in RollCo for each BINGO share held.

303 Class B shares rank equally with Class A shares (which will be held by MIRA) in respect of voting rights and the right to participate in dividends, distributions, capital returns or any other distribution of profits, or assets of RollCo. The Class A and Class B shares are



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collectively defined in the Deed as “Voting Shares” and effectively represent ordinary share capital.

- 304 The Voting Shares have a residual claim on the equity in RollCo, in that they rank behind the Class C shares and the Preference shares. Accordingly, the value impact of the other classes of equity security must be deducted from RollCo’s pro-forma equity value in order to determine the underlying value of the Voting Shares (on a 100% controlling interest basis) immediately post implementation of the Scheme.
- 305 Our derivation of the underlying value of the Voting Shares immediately post implementation of the Scheme is set out below:

| RollCo – underlying value of a Voting Share <sup>(1)(2)</sup> |           | Mixed Consideration Election Scenario <sup>(3)</sup> |             |             |             |
|---|-----------|--|-------------|-------------|-------------|
|   |           | Min (30.0%)  |             | Max (40.0%) |             |
|   | Paragraph | Low<br>\$m   | High<br>\$m | Low<br>\$m  | High<br>\$m |
| Equity value – controlling interest                           | 297       | 1,782  | 1,994       | 1,782       | 1,994       |
| Less underlying cash cost of Earn-Out <sup>(4)</sup>          |           | (37)   | (53)        | (49)        | (70)        |
| Less underlying value of Preference shares <sup>(5)</sup>     |           | (916)  | (916)       | (912)       | (912)       |
| Implied underlying value of Voting Shares                     |           | 829  | 1,025       | 822         | 1,012       |
| Voting Shares on issue (m)                                    | 299       | 1,029  | 1,029       | 1,024       | 1,024       |
| <b>Underlying value per Voting Share (\$)<sup>(6)</sup></b>   |           | <b>0.81</b>  | <b>1.00</b> | <b>0.80</b> | <b>0.99</b> |

**Note:**

- 1 Rounding differences may exist.
- 2 Immediately post implementation of the Scheme.
- 3 Min scenario assumes 30% of total issued capital of BINGO (given Mr Tartak’s and Mr Malouf’s stated intention to elect to receive the Mixed Consideration, the minimum number of elections will be higher). Max scenario assumes 40.0% of total issued capital of BINGO.
- 4 Calculated as follows:

|   |     |      |      |      |      |
|---|-----|------|------|------|------|
| Underlying cash cost of Earn-Out per share (\$) | 314 | 0.18 | 0.26 | 0.18 | 0.26 |
| Earn-Out shares on issue (m)                    | 299 | 196  | 196  | 262  | 262  |
| Subtotal  |     | 36   | 52   | 48   | 69   |
| Cash bonus on performance rights <sup>(7)</sup> |     | 1    | 1    | 1    | 1    |
| Underlying cash cost of Earn-Out                |     | 37   | 53   | 49   | 70   |
- 5 Calculated as follows:

|   |     |       |       |       |       |
|---|-----|-------|-------|-------|-------|
| Underlying value of Preference share (\$) | 309 | 0.89  | 0.89  | 0.89  | 0.89  |
| Preference shares on issue (m)            | 299 | 1,029 | 1,029 | 1,024 | 1,024 |
| Underlying value of Preference shares     |     | 916   | 916   | 912   | 912   |
- 6 The value ranges do not include any allowance for the outcome of the ACCC’s industry wide investigation into the NSW B&D sector price increases that occurred on and from 1 July 2019. We note that the underlying values reduce by \$0.01 for every \$10.3 million of penalty imposed on BINGO. It also excludes any allowance for the outcome of the recent EPA dispute (noting that the EPA’s claim of some \$33 million (which BINGO expects to be reduced) reduces the underlying values by some \$0.022 (on a tax effected basis).
- 7 The 4.3 million BINGO performance rights that will vest if the Scheme becomes effective (refer paragraph 277) will have an entitlement to receive a cash bonus that is equivalent to the Earn-Out Dividend. Please see section 9.2 in the Scheme Booklet for further details.

- 306 We note that (pursuant to the terms of the Deed) MIRA will have a three month call option over up to 16.67% of the securities (comprising equivalent numbers of Class B shares and Preference shares) held by the Class B shareholders upon completion of the Scheme at an

exercise price of \$1.089 for each Class B share and \$0.891 for each Preference share<sup>103</sup>. There is no guarantee or certainty that MIRA will exercise its option, however, should it do so (to the maximum extent possible), Rolling Shareholders will effectively receive underlying value equal to 83.33% of the above stated value plus cash of \$0.182<sup>104</sup> per Class B share issued to them.

***Preference shares***

- 307 Rolling Shareholders will receive (inter alia) one Preference share in RollCo for each BINGO share held. MIRA will also be issued with Preference shares (and hold the majority on issue). Preference shares will be issued at an assigned price of \$0.891 per share.
- 308 The Preference shares do not have voting rights<sup>105</sup> and only entitle the holder to the Preference Share Dividend<sup>106</sup> (i.e. have no rights to participate in any other distribution of RollCo's profits). Although the Preference shares rank ahead of the Voting Shares in relation to dividend payments and in the event of a liquidation of RollCo, the equity interest of the Preference shares in RollCo is (at all times) limited to their issue price of \$0.891<sup>107</sup> plus the value of any unpaid accrued coupons<sup>108</sup>.
- 309 Having regard to the above, for the purposes of this report, we have adopted the ascribed issue price of \$0.891 as the underlying value for the Preference shares (immediately post implementation of the Scheme). We refer to paragraph 306, and note that if MIRA exercises its call option (to the maximum extent possible), Rolling Shareholders will effectively receive underlying value equal to 83.33% of our adopted underlying value per share plus cash of \$0.149<sup>109</sup> per Preference share issued to them.
- 310 We note for completeness that we have not considered whether the Preference Share Dividend adequately compensates the holder of a Preference share for the risks assumed. We have not done so because it has little to no impact on our assessment of the total underlying value of the Mixed Consideration. More specifically, this is because:
- (a) the adoption of a lower underlying value per Preference share would result in a higher underlying value being attributed to each Voting Share (and vice versa); and
  - (b) the Preference shares and Voting shares will be held (by MIRA and the Rolling Shareholders) in the same proportion (thus while there would be a value shift between the classes of securities, the value shift would not favour one class of shareholder over the other).

<sup>103</sup> Each Class B share acquired by MIRA converts to a Class A share.

<sup>104</sup> Being 16.67% of the Class B share exercise price of \$1.089.

<sup>105</sup> Other than in respect of any resolution to wind up RollCo or vary the rights attaching to the Preference shares.

<sup>106</sup> A dividend / coupon that will be payable at a rate that that will be 0.5% higher than the interest rate paid by RollCo on its senior debt facilities.

<sup>107</sup> Assuming this has not already been partially repaid.

<sup>108</sup> Whether by way of MIRA's 16.67% call option, the acquisition of a Small Shareholder's interest, a redemption or conversion event, or a liquidation of RollCo.

<sup>109</sup> Being 16.67% of the Preference share exercise price of \$0.891.

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## ***Class C shares***

- 311 Rolling Shareholders will receive (inter alia) one Class C share (with a negligible ascribed issued price) in RollCo for each BINGO share held.
- 312 Each Class C share will entitle the holder to receive an Earn-Out Dividend, depending on the level of EBITDA achieved by BINGO in the period up to and including FY24. More specifically, if BINGO achieves underlying Adjusted EBITDA<sup>110</sup> of:
- (a) \$240 million or more in FY24, the entire Earn-Out Dividend will be payable
  - (b) between \$220 million and \$240 million in FY24, a straight-line pro-rata percentage of the Earn-Out Dividend will be payable
  - (c) less than \$220 million in FY24, no Earn-Out Dividend will be payable.
- 313 The fully franked (to the maximum extent possible) Earn-Out Dividend is subject to considerable risk and could range anywhere between \$nil and \$0.80 (plus franking credits) per Class C share. Furthermore, if a future entitlement arises, the dividend is not likely to be paid until the later part of calendar year 2024 and therefore needs to be discounted back to present day at an appropriate risk adjusted discount rate<sup>111</sup>. Accordingly, the risk adjusted underlying value of the Earn-Out Dividend in today's dollars is worth considerably less than the maximum \$0.80 (plus franking credits) per Class C share.
- 314 For the purpose of this report, we have assessed the underlying value of the Class C share immediately post implementation of the Scheme at between \$0.26 and \$0.38 per share including franking credits (with a cash cost, which excludes franking credits of between \$0.18 and \$0.26 per share)<sup>112</sup>. Our detailed workings can be found at Appendix F.

## **Conclusion on underlying value of the Mixed Consideration**

- 315 Based upon the above, we have assessed the total underlying value of the Mixed Consideration immediately post implementation of the Scheme as follows:

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<sup>110</sup> For this purpose Adjusted EBITDA has the meaning given to the term "Adjusted EBITDA" as defined in Schedule 7 of the Deed, the executed form of which is included as an attachment to the Scheme Booklet.

<sup>111</sup> While early payment is possible, we consider it unlikely based upon the information considered for the purpose of this report.

<sup>112</sup> Our assessment excludes any EBITDA benefit that may be obtained from the future acquisition of a business and/or company which we understand would be eligible to be included in Adjusted EBITDA for the purposes of determining any entitlement to an Earn-Out Dividend.

| <b>Mixed Consideration – underlying value<sup>(1)(2)</sup></b>     |     | <b>Mixed Consideration Election Scenario<sup>(3)</sup></b> |             |                    |             |
|--|-----|--|-------------|--------------------|-------------|
|  |     | <b>Min (30.0%)</b>   |             | <b>Max (40.0%)</b> |             |
|  |     | <b>Low</b>   | <b>High</b> | <b>Low</b>         | <b>High</b> |
| <b>Paragraph</b>   |     | <b>\$</b>  | <b>\$</b>   | <b>\$</b>          | <b>\$</b>   |
| <b>MIRA does not exercise its 16.67% call option</b>               |     |  |             |                    |             |
| Cash element of \$1.32 <sup>(4)</sup>                              | 293 | 1.32   | 1.32        | 1.32               | 1.32        |
| Class B share  | 305 | 0.81   | 1.00        | 0.80               | 0.99        |
| Preference share   | 309 | 0.89   | 0.89        | 0.89               | 0.89        |
| Class C share  | 314 | 0.26   | 0.38        | 0.26               | 0.38        |
| Underlying value of Mixed Consideration <sup>(5)</sup>             |     | <u>3.28</u>  | <u>3.58</u> | <u>3.28</u>        | <u>3.58</u> |
| <b>MIRA exercises its 16.67% call option<sup>(6)</sup></b>         |     |  |             |                    |             |
| Cash element of \$1.32 <sup>(4)</sup>                              | 293 | 1.32   | 1.32        | 1.32               | 1.32        |
| Cash from 16.67% call option over Class B shares <sup>(6)</sup>    | 306 | 0.18   | 0.18        | 0.18               | 0.18        |
| Cash from 16.67% call option over Preference shares <sup>(6)</sup> | 309 | 0.15   | 0.15        | 0.15               | 0.15        |
| 83.33% of Class B share <sup>(6)</sup>                             | 306 | 0.67   | 0.83        | 0.67               | 0.82        |
| 83.33% of Preference share <sup>(6)</sup>                          | 309 | 0.74   | 0.74        | 0.74               | 0.74        |
| Class C share  | 314 | 0.26   | 0.38        | 0.26               | 0.38        |
| Underlying value of Mixed Consideration <sup>(5)</sup>             |     | <u>3.33</u>  | <u>3.60</u> | <u>3.32</u>        | <u>3.59</u> |

**Note:**

- 1 Rounding differences may exist.
- 2 Immediately post implementation of the Scheme.
- 3 Min scenario assumes 30% of total issued capital of BINGO (given Mr Tartak's and Mr Malouf's stated intention to elect to receive the Mixed Consideration, the minimum number of elections will be higher). Max scenario assumes 40.0% of total issued capital of BINGO.
- 4 Includes the assumed Special Dividend of \$0.117 per BINGO share.
- 5 The value ranges do not include any allowance for the outcome of the ACCC's industry wide investigation into the NSW B&D sector price increases that occurred on and from 1 July 2019. We note that the underlying values reduce by \$0.01 for every \$10.3 million of penalty imposed on BINGO. It also excludes any allowance for the outcome of the recent EPA dispute (noting that the EPA's claim of some \$33 million (which BINGO expects to be reduced) reduces the underlying values by some \$0.022 (on a tax effected basis).
- 6 Assumes that MIRA exercises its call option over 16.67% of the Class B and Preference shares issued upon completion of the Scheme at an exercise price of \$1.089 for each Class B share and \$0.891 for each Preference share.

316 Reflective of the inherent risk / reward structure of the Mixed Consideration, our assessed underlying value of the Mixed Consideration exceeds the value of the Cash Consideration at the high end of our range but is less than the Cash Consideration at the low end of the range.

**Realisable value (i.e. theoretical cash equivalent) of Mixed Consideration**

317 **Notwithstanding the above, we consider it important in the overall consideration of the Scheme to highlight that the underlying value of the RollCo Scrip does not represent the value that may be realised if Rolling Shareholders theoretically sought to dispose of the RollCo Scrip in the immediate or short term post implementation of the Scheme (i.e. theoretical cash equivalent).** This is because the factual position of a Rolling Shareholder will be quite different to that assumed above in respect of the determination of underlying value. In particular, we note that:

- (a) MIRA (not the Rolling Shareholders) will control RollCo

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- (b) RollCo will be an unlisted and illiquid vehicle (i.e. not be listed on any securities exchange via which Rolling Shareholders can easily transact their RollCo Scrip); and
  - (c) RollCo (via the Deed) will impose significant restrictions upon a Rolling Shareholder's ability to dispose of its RollCo Scrip.
- 318 Given the inherent uncertainty associated with a minority interest in an unlisted and illiquid entity, it is not possible to reliably determine the realisable value (i.e. theoretical cash equivalent) of the RollCo Scrip in the immediate or short term post implementation of the Scheme. Furthermore, in our opinion, any attempt to do so would be spurious in nature. For example:
- (a) there is no certainty as to when and if a Rolling Shareholder could negotiate and complete a transaction
  - (b) due to the absence of an organised market for the shares, the realised price (assuming a transaction could even be negotiated and completed) will depend upon (inter alia) the parties involved, their respective positions, relative negotiating / bargaining power etc.
- 319 For the benefit of those BINGO shareholders considering an election to receive the Mixed Consideration, we set out below a summary of the shareholder rights and restrictions that, in our opinion, are likely to have some bearing upon the theoretical realisable value (further information on the rights and restrictions attaching to the RollCo Scrip can be found in the Deed, which is attached to and summarised within the Scheme Booklet<sup>113</sup>).

### Class B shares

- 320 The primary rights and restrictions which we consider will have a bearing upon the theoretical realisable value of the Class B shares held by Rolling Shareholders are summarised below:
- (a) **voting** – although the Voting Shares entitle a shareholder to one vote (per share held) at any general meeting, MIRA will (under all Scheme Scenarios) hold the majority of the Voting Shares (and votes) and therefore control RollCo (refer paragraph 299)<sup>114</sup>
  - (b) **decision making** – only those Rolling Shareholders who hold at least 5% of the Voting Shares on implementation of the Scheme (5% Rolling Shareholder)<sup>115</sup> will have the right to appoint a Director (Class B Director), subject to the terms of the Deed<sup>116</sup>. Both Mr Tartak and Mr Malouf will each become a 5% Rolling Shareholder given their stated intention to elect to receive the Mixed Consideration and their current level of shareholding in BINGO. While the Class B Directors will have some (rather than no) influence over RollCo's decisions<sup>117</sup>, the RollCo Board will ultimately be controlled by MIRA

<sup>113</sup> Refer Annexure 4 and Section 6 of the Scheme Booklet.

<sup>114</sup> MIRA also has the ability to increase its percentage interest in the Voting Shares (within three months of the implementation of the Scheme) by exercising its 16.67% call option.

<sup>115</sup> Or would have held at least 5% of the Voting Shares but for the operation of the scale back provisions.

<sup>116</sup> 5% Rolling Shareholders will continue to have this right so long as they do not dispose of more than 50% of their Class B and Preference shares (excluding permitted transfers and any disposal that occurs in connection with, or as a result of, MIRA exercising its 16.67% call option).

<sup>117</sup> There are a number of matters which will require the approval of at least one Class B Director (for so long as there is at least one Class B Director on the RollCo Board), e.g. decisions concerning material mergers or acquisitions

- (c) **dividends** – Voting Shares will not be able to be paid a dividend etc. until such time as the Earn-Out Dividend has been determined and paid. Furthermore, RollCo will be highly geared (i.e. have a high level of debt) and will (pursuant to the Deed) need to prioritise dividend payments on the Preference shares (over the Voting Shares). Accordingly, Rolling Shareholders should have little to no expectation of receiving a dividend, or any other distribution in respect of their Class B shares (in the short-to-medium term)
- (d) **transferability** – Rolling Shareholders will be unable to dispose of their Class B shares other than in accordance with the terms of the Deed (and may under certain circumstances, be compelled to dispose of their equity interest). In this regard we note that:
- (i) call option – as previously noted at paragraph 306, MIRA will have a three month call option over up to 16.67% of the Class B and Preference shares. Whilst this may result in Rolling Shareholders receiving a sum certain for these shares there is no guarantee or certainty that MIRA will exercise its option. We further note that although Rolling Shareholders will be permitted to transfer the “uncalled” Class B shares and Preference shares to any person (at any future time) (provided such a transfer is permitted by the Deed), the ability to do so (and at what price) is highly uncertain due to the lack of a liquid (or possibly any) market for the shares
- (ii) Small Shareholder<sup>118</sup> – one year post implementation of the Scheme, RollCo may compulsory acquire a Small Shareholder’s Class B (and Preference) shares<sup>119</sup>. RollCo’s purchase price for the:
- Class B shares will need to be determined by a valuation practitioner based upon standard market value principles (implying that the Class B shares may be acquired at less than their underlying value)
  - Preference shares will be based upon the issue price (of \$0.891 per share) plus any accrued interest / coupon
- (iii) general transfers – Rolling Shareholders (other than 5% Rolling Shareholders) will not be permitted to dispose of their shares other than in accordance with (d)(i) (noting that (d)(i) must be instigated by MIRA, not the Rolling Shareholder) and (d)(ii) (noting that (d)(ii) must be instigated by the RollCo Board, not the Rolling Shareholder), by way of a disposal to a permitted transferee in accordance with the Deed, in certain event of default situations as set out in the Deed and pursuant to the exit arrangements discussed below. On or after the fourth anniversary of the implementation of the Scheme (i.e. from year five) each 5% Rolling Shareholder will be entitled to dispose of up to 50% of those Class B (and

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involving consideration in excess of \$75 million, changes to the business scope prior to 30 June 2024 (i.e. prior to the end of the Earn-Out period), changes to the rights attaching to the Voting Shares, Preference shares or Class C shares.

<sup>118</sup> Rolling Shareholders that are issued less than \$10,000 worth of Class B (and Preference) shares upon implementation of the Scheme (based upon the issue price of \$1.089 per Class B share and \$0.891 per Preference share).

<sup>119</sup> Shareholders may not dispose of any of their Voting Shares without at the same time disposing of their Preference shares (and vice versa) unless the RollCo Board approves that disposal by special director approval in accordance with the Deed.

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Preference)<sup>120</sup> shares it held at implementation of the Scheme, to any person<sup>121</sup>.

- (e) **exit arrangements** – MIRA may initiate an Exit Event (as defined in the Deed)<sup>122</sup> at its discretion at any time. Whilst a Class B Director (i.e. a 5% Rolling Shareholder) will also be permitted to initiate or pursue an Exit Event they can only do so post the seventh anniversary of the implementation of the Scheme (i.e. from year eight) provided MIRA has not initiated an Exit Event less than six months prior. No other Rolling Shareholders will be permitted to initiate an Exit Event.<sup>123</sup>

321 Whilst the Deed provides certain rights to Class B shareholders (and in particular a 5% Rolling Shareholder), the situation faced by the majority of the Class B shareholders will fundamentally be no different to that faced by minority shareholders generally (and due to the size of MIRA's controlling interest, arguably a less advantageous situation than currently faced by existing minority shareholders in BINGO). Accordingly, in our opinion, it would be appropriate to expect some form of minority interest discount to be applied to the Class B shares<sup>124</sup>.

322 Furthermore, although there are various provisions in the Deed that contemplate and outline ways in which the Rolling Shareholders (and in particular a 5% Rolling Shareholder) may realise value for their Class B shares, there is no guarantee as to whether, or when, the majority of the Rolling Shareholders might be able to dispose of (either part or all of) their Class B shares (and at what price). Accordingly, in our opinion, it would also be appropriate to expect the Class B shares to attract some form of discount for lack of marketability<sup>125</sup>.

## Preference shares

323 The primary rights and restrictions which we consider will have a bearing upon the theoretical realisable value of the Preference shares held by Rolling Shareholders are summarised below:

- (a) **voting** – the Preference shares do not have any voting rights<sup>126</sup>

<sup>120</sup> Shareholders may not dispose of any of their Voting Shares without at the same time disposing of their Preference shares (and vice versa) unless the RollCo Board approves that disposal by special director approval in accordance with the Deed.

<sup>121</sup> Persons that acquire the Class B (and Preference) shares from Rolling Shareholders will not become a 5% Rolling Shareholder (irrespective of how many shares they acquire).

<sup>122</sup> Being a sale of all the RollCo securities (excluding Class C shares), an initial public offering of RollCo, or a sale of substantially all the assets of RollCo (and its subsidiaries).

<sup>123</sup> Customary drag-along and tag-along provisions will apply in relation to an Exit Event.

<sup>124</sup> The minority interest discount associated with an assumed control premium of 30% to 35% is in the order of 23% to 26% (before the addition of any lack of marketability discount). In practice, theoretical minority discounts of 20% to 25% are often applied in the absence of any relevant shareholders' agreement. In circumstances where a shareholders' agreement prevails the range of discounts can vary widely subject to the terms of the specific agreement.

<sup>125</sup> Discounts for lack of marketability vary widely but are generally in the range of 20% to 30% (with lower discounts possible in certain circumstances).

<sup>126</sup> Other than in respect of any resolution to wind up RollCo or vary the rights attaching to the Preference shares.

- (b) **dividends** – although the holders of the Preference shares are entitled to receive the Preference Share Dividend<sup>127</sup>, the RollCo Board need only pay 10% of the coupon in any given year<sup>128</sup>. That said, the unpaid element of the coupon does accumulate
- (c) **redemption** – the Preference shares must be redeemed on the earlier of an Exit Event and the Maturity Date (being nine years and 11 months after the date of issue). Otherwise, the RollCo Board is able (at any time) to elect to redeem some or all of the Preference shares. The redemption price will be equal to the issue price \$0.891<sup>129</sup> plus any unpaid accrued coupons
- (d) **conversion** – if the Preference shares are not redeemed by RollCo upon the occurrence of an Exit Event, Rolling Shareholders may elect to convert all or some of its Preference shares into Class B shares<sup>130</sup> (the conversion rate is equal to the redemption price divided by the value attributed to one Class B share for the purpose of the Exit Event)
- (e) **transferability** – Rolling Shareholders will only be able to dispose of their Preference shares pursuant to 323(c) and 323(d) and in accordance with the restrictions outlined above in relation to the Voting Shares (refer paragraphs 320(d)(i) to (iii)).

324 Given the disposal restrictions imposed upon Rolling Shareholders in respect of the Preference shares, in our opinion, it is arguable (although, in our opinion, not appropriate) that the Preference shares should, like the Class B shares, also attract some form of discount for lack of marketability.

#### **Class C shares**

325 The Class C shares are the mechanism by which Rolling Shareholders receive any entitlement that may arise in respect of the Earn-Out Dividend. As noted above, we have considered the value of the Class C shares in Appendix F.

#### **Conclusion on realisable value (i.e. theoretical cash equivalent)**

326 Having regard to the above, the realisable value of the RollCo Scrip (assuming the shares could be sold) is likely to be less (and potentially significantly less) than their underlying value.

327 However, as noted above, given the inherent uncertainty associated with a Rolling Shareholder's minority interest in the unlisted and illiquid RollCo, in our opinion, it is not possible to reliably determine the realisable value (i.e. theoretical cash equivalent) of the RollCo Scrip in the immediate or short-term post implementation of the Scheme. Furthermore, in our opinion, any attempt to do so would be spurious in nature.

328 As an alternative, for the benefit of those BINGO shareholders considering an election to receive the Mixed Consideration, we set out in the following table a range of theoretical discounts which if applied to the high end of the range of underlying values of the Mixed Consideration results in the realisable value of the Mixed Consideration being equal to the

<sup>127</sup> A dividend / coupon that will be payable at a rate that that will be 0.5% higher than the interest rate paid by RollCo on its senior debt facilities.

<sup>128</sup> And may not be required to pay any amount, if approved by 75% of the holders of the Preference shares and at least one Class B Director (for so long as there is at least one Class B Director on the RollCo Board).

<sup>129</sup> Assuming this has not already been partially repaid.

<sup>130</sup> If the holders of the Preference shares (being MIRA and Rolling Shareholders) elect (in aggregate) to convert 90% of the Preference shares, then all holders are deemed to have elected to convert their Preference shares.



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Cash Consideration (it is not necessary to apply a discount to the low end of the range of underlying values because, as noted in paragraph 316 above, these are already less than the Cash Consideration).

| Illustrative theoretical discounts applied to underlying value <sup>(1)(2)</sup> |           |  |        |             |        |
|--|-----------|--|--------|-------------|--------|
|  | Paragraph | Mixed Consideration Election Scenario <sup>(3)</sup> |        |             |        |
|  |           | Min (30.0%)  |        | Max (40.0%) |        |
|  |           | Low  | High   | Low         | High   |
|  |           | \$   | \$     | \$          | \$     |
| <b>MIRA does not exercise its 16.67% call option</b>                             |           |  |        |             |        |
| Underlying value of Mixed Consideration  | 315       | 3.28   | 3.58   | 3.28        | 3.58   |
| Theoretical discount   |           |  | (0.13) |             | (0.13) |
| Realisable value (equal to Cash Consideration)                                   |           |  | 3.45   |             | 3.45   |
| <i>Discount / underlying value of Class B share (%)<sup>(4)</sup></i>            | 315       |  | 13.0   |             | 13.1   |
| <b>MIRA exercises its 16.67% call option<sup>(5)</sup></b>                       |           |  |        |             |        |
| Underlying value of Mixed Consideration  | 315       | 3.33   | 3.60   | 3.32        | 3.59   |
| Theoretical discount   |           |  | (0.15) |             | (0.14) |
| Realisable value (equal to Cash Consideration)                                   |           |  | 3.45   |             | 3.45   |
| <i>Discount / underlying value of Class B share (%)<sup>(4)</sup></i>            | 315       |  | 18.1   |             | 17.1   |

**Note:**

- 1 Rounding differences may exist.
- 2 Immediately post implementation of the Scheme.
- 3 Min scenario assumes 30% of total issued capital of BINGO (given Mr Tartak's and Mr Malouf's stated intention to elect to receive the Mixed Consideration, the minimum number of elections will be higher). Max scenario assumes 40.0% of total issued capital of BINGO.
- 4 We have calculated the implied discount relative to the underlying value of the Class B shares as these reflect the economic interest of Rolling Shareholders in RollCo equity. As noted at paragraph 324, it is arguable (although, in our opinion, not appropriate) that the Preference shares should also attract some form of discount for lack of marketability.
- 5 Assumes that MIRA exercises its call option over 16.67% of the Class B and Preference shares issued upon completion of the Scheme at an exercise price of \$1.089 for each Class B share and \$0.891 for each Preference share.

- 329 We note that the theoretical discounts (when expressed as a percentage of the underlying value of the Class B shares) are within the range (albeit toward the low end) of the combined minority interest and lack of marketability discounts that might be applied in the circumstances. Accordingly, in our view, the realisable values of the Mixed Consideration at the high end of the range are likely to be broadly consistent with the Cash Consideration (albeit subject to an inherent high level of uncertainty).
- 330 In summary, in our view, the realisable value (i.e. theoretical cash equivalent) of the Mixed Consideration in the immediate or short term post implementation of the Scheme:
- (a) will be less than the Cash Consideration at the low end of the range (because the underlying value prior to the application of any discount is already less than the Cash Consideration)
  - (b) is likely to be broadly consistent with the Cash Consideration at the high end of the range (albeit subject to an inherent high level of uncertainty).

## VIII Evaluation of the Scheme

331 In our opinion, the Scheme is fair and reasonable and in the best interests of BINGO shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

### Assessment of fairness

#### Value of BINGO

332 As set out in Section VI, we have assessed the value of BINGO on a 100% controlling basis at between \$3.18 and \$3.50 per share.

#### Value of Scheme Consideration

333 Subject to certain conditions, BINGO shareholders (other than certain ineligible foreign shareholders) may elect to receive the Scheme Consideration as one of two alternatives, being Cash Consideration or Mixed Consideration.

#### Cash Consideration

334 If BINGO shareholders elect to receive the Cash Consideration they will receive \$3.45 in cash per BINGO share held, less any Special Dividend which, if determined and paid<sup>131</sup>, is expected to be no more than \$0.117 per BINGO share and to be fully franked.

335 Given that the total cash payment that would be received by BINGO shareholders does not change as a result of the Special Dividend, we have attributed a value of \$3.45 per BINGO share to the Cash Consideration. However, due to the benefit of franking credits, we note that the value to some Australian resident shareholders may be greater than \$3.45 per BINGO share if a Special Dividend is paid.

#### Mixed Consideration

336 Rolling Shareholders will receive \$1.32 in cash (less any Special Dividend that is determined and paid) and RollCo Scrip for each BINGO share held. Based on the proposed structure, an investment in RollCo by a Rolling Shareholder will represent a minority interest investment in an unlisted and illiquid entity.

337 As set out in Section VII, we have assessed the underlying value of the Mixed Consideration in the immediate or short term post implementation of the Scheme at between \$3.28 and \$3.60 per BINGO share<sup>132</sup>. This assessment of underlying value assumes the holder of RollCo Scrip has 100% control of RollCo and an unfettered ability to transact in the equity securities. **It is important for Rolling Shareholders to note that the underlying values do not incorporate any minority interest or lack of marketability / illiquidity discounts and accordingly, do not represent the values that may be realised if they theoretically sought**

<sup>131</sup> It remains at the discretion of the BINGO Board whether the Special Dividend is ultimately determined and paid.

<sup>132</sup> Between \$3.28 and \$3.58 per BINGO share (assuming MIRA does not exercise its 16.67% call option) and between \$3.32 and \$3.60 per BINGO share (assuming MIRA exercises its 16.67% call option). The value ranges do not include any allowance for the outcome of the ACCC's industry wide investigation into the NSW B&D sector price increases that occurred on and from 1 July 2019. We note that the underlying values reduce by \$0.01 for every \$10.3 million of penalty imposed on BINGO. It also excludes any allowance for the outcome of the recent EPA dispute (noting that the EPA's claim of some \$33 million (which BINGO expects to be reduced) reduces the underlying values by some \$0.022 (on a tax effected basis).

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**to dispose of the RollCo Scrip in the immediate or short term post implementation of the Scheme (i.e. theoretical cash equivalent).**

- 338 Given the inherent uncertainty associated with a Rolling Shareholder's minority interest in the unlisted and illiquid RollCo, in our opinion, it is not possible to reliably determine the realisable value (i.e. theoretical cash equivalent) of the RollCo Scrip in the immediate or short term post implementation of the Scheme. Furthermore, in our opinion, any attempt to do so would be spurious in nature.
- 339 As an alternative, for the benefit of those BINGO shareholders considering an election to receive the Mixed Consideration, we set out in Section VII a range of theoretical discounts which if applied to the high end of the range of underlying values of the Mixed Consideration results in the realisable value of the Mixed Consideration being equal to the Cash Consideration (it is not necessary to apply a discount to the low end of the range of underlying values because these are already less than the Cash Consideration).
- 340 We note that the theoretical discounts (when expressed as a percentage of the underlying value of the Class B shares) are within the range (albeit toward the low end) of the combined minority interest and lack of marketability discounts that might be applied in the circumstances. Accordingly, in our view, the realisable values of the Mixed Consideration at the high end of the range are likely to be broadly consistent with the Cash Consideration (albeit subject to an inherent high level of uncertainty).
- 341 In summary, in our view, the realisable value (i.e. theoretical cash equivalent) of the Mixed Consideration in the immediate or short term post implementation of the Scheme:
- (a) will be less than the Cash Consideration at the low end of the range (because the underlying value prior to the application of any discount is already less than the Cash Consideration)
  - (b) is likely to be broadly consistent with the Cash Consideration at the high end of the range (albeit subject to an inherent high level of uncertainty).
- 342 In addition to the above, we note that:
- (a) the Mixed Consideration alternative is only available for Australian and NZ resident shareholders (and that certain of those shareholders may be unwilling or unable to elect to receive the Mixed Consideration due to for example, investment mandate limitations, investment horizon etc). In contrast, all BINGO shareholders (effectively other than Mr Tartak and Mr Malouf<sup>133</sup>) can elect to receive the Cash Consideration

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<sup>133</sup> Given the Scheme is conditional on BINGO shareholders holding (in aggregate) at least 30% of the issued capital of BINGO validly electing to receive the Mixed Consideration and Mr Tartak's and Mr Malouf's interest in BINGO shares, the Scheme would be unlikely to proceed if either elected to accept the Cash Consideration. Mr Tartak and Mr Malouf are (by definition) sophisticated investors, Directors of BINGO and have extensive knowledge and understanding of the BINGO business. Accordingly, we consider them to be capable of forming their own view in relation to the Scheme.

- (b) in our view, any decision to elect to receive the Mixed Consideration should be made independently of the decision to approve the Scheme. This is because by forgoing the Cash Consideration, those BINGO shareholders are essentially making a fresh investment decision where the investment price is equal to the Cash Consideration otherwise receivable.

**Conclusion on Scheme Consideration**

- 343 Having regard to the above, for the purposes of our report we have evaluated the Scheme by reference to the value of the Cash Consideration only.

**Fairness**

- 344 Pursuant to RG 111 a scheme is “fair” if the value of the scheme consideration is equal to, or greater than the value of the securities the subject of the scheme.
- 345 This comparison, based on the Cash Consideration, is shown below:

| <b>Comparison of Cash Consideration to value of BINGO</b>                           |                     |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | <b>Low</b>          | <b>High</b>         | <b>Mid-point</b>    |
|   | <b>\$ per share</b> | <b>\$ per share</b> | <b>\$ per share</b> |
| Value of Cash Consideration   | 3.45                | 3.45                | 3.45                |
| Value of 100% of BINGO  | 3.18                | 3.50                | 3.34                |
| Extent to which the Cash Consideration exceeds (or is less than) the value of BINGO | 0.27                | (0.05)              | 0.11                |

- 346 As the Cash Consideration lies toward the high end of our assessed valuation range for BINGO shares on a 100% controlling interest basis, in our opinion, the Cash Consideration is “fair” to BINGO shareholders when assessed based on the guidelines set out in RG 111.

**Assessment of “reasonableness” and “in the best interests”**

- 347 Pursuant to RG 111, a transaction is reasonable if it is fair. Consequently, in our opinion, the Scheme is also reasonable.
- 348 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 349 In our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because, if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 350 We therefore consider that the Scheme is also “in the best interests” of BINGO shareholders in the absence of a superior proposal.

**Other considerations**

- 351 In assessing whether the Scheme is “reasonable” and “in the best interests” of BINGO shareholders LEA has also considered, in particular:

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- (a) the extent to which a control premium is being paid to BINGO shareholders
- (b) the extent to which BINGO shareholders are being paid a share of any synergies likely to be generated pursuant to the potential transaction
- (c) the listed market price of BINGO shares, both prior to and subsequent to the announcement of the proposed Scheme
- (d) the likely market price of BINGO shares if the Scheme is not approved
- (e) the value of BINGO to an alternative offeror and the likelihood of a higher alternative offer being made for BINGO prior to the date of the Scheme meeting
- (f) the advantages and disadvantages of the Scheme from the perspective of BINGO shareholders
- (g) other qualitative and strategic issues associated with the Scheme.

352 These issues are discussed in detail below.

### **Extent to which a control premium is being paid**

353 Research undertaken by LEA indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the listed market price of the target company's shares<sup>134</sup> three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price)<sup>135</sup>. This premium range reflects the fact that:

- (a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder
- (b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds
- (c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company
- (d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

354 We have calculated the premium implied by the Cash Consideration by reference to the "undisturbed" market prices of BINGO shares on the ASX for periods up to and including 17 December 2020 (being the last trading day prior to press speculation regarding potential

<sup>134</sup> After adjusting the pre-bid market prices for the movement in share market indices between the date of the pre-bid market price and the announcement of the takeover.

<sup>135</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to 2019. LEA's study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4 and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

takeover interest in BINGO<sup>136</sup>) and 18 January 2021 (being the last trading day prior to the announcement of the Indicative Proposal).

- 355 Although it is customary to limit the analysis of trading up to and including one cut-off date, we have considered an alternative date in this instance because trading in BINGO shares (price and volume) in the days immediately following the AFR article did not appear to be materially affected (in fact, the share price marginally declined through to 7 January 2021). That said, BINGO's share price traded some 8.7% higher (on higher volumes) on 8 January 2021, whilst Cleanaway and the S&P/ASX 200 Index increased on that day by lesser amounts (of 5.5% and 0.7% respectively). This gain was maintained by BINGO through to 18 January 2021 (being the last trading day prior to the announcement of the Indicative Proposal), while Cleanaway and the S&P/ASX 200 Index both declined (by 1.6% and 1.4% respectively) over the ensuing period<sup>137</sup>. It is therefore arguable that BINGO's share price trading subsequent to 7 January 2021 (and potentially subsequent to 17 December 2020) cannot reasonably be considered "undisturbed".
- 356 The implied offer premium based on the Cash Consideration relative to BINGO share prices up to and including those dates is shown below:

| Implied offer premium relative to recent BINGO share prices |                         |   |
|---|-------------------------|---|
|   | BINGO share price<br>\$ | Implied control premium <sup>(1)</sup><br>% |
| <b>Trading up to 17 December 2020</b>                       |                         |   |
| Closing share price on 17 December 2020                     | 2.58                    | 33.7  |
| 1 month VWAP to 17 December 2020                            | 2.64                    | 30.7  |
| 3 month VWAP to 17 December 2020                            | 2.60                    | 32.7  |
| <b>Trading up to 18 January 2021</b>                        |                         |   |
| Closing share price on 18 January 2021                      | 2.74                    | 25.9  |
| 1 month VWAP to 18 January 2021                             | 2.59                    | 33.2  |
| 3 month VWAP to 18 January 2021                             | 2.62                    | 31.7  |

**Note:**

- 1 Based upon the Cash Consideration.

- 357 Having regard to the above, in our opinion, the Cash Consideration provides BINGO shareholders with a premium that is consistent with observed premiums generally paid in comparable circumstances<sup>138</sup>. Accordingly, in our opinion, BINGO shareholders are being compensated for the fact that control of BINGO will pass to MIRA if the Scheme is approved and implemented.

<sup>136</sup> AFR article, *Infrastructure funds think about cleaning up Bingo*, was published post market close on 17 December 2020.

<sup>137</sup> From 17 December 2020 through to 18 January 2021, Cleanaway and the S&P/ASX 200 Index increased by some 3.3% and negative 1.4% respectively.

<sup>138</sup> Although the implied premium based upon the closing share price on 18 January 2021 is lower than those generally observed, we note that the price on this day is likely to already reflect the inclusion of a partial control premium. Furthermore, in our opinion, more regard should be given to the VWAPs rather than the share price on a single day.

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### **Extent to which BINGO shareholders are being paid a share of synergies**

- 358 MIRA has not provided any specific guidance on the level of synergies it expects to realise from the acquisition of BINGO. However, if the Scheme is approved and implemented, BINGO will be delisted from the ASX, resulting in the elimination of listed public company costs (e.g. Director fees, listing fees, share registry fees, shareholder communication costs etc).
- 359 We note that our valuation range incorporates a premium for control and that the existence of company cost savings as well as other cost (and revenue) synergies that arise from acquisitions / privatisations are one of the key reasons why bidders pay a premium to acquire a company.
- 360 Given that the Cash Consideration lies toward the high end our assessed valuation range, it would therefore appear that a proportion of the synergy benefits expected to be realised by MIRA is being reflected in the Cash Consideration.

### **Recent share prices subsequent to the announcement of the Scheme**

- 361 Shareholders should note that BINGO shares have traded on the ASX in the range of \$3.39 to \$3.45 per share in the period since the Scheme was announced up to and including 4 June 2021 (and closed at \$3.44). The VWAP over the period was \$3.41 per share.
- 362 These share prices are consistent with / marginally lower than the Cash Consideration. In our view, the trading above suggests that in the absence of a superior proposal the consensus market view is that the Scheme is likely to be successful.

### **Likely price of BINGO shares if the Scheme is not implemented**

- 363 If the Scheme is not implemented and no alternative proposal emerges (the potential for which is discussed below), we expect that, at least in the short term, BINGO shares will trade at a significant discount to our valuation and the Cash Consideration due to the difference between the value of BINGO shares on a portfolio basis and their value on a 100% takeover basis. In this regard, we note that BINGO shares last traded at \$2.58 per share on 17 December 2020 (being the last trading day prior to press speculation regarding potential takeover interest in BINGO<sup>139</sup>) and \$2.74 per share on 18 January 2021 (being the last trading day prior to the announcement of the Indicative Proposal)<sup>140</sup>.
- 364 If the Scheme is not implemented those BINGO shareholders who wish to sell their BINGO shares are therefore likely, at least in the short term, to realise a significantly lower price for their shares than the Cash Consideration.

### **Likelihood of an alternative offer / superior proposal**

- 365 The Scheme was announced on 27 April 2021, some three months after the announcement of the Indicative Proposal on 19 January 2021. We understand that in the intervening period (and also prior to 19 January 2021) the IBC explored a number of alternatives, including standalone value creation opportunities and alternative bidder interest. After considering

<sup>139</sup> AFR article, *Infrastructure funds think about cleaning up Bingo*, was published post market close on 17 December 2020.

<sup>140</sup> It should be noted that the closing share price on 18 January 2021 is likely to already reflect the inclusion of a partial control premium and may therefore not be representative of the price that shares in BINGO may trade at in the absence of the Scheme.

future opportunities for the business, along with economic, regulatory and execution risk, the IBC unanimously concluded that the Scheme is a compelling option that realises attractive value for BINGO shareholders.

- 366 We have been advised by the IBC that no formal alternative offers have been received subsequent to the announcement by BINGO of the Scheme on 27 April 2021.
- 367 Whilst there has effectively been (and remains) an opportunity for third parties contemplating an acquisition of BINGO (or an alternate transaction) to table a proposal before the BINGO Board, BINGO shareholders should note:
- (a) the exclusivity (and break fee) obligations on BINGO pursuant to the Agreement, which are summarised in Section I of this report and discussed in further detail in the Scheme Booklet
  - (b) Mr Tartak and Mr Malouf collectively hold some 31.53% of BINGO's shares and any proposed change of control transaction concerning BINGO would implicitly require their support. In that regard we note that Mr Tartak and Mr Malouf have (subject to certain qualifications<sup>141</sup>) stated their intention to vote in favour of the Scheme, together with a preference to retain an interest in BINGO by way of acceptance of the Mixed Consideration alternative
  - (c) other potential trade buyers with significant existing waste management operations (particularly in NSW) are unlikely to be able to acquire BINGO without significant undertakings being imposed by the ACCC
  - (d) concurrent with the Scheme, corporate activity between other significant participants in the waste management industry in Australia has been proposed (e.g. Veolia and Suez have announced an in-principle agreement for a takeover of Suez, Cleanaway has entered into an agreement to purchase Suez's Sydney based post-collections assets etc), which is likely to further reduce the number of parties with whom a transaction with BINGO could be contemplated.
- 368 Although it is possible that a formal alternate offer / superior proposal may emerge, in our opinion, the factors set out above diminish the likelihood of this occurring.

### **Summary of opinion on the Scheme**

- 369 We summarise below the likely advantages and disadvantages for BINGO shareholders if the Scheme proceeds.

#### **Advantages**

- 370 In our opinion, the Scheme has the following benefits for BINGO shareholders:
- (a) the Cash Consideration of \$3.45 cash per share lies towards the high end of our assessed value range for BINGO shares on a 100% controlling interest basis. Thus, in our view, BINGO shareholders are being paid an appropriate price to compensate them for the fact that control of BINGO will pass to MIRA if the Scheme is approved and implemented

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<sup>141</sup> No superior proposal (as defined in the Agreement) and an independent expert concluding, and continuing to conclude, that the Scheme is fair and reasonable and in the best interests of BINGO shareholders.



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- (b) the Cash Consideration represents a significant premium to the recent market prices of BINGO shares prior to press speculation regarding potential takeover interest in BINGO on 17 December 2020<sup>142</sup>. Furthermore, the premium is consistent with observed premiums generally paid to target company shareholders in comparable circumstances
- (c) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of BINGO shares is likely to trade at a significant discount to our valuation and the Cash Consideration due to the portfolio nature of individual shareholdings.

## Disadvantages

- 371 BINGO shareholders who elect to receive the Cash Consideration should note that if the Scheme is implemented they will no longer hold an interest in BINGO. BINGO shareholders receiving the Cash Consideration alternative will therefore not participate in any future value created by the Company over and above that reflected in the Cash Consideration.
- 372 However, as our assessed value of BINGO shares is consistent with the Cash Consideration, in our opinion, the present value of BINGO's future potential is reflected in the Cash Consideration.

## Conclusion

- 373 Given the above analysis, we consider the advantages of the Scheme to outweigh the disadvantages. Consequently, in our view, the acquisition of BINGO shares under the Scheme is fair and reasonable and in the best interests of BINGO shareholders in the absence of a superior proposal.

## Other matters relevant to Mixed Consideration

- 374 Eligible BINGO shareholders who wish to retain an economic interest in BINGO's business operations and assets have an opportunity to do so (albeit on a diluted basis) by validly electing to receive the Mixed Consideration.
- 375 However, it is important for Rolling Shareholders to note that an investment in RollCo is not the same as an investment in BINGO and will have different characteristics. In particular, we note the following:
- (a) RollCo will have significantly higher levels of debt (i.e. gearing) than BINGO and the equity interests therein will therefore be subject to greater risk
  - (b) MIRA will have majority (not less than 74%) control of RollCo. While the Deed will provide certain rights to the Rolling Shareholders (and in particular the 5% Rolling Shareholders) the situation faced by the majority of the Rolling Shareholders will fundamentally be no different to that faced by minority shareholders generally (and due to the size of MIRA's controlling interest, arguably a less advantageous situation than currently faced by existing minority shareholders in BINGO). Minority interests are normally discounted relative to the pro-rata value of a 100% controlling interest<sup>143</sup>

<sup>142</sup> The Cash Consideration also represents a significant premium to the recent market prices of BINGO shares prior to the announcement of the Indicative Proposal on 19 January 2021.

<sup>143</sup> The minority interest discount associated with an assumed control premium of 30% to 35% is in the order of 23% to 26% (before the addition of any lack of marketability discount). In practice, theoretical minority discounts of 20% to 25% are often applied in the absence of any relevant shareholders' agreement. In circumstances where a

- (c) RollCo will be an unlisted entity with no public market for the trading of RollCo shares and the Deed will provide only limited liquidity mechanisms for Rolling Shareholders<sup>144</sup>. Accordingly, there is no guarantee as to whether, or when, Rolling Shareholders may be able to dispose of (either part or all of) their RollCo Scrip (and at what price). Illiquid investments are ordinarily subject to a discount to reflect their lack of marketability<sup>145</sup>.

376 BINGO shareholders who elect to receive the Mixed Consideration should also be aware that:

- (a) they are electing to retain a minority (and illiquid) economic interest in BINGO and thereby forgoing an immediate opportunity to receive an amount (i.e. Cash Consideration) that, in our opinion, is consistent with the value of a 100% controlling interest in BINGO
- (b) although for the purposes of this report we have attributed a value to the Earn-Out Dividend, BINGO shareholders considering an election to receive the Mixed Consideration should be aware that the Earn-Out Dividend could be \$nil
- (c) after the first anniversary of the implementation of the Scheme, RollCo will have the power to require Rolling Shareholders who hold (Class B and Preference) shares which had, at the time of the implementation of the Scheme, an aggregate value of \$10,000 or less to dispose of their Class B shares at a price determined by a valuation practitioner based upon standard market value principles<sup>146</sup>. That is, such shareholders may be forced to sell their Class B and Preference shares in RollCo in any event after one year following the implementation of the Scheme (and realise a value for the Class B shares that potentially reflects minority and lack of marketability discounts)
- (d) they will retain an exposure to the ongoing risks and uncertainties associated with an investment in BINGO (including (inter alia) those risks associated with the execution of its long-term strategy, and the potential for penalties to be imposed pursuant to the prevailing ACCC investigation and the recent EPA dispute), a number of which are beyond the control of BINGO. In contrast, the Cash Consideration provides cash (value) certainty in this regard.

377 The Mixed Consideration alternative is only likely to be appropriate for sophisticated investors that are prepared to co-invest with MIRA until a future liquidity event occurs and accept the related voting and liquidity restrictions attaching to their investment in RollCo. BINGO shareholders contemplating such an investment should seek independent professional advice.

378 LEA offers no recommendation in relation to the Mixed Consideration alternative<sup>147</sup>.

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shareholders' agreement prevails the range of discounts can vary widely subject to the terms of the specific agreement.

<sup>144</sup> Noting that the vast majority of which must be instigated by MIRA, not the Rolling Shareholders.

<sup>145</sup> Discounts for lack of marketability vary widely but are generally in the range of 20% to 30% (with lower discounts possible in certain circumstances).

<sup>146</sup> The purchase price for Preference shares will be based upon the issue price of \$0.891 (assuming this has not already been partly repaid) plus any unpaid accrued interest / coupons.

<sup>147</sup> We note that this approach is consistent with the Recommending Directors' decision to make no recommendation in relation to the Mixed Consideration alternative.

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## Appendix A

### Financial Services Guide

#### Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532.

#### Financial Services Guide

- 3 The *Corporations Act 2001 (Cth)* (Corporations Act) authorises LEA to provide this Financial Services Guide (FSG) in connection with its preparation of an IER to accompany the Scheme Booklet to be sent to BINGO shareholders in connection with the Scheme.
- 4 This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

#### Financial services we are licensed to provide

- 5 Our Australian Financial Services Licence allows us to provide a broad range of services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

#### General financial product advice

- 6 The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.
- 7 You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

#### Fees, commissions and other benefits we may receive

- 8 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$560,000 plus GST.
- 9 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.

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- 10 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.
- 11 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

### Complaints

- 12 If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner.
- 13 If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

### Contact details

- 14 LEA can be contacted by sending a letter to the following address:

Level 7  
64 Castlereagh Street  
Sydney NSW 2000  
(or GPO Box 1640, Sydney NSW 2001)

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## Appendix B

### Qualifications, declarations and consents

#### Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Nathan Toscan and Mr Martin Holt, who are each authorised representatives of LEA. Mr Toscan and Mr Holt have over 20 years and 35 years' experience respectively in the provision of valuation advice (and related advisory services).

#### Declarations

- 3 This report has been prepared at the request of the IBC to accompany the Scheme Booklet to be sent to BINGO shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable and in the best interests of BINGO shareholders.

#### Interests

- 4 At the date of this report, neither LEA, Mr Toscan nor Mr Holt have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 5 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.

#### Indemnification

- 6 As a condition of LEA's agreement to prepare this report, BINGO agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of BINGO which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

#### Consents

- 7 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

## Assessment of appropriate discount rate

### Overview

- 1 The determination of the discount rate or cost of capital for an asset requires identification and consideration of the factors that affect the returns and risks of that asset, together with the application of widely accepted methodologies for determining the returns demanded by the debt and equity providers of the capital employed in the asset.
- 2 The discount rate applied to the projected cash flows from an asset represents the financial return that will be demanded before an investor would be prepared to acquire (or invest in) the asset.
- 3 Discount rates for assets are frequently evaluated using the weighted average cost of capital (WACC) which is a function of:
  - (a) the cost of equity
  - (b) the cost of debt
  - (c) the gearing (or debt to debt plus equity) ratio<sup>148</sup>.
- 4 The generally accepted WACC formula is the post-tax WACC, without adjustment for imputation as shown below:

#### WACC formula

$$WACC = R_e \frac{E}{V} + R_d (1 - t) \frac{D}{V}$$

where:

- $R_e$  = expected equity investment return or cost of equity in nominal terms
- $R_d$  = interest rate on debt (pre-tax)
- $t$  = corporate tax rate
- $E$  = market value of equity
- $D$  = market value of debt
- $V$  = market value of debt plus equity

- 5 Our assessment of the appropriate parameters to be used when determining the discount rate for BINGO from the perspective of prospective purchasers is set out below.

### Cost of equity

- 6 We have used the capital asset pricing model (CAPM) to derive the cost of equity. The formula for deriving the cost of equity using CAPM is as follows:

<sup>148</sup> i.e. the assumed mix of debt and equity used to fund the business.

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## Appendix C

### Cost of equity calculation

$$R_e = R_f + \beta_e [E(R_m) - R_f]$$

where:

- $R_e$  = expected equity investment return or cost of equity in nominal terms  
 $R_f$  = risk-free rate of return  
 $E(R_m)$  = expected market return  
 $E(R_m) - R_f$  = market risk premium (MRP)  
 $\beta_e$  = equity beta

- 7 The individual components of the CAPM are discussed below.

#### Risk-free rate

- 8 For the purpose of our valuation of BINGO we have adopted a long-term risk-free rate in Australia of 3% per annum which is broadly consistent with the average yield on the 31-year Australian Commonwealth Government Bond for the month to 17 May 2021 of 2.7% (note, this is the longest term Australian Commonwealth Government Bond on issue).

#### Market risk premium

- 9 The MRP represents the additional return above the risk-free rate that investors require in order to invest in a well-diversified portfolio of equity securities (i.e. the equity market as a whole). Having regard to academic studies, the average market risk premium calculated over the longer term and empirical evidence we have adopted a long-term market risk premium of 6.5%.

#### Equity beta

- 10 In determining the appropriate equity beta for BINGO, we have considered (inter-alia):
- the risks associated with the business of BINGO and the risks faced by Australian waste management companies generally
  - the beta estimates for BINGO, other comparable waste management companies and relevant sectors / industries
  - the relative proportion of BINGO's Post-Collections infrastructure like assets which generally attract a lower discount rate.

#### Risk factors of BINGO

- 11 BINGO is subject to a number of operating risks that most operating businesses encounter, including retention of existing customer and supplier relationships, potential increase in competition, the sustainability of its management information and information technology systems, occupational health and safety matters and factors outside of the control of management that may lead (for example) to a disruption in business activity.
- 12 We have considered the following key business risks that are more specifically associated with BINGO:

## Appendix C

- (a) **geographic focus** – the continued performance and future growth of BINGO is dependent on continued activity and expansion in the NSW and VIC waste management sectors, and any new geographical markets in which BINGO operates. The level of activity in these sectors may vary and be affected by prevailing or predicted economic activity
  - (b) **competition / price risks** – a number of entities compete with BINGO in the NSW and VIC waste management sectors. BINGO’s market share may be negatively impacted by competitor activity, including new market entrants
  - (c) **volume risks** – BINGO is exposed to fluctuations in generated waste volumes which may be negatively impacted by a sustained reduction in residential and non-residential construction activity as well as lower waste generation from shopping centres, hospitality and property service end markets which have been impacted by the COVID-19 pandemic
  - (d) **environmental compliance** – waste management activities are subject to significant environmental and other regulation. These regulations impact BINGO both from a site planning / development perspective and also at an operational level
  - (e) **regulation** – BINGO may be exposed to changes in the regulatory conditions under which it operates in Australia and in particular in NSW and VIC. Any changes required to be made to the BINGO business model as a result of any legislative or regulatory changes may result in a material loss of revenue and to the extent that fixed costs cannot be reduced and/or costs cannot be passed onto customers, could adversely impact the financial performance of the Company
  - (f) **weather conditions** – BINGO’s operating activities are primarily outdoors in nature and therefore may be adversely affected by weather conditions. Generally, the volume of waste collected reduces during periods of heavy, sustained rainfall, which also then has an adverse impact on recycling volumes.
- 13 In considering the risks associated with the BINGO operations, it is also appropriate to note that at the date of our report there are a number of prevailing factors that are expected to positively impact the financial performance of the Company over the short-to-medium term (and potentially over the longer term), including (inter alia):
- (a) prima facie Australia has emerged from the COVID-19 related technical recession and the associated outlook for growth is encouraging
  - (b) this positive outlook is supported in NSW and VIC (key operational states for BINGO) by planned significant infrastructure investment that has been committed to by the respective state governments (and supported by the Federal Government)
  - (c) BINGO owns and operates a network of vertically integrated waste infrastructure assets and the opportunities for competitors to achieve a comparable position are prima facie limited by factors such as likely constraints on the approval of any future landfill sites
  - (d) both federal and state governments are implementing policies broadly supporting the development of a robust domestic recycling market, focused on improving recovery rates and increasing recycling (with associated higher minimum standards for compliance).



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### Appendix C

#### Listed company betas

- 14 A summary of the equity betas of selected Australian and international listed companies primarily engaged in the provision of non-hazardous solid waste services is set out below (descriptions of each of the following companies can be found at Appendix D):

| Listed company betas        |                   |                                      |                              |                             |                     |                          |
|-----------------------------|-------------------|--------------------------------------|------------------------------|-----------------------------|---------------------|--------------------------|
| Company                     | Relative Index    | Market cap <sup>(1)(2)</sup><br>A\$m | EV <sup>(1)(2)</sup><br>A\$m | Gearing <sup>(3)</sup><br>% | Beta <sup>(4)</sup> | r-squared <sup>(5)</sup> |
| <b>Australian companies</b> |                   |                                      |                              |                             |                     |                          |
| Cleanaway                   | S&P/ASX 200 Index | 5,762                                | 6,771                        | 14.9                        | 1.39                | 0.41                     |
| BINGO <sup>(6)</sup>        | S&P/ASX 200 Index | 1,793                                | 2,092                        | 14.3                        | 1.22                | 0.24                     |
| <b>North American</b>       |                   |                                      |                              |                             |                     |                          |
| Waste Management            | S&P 500 Index     | 76,939                               | 93,701                       | 17.9                        | 0.82                | 0.53                     |
| Republic Services           | S&P 500 Index     | 45,213                               | 56,671                       | 20.2                        | 0.72                | 0.50                     |
| Waste Connections           | S&P 500 Index     | 41,123                               | 46,424                       | 11.4                        | 0.73                | 0.23                     |
| GFL Environmental           | S&P 500 Index     | 13,311                               | 19,977                       | 33.4                        | 1.24                | 0.16                     |
| Casella Waste Systems       | S&P 500 Index     | 4,531                                | 5,021                        | 9.8                         | 0.97                | 0.38                     |
| <b>European</b>             |                   |                                      |                              |                             |                     |                          |
| Biffa                       | Ftse 100 Index    | 1,507                                | 1,982                        | 24.0                        | 1.11                | 0.21                     |
| Renewi                      | Ftse 100 Index    | 711                                  | 1,145                        | 37.8                        | 1.90                | 0.27                     |

#### Note:

- Market capitalisation and EV calculated as at 17 May 2021, based upon latest available information. BINGO calculated as at 18 January 2021 (being the last trading day prior to the announcement of the Indicative Proposal).
- Foreign currencies have been converted to AUD at the exchange rate prevailing as at 17 May 2021.
- Gearing equals net debt divided by EV.
- Unless noted otherwise, equity betas were obtained from Bloomberg and are based on four years of monthly returns to 17 May 2021. BINGO's beta is based upon 43 monthly observations to 18 January 2021 (noting that the Company only listed on the ASX on 3 May 2017). GFL Environmental's beta is based upon 13 monthly observations (due to the company having only listed in early March 2020).
- R-squared is a statistical measure of how well the regression line approximates the real data points. It has a value between zero and 1.0. The closer r-squared is to 1.0 the more reliable the beta estimate.
- Comparable equity beta estimates from RoZetta Institute (as measured up to 31 December 2020) for Cleanaway and BINGO are 1.30 (r-squared of 0.27) and 0.95 (r-squared of 0.08) respectively (noting that BINGO's estimate is limited to 42 monthly observations).

Source: Bloomberg, RoZetta Institute and LEA analysis.

- 15 In respect of the above, we note that:
- the betas vary widely reflecting differences in size, leverage (i.e. gearing) and operational risks. The calculated beta estimates also vary depending on the index used (and the main constituents of that index)
  - none of the listed companies are directly comparable to BINGO, noting in particular that the international companies are subject to different economic / industry cycles and regulation

## Appendix C

- (c) the beta estimates have generally increased since December 2019<sup>149</sup>, which in part reflects the impact of the COVID-19 pandemic
- (d) it is important to consider the r-squared values shown above. The r-squared value measures the reliability of the beta estimate, and ranges from zero (being not reliable) to 1.0 (highly reliable).

### Industry / sector betas

- 16 The table below shows the historic beta estimates of the industry groups that comprise the Australian Industrials sector:

| Data period ended                  | Capital Goods       |           | Commercial Services and Supplies |           | Transportation      |           |
|------------------------------------|---------------------|-----------|----------------------------------|-----------|---------------------|-----------|
|                                    | Beta <sup>(1)</sup> | r-squared | Beta <sup>(1)</sup>              | r-squared | Beta <sup>(1)</sup> | r-squared |
| 31 December 2020 <sup>(2)(3)</sup> | 1.19                | 0.52      | 1.09                             | 0.60      | 0.78                | 0.41      |
| 30 September 2020 <sup>(2)</sup>   | 1.17                | 0.47      | 1.07                             | 0.59      | 0.75                | 0.39      |
| 30 June 2020 <sup>(2)</sup>        | 1.00                | 0.37      | 1.08                             | 0.59      | 0.85                | 0.48      |
| 31 March 2020 <sup>(2)</sup>       | 1.00                | 0.34      | 1.08                             | 0.59      | 0.72                | 0.37      |
| 31 December 2019                   | 0.77                | 0.18      | 1.06                             | 0.51      | 0.59                | 0.26      |
| 30 September 2019                  | 0.88                | 0.21      | 1.01                             | 0.50      | 0.60                | 0.27      |
| 30 June 2019                       | 0.74                | 0.20      | 0.95                             | 0.52      | 0.62                | 0.30      |
| 31 March 2019                      | 0.87                | 0.28      | 1.01                             | 0.54      | 0.66                | 0.33      |

**Note:**

- 1 Equity beta based on 48 monthly returns.
- 2 RoZetta Institute has excluded share trading in March 2020 from its calculations due to the additional volatility caused by the COVID-19 pandemic.
- 3 Being the most current data available.

**Source:** RoZetta Institute.

- 17 In respect of the above, we note that:
- (a) sector / industry betas are generally more reliable than the equity beta estimates of individual stocks (as evidenced by the higher r-squared values)
  - (b) sector / industry beta estimates have generally increased since December 2019, which in part reflects the impact of the COVID-19 pandemic
  - (c) Capital Goods is a diverse industry that includes some 79 companies engaged in the manufacture or distribution of goods. The industry includes various sub-industries serviced by BINGO including building products and construction and engineering
  - (d) Commercial Services and Supplies includes approximately 54 companies that provide business support services. The industry classification includes Cleanaway and BINGO
  - (e) the Transportation industry comprises companies involved in the provision of transport infrastructure as well as passenger and goods transportation services. In Australia the

<sup>149</sup> The simple average of the beta estimates in the table is approximately 0.4 to 0.5 higher than the simple average measured as at 31 December 2019, 31 January 2020 and 28 February 2020.

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industry comprises a relatively limited number of companies (approximately 19), the largest of which are Transurban Group (one of the world's largest toll road operators), Sydney Airport, Auckland International Airport and Qantas

- (f) the beta estimate for the Industrials sector (which comprises all three industry groups set out above) for the period ended 31 December 2020 was 0.95 (r-squared of 0.68).

- 18 In addition to the Australian sector / industry beta estimates set out above, we have also considered the beta estimate for the US Environmental and Waste Services sector:

| US Environmental & Waste Services sector <sup>(1)</sup> |                            |             |
|---|----------------------------|-------------|
|   | No. of companies in sector | Equity Beta |
| As at 31 December 2020                                  | 86 <sup>(1)</sup>          | 0.95        |

**Note:**

- 1 Based upon a simple average of the equity betas of the constituents, which have been calculated using five years of weekly data where available.
- 2 Includes four of the five North American waste management companies listed above at C14 (GFL Environmental has been excluded due to it having insufficient trading data).

**Source:** Stern NYU Betas by Sector (US).

### Conclusion

- 19 Having regard to the above, and in particular the more reliable sector / industry betas and the large proportion of BINGO's business associated with Post-Collections infrastructure like assets<sup>150</sup>, we have adopted an equity beta of 0.9 to 1.0 for BINGO.

### Cost of debt

- 20 It is appropriate to use a debt cost equivalent to that likely to be incurred by BINGO assuming it was to raise debt finance in the capital market on the valuation date.
- 21 A long term cost of debt of 5.0% per annum has been adopted. This reflects a borrowing margin of around 2.0% above the adopted risk-free rate. In forming this opinion, we have also considered the terms of BINGO's current syndicated banking facilities (noting that the facilities are relatively short-term not long-term in nature).
- 22 As interest costs are tax deductible we have tax effected the cost of debt at an assumed corporate tax rate of 30%.

<sup>150</sup> Noting that infrastructure assets typically exhibit betas of less than 1.0 (as indicated by the Transportation industry beta set out above).

## Appendix C

### Gearing (or debt to debt plus equity) ratio

- 23 The gearing level adopted should represent the level of debt that the asset can reasonably sustain and is not necessarily equivalent to the gearing level of the entity owning the asset. The factors that affect the “optimum” level of gearing will differ between assets. Generally, the major issues to address in determining this optimum level will include:
- the variability in earnings stream
  - working capital requirements
  - the level of investment in tangible assets
  - the nature and risk profile of the tangible assets.
- 24 When determining the appropriate level of gearing for valuation purposes, we have considered, inter alia:
- the large proportion of BINGO’s business attributable to Post-Collections infrastructure like assets (which can typically support higher levels of gearing)
  - the observed gearing ratios for the ASX and international listed waste management companies, which generally range from 15% to 25%
  - the observed debt to equity ratio of 25.2% (which equates to a gearing ratio of approximately 20.1%) for the 86 US companies included in the Environmental and Waste Services sector.
- 25 Having regard to the above, we have adopted a gearing ratio of 20% to 25%.

### Calculation of WACC for BINGO

- 26 Based on the above, we have adopted the following (after tax) discount rate range:

| <b>BINGO – assessment of (post corporate-tax) discount rate<sup>(1)</sup></b> |                  |                   |
|---|------------------|-------------------|
| <b>Parameters</b>   | <b>Low<br/>%</b> | <b>High<br/>%</b> |
| Beta (#)  | 0.9              | 1.0               |
| MRP   | 6.5              | 6.5               |
| Risk-free rate  | 3.0              | 3.0               |
| <b>Cost of equity</b>   | <b>8.9</b>       | <b>9.5</b>        |
| Debt margin   | 2.0              | 2.0               |
| Cost of pre-tax debt  | 5.0              | 5.0               |
| Tax rate  | 30.0             | 30.0              |
| <b>Cost of post-tax debt</b>  | <b>3.5</b>       | <b>3.5</b>        |
| Proportion of equity funding  | 75.0             | 80.0              |
| Proportion of debt funding  | 25.0             | 20.0              |
| <b>WACC / discount rate (after tax)</b>                                       | <b>7.5</b>       | <b>8.3</b>        |
| <b>Say</b>  | <b>7.5</b>       | <b>8.5</b>        |

## Annexure 1: Independent Expert's Report



### Appendix C

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**Note:**

1 Rounding differences exist.

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- 27 We note that our assessed discount rate range is consistent with the discount rates applied by investment analysts in recent (i.e. 2021) valuations of BINGO:

| Discount rates applied by investment analysts in valuations of BINGO |                  |      |                 |
|--|------------------|------|-----------------|
| Broker   | Report date      | Beta | Discount rate % |
| Broker 1   | 24 February 2021 | 0.93 | 8.0             |
| Broker 2   | 23 February 2021 | 1.15 | 7.5             |
| Broker 3   | 22 February 2021 | nd   | 8.3             |
| Broker 4   | 20 January 2021  | 1.10 | 8.8             |
| Broker 5   | 19 January 2021  | 1.25 | 7.1             |
| <b>Average</b>   |                  |      | <b>7.9</b>      |
| <b>Median</b>  |                  |      | <b>8.0</b>      |

nd – not disclosed.

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## Appendix D

### Trading evidence

- 1 A summary of the implied EBITDA multiples for listed Australian and international companies primarily engaged in the provision of non-hazardous solid waste services is set out below<sup>151</sup>:

| Listed waste management company multiples <sup>(1)</sup> |          |                           |                             |                            |           |           |                               |           |           |                              |           |           |
|--|----------|---------------------------|-----------------------------|----------------------------|-----------|-----------|-------------------------------|-----------|-----------|------------------------------|-----------|-----------|
| Company  | Year end | EV <sup>(2)</sup><br>A\$m | Gearing<br>% <sup>(3)</sup> | EV / EBITDA <sup>(4)</sup> |           |           | EBITDA margins <sup>(4)</sup> |           |           | Capex / sales <sup>(4)</sup> |           |           |
|  |          |                           |                             | FY21<br>x                  | FY22<br>x | FY23<br>x | FY21<br>%                     | FY22<br>% | FY23<br>% | FY21<br>%                    | FY22<br>% | FY23<br>% |
| <b>Australian</b>  |          |                           |                             |                            |           |           |                               |           |           |                              |           |           |
| Cleanaway  | 30 Jun   | 6,771                     | 14.9                        | 12.7                       | 11.8      | 11.0      | 22.6                          | 23.0      | 23.1      | 9.2                          | 16.7      | 10.0      |
| BINGO  | 30 Jun   | 2,092                     | 14.3                        | 15.4                       | 11.9      | 10.5      | 28.6                          | 30.6      | 31.0      | 18.0                         | 11.6      | 9.5       |
| <b>North American</b>                                    |          |                           |                             |                            |           |           |                               |           |           |                              |           |           |
| Waste Management   | 31 Dec   | 93,701                    | 17.9                        | 14.7                       | 13.8      | 13.1      | 28.9                          | 29.2      | 29.4      | 10.8                         | 10.6      | 10.6      |
| Republic Services  | 31 Dec   | 56,671                    | 20.2                        | 13.5                       | 12.8      | 12.3      | 30.0                          | 30.1      | 31.3      | 11.5                         | 11.0      | 11.5      |
| Waste Connections  | 31 Dec   | 46,424                    | 11.4                        | 19.3                       | 17.8      | 16.5      | 31.4                          | 31.8      | 32.0      | 10.5                         | 10.6      | 10.7      |
| GFL Environmental  | 31 Dec   | 19,977                    | 33.4                        | 13.3                       | 11.9      | 11.0      | 27.0                          | 27.3      | 27.8      | 10.2                         | 9.8       | 10.1      |
| Casella Waste Systems                                    | 31 Dec   | 5,021                     | 9.8                         | 20.8                       | 18.7      | 16.8      | 22.6                          | 23.4      | 23.6      | 13.6                         | 12.1      | 12.0      |
| <b>European</b>  |          |                           |                             |                            |           |           |                               |           |           |                              |           |           |
| Biffa  | 31 Mar   | 1,982                     | 24.0                        | 8.2                        | 6.3       | 5.6       | 13.0                          | 14.0      | 14.7      | 9.0                          | 9.2       | 8.1       |
| Renewi   | 31 Mar   | 1,145                     | 37.8                        | 4.0                        | 3.7       | 3.3       | 11.0                          | 11.3      | 12.2      | 6.6                          | 6.9       | 6.8       |

**Note:**

- EV and earnings multiples calculated as at 17 May 2021, based upon latest available information. BINGO's EV and multiples as at 18 January 2021 (being the last trading day prior to the announcement of the Indicative Proposal).
- EV includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities, market capitalisation adjusted for material option dilution (for the purpose of reducing debt) and excludes surplus assets. For the avoidance of doubt, net debt excludes IFRS / AASB 16 lease liabilities. Foreign currencies have been converted to AUD at the exchange rate prevailing as at 17 May 2021.
- Gearing equals net debt (cash adjusted for material option dilution) divided by EV.
- Earnings, margins and capital expenditure are based on Bloomberg broker average forecasts (excluding outliers and outdated forecasts).

na – not available.

**Source:** Bloomberg, company announcements and LEA analysis.

- 2 Brief descriptions of the business activities of each of the above companies follow.

<sup>151</sup> We have also considered the trading multiples of Veolia and Suez given their considerable market share and participation in the Australian waste management sector. However, we do not consider the multiples upon which these companies trade to be relevant in the context of valuing BINGO due to the significant proportion of earnings these companies generate from water and wastewater treatment services (being a segment of the market in which BINGO does not participate).

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## Appendix D

### Australian companies

#### Cleanaway Waste Management Limited

- 3 Cleanaway is the largest provider of waste management services in Australia, operating a fleet of over 5,300 vehicles across more than 250 locations throughout Australia. The company provides a full range of collection and post-collection services from its extensive network of waste management facilities including recycling facilities, transfer stations, engineered landfills, liquid treatment plants and refineries. Cleanaway is headquartered in Melbourne and employs over 6,000 staff.

#### BINGO

- 4 Refer to the profile of BINGO in Section III.

### North American companies

#### Waste Management Inc.

- 5 Waste Management is the largest provider of waste management services to residential, commercial, industrial and municipal customers throughout the US and Canada. Waste Management provides a range of collection, transfer, disposal and recycling and resource recovery services for solid waste. Waste Management owns or operates approximately 268 landfill sites and manages some 348 transfer stations that consolidate, compact and transport waste. The company also develops, operates and owns landfill gas-to-energy facilities in the US.

#### Republic Services Inc.

- 6 Republic Services is a leading provider of non-hazardous solid waste collection, transfer, disposal, recycling and energy services in the US. The company operates across 41 states in the US through a network of some 347 collection operations, 222 transfer stations, 73 recycling centres, 186 landfills, six treatment, recovery and disposal facilities, six salt water disposal wells and seven deep injection wells. Republic Services is also engaged in 75 landfill gas to energy and renewable energy projects and employs approximately 36,000 staff.

#### Waste Connections Inc.

- 7 Waste Connections is the third largest solid waste services company in North America, providing non-hazardous waste collection, transfer, disposal and recycling services throughout the US and Canada. Waste Connections also provides non-hazardous oil and natural gas exploration and production waste treatment, recovery and disposal services in several basins across the US, as well as intermodal services for the movement of cargo and solid waste containers in the Pacific Northwest. Waste Connections employs approximately 19,000 staff.

#### GFL Environmental Inc

- 8 GFL is the fourth largest diversified environmental services company in North America that operates a strategically located network of waste management facilities across nine Canadian provinces and throughout 27 states in the US. The company primarily provides collection, hauling, sorting, and transfer and disposal services for non-hazardous solid waste but also

## Appendix D

provides infrastructure and soil remediation and liquid waste management services. GFL is headquartered in Toronto and has a workforce of more than 15,000 employees.

### **Casella Waste Systems, Inc.**

- 9 Casella Waste Systems is a vertically integrated solid waste services company that operates throughout the north-eastern region of the US. The company provides solid waste collection, transfer, recycling and organic services to residential, commercial, municipal and industrial customers. Casella Waste Systems also markets recyclable metals, aluminium, plastics, paper and corrugated cardboard that have been processed at its recycling facilities. The company operates 46 solid waste collection facilities, 58 transfer stations, 20 recycling processing facilities, nine landfill sites and four landfill gas-to-energy facilities.

### **European companies**

#### **Biffa Plc**

- 10 Biffa is an integrated waste management company that provides collection, recycling, treatment, and disposal and energy generation services. The company's Collections division is the largest C&I waste service provider in the UK and a leading provider of municipal waste collections, with a collection fleet over 2,800 vehicles. Biffa also operates a number of material recycling facilities, transfer stations and landfill sites throughout the UK.

#### **Renewi Plc**

- 11 Renewi is a UK based waste-to-product company that is engaged in collecting, recycling and treating commercial, hazardous and municipal waste. The company handles construction waste, plastic waste, food and garden waste, mixed household waste, wood, electrical equipment and hazardous waste such as contaminated soil and water. It serves customers in the industrial, commercial, construction and demolition, oil and gas sectors and operates waste treatment facilities for city and county councils under long-term municipal contracts. Renewi operates more than 174 sites across Europe and employs over 6,000 people.



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## Appendix E

### Transaction evidence

- 1 A summary of the EBITDA multiples implied by recent transactions involving businesses operating in the Australian and NZ waste management sector is set out below. We also set out below the EBITDA multiples implied by recent significant transactions involving international waste management businesses primarily engaged in the provision of non-hazardous solid waste services.

| Transaction evidence – waste management <sup>(1)</sup> |  |   |                           |               |               |
|--|--|---|---------------------------|---------------|---------------|
| Date <sup>(2)</sup>                                    | Target                                 | Principal activity  | EV <sup>(3)</sup><br>A\$m | EV / EBITDA   |               |
|  |  |   |                           | Historic<br>x | Forecast<br>x |
| <b>Australian / NZ transactions</b>                    |  |   |                           |               |               |
| Apr 21   | Suez Australian R&R operations         | Collections / Post-collections                                    | 2,520                     | 11.7          | n/a           |
| Apr 21   | Suez Sydney assets                     | Post-collection assets  | 501                       | 6.9           | n/a           |
| Aug 18   | Dial-A-Dump Industries                 | Waste collection / landfill / recycling and processing facilities | 578                       | 11.2          | 9.6           |
| Dec 17   | Toxfree Limited                        | Waste collection / Industrial / Hazardous / Health                | 854                       | 10.4          | 9.9           |
| Nov 17   | Patons Lane                            | Landfill (commencing FY20)  | 130                       | n/a           | 6.5           |
| Oct 16   | Daniels Group                          | Medical waste   | 188                       | 9.1           | n/a           |
| Sep 15   | SembSITA Australia (40%)               | Commercial / Medical waste  | 1,560                     | 8.3           | n/a           |
| Dec 14   | Melbourne Western Landfill             | Landfill  | 165                       | n/a           | 9.3           |
| Mar 14   | Waste Management NZ                    | Industrial / Hazardous / Landfill                                 | 876                       | 8.4           | n/a           |
| Dec 13   | Global Renewables (50%)                | Municipal waste / Alternative Waste Treatment                     | 170                       | 10.9          | 8.3           |
| Jan 13   | Enviro Waste Services                  | Municipal waste / Landfill  | 398                       | 10.2          | n/a           |
| Jul 12   | Thiess Waste Management                | Municipal waste / Landfill  | 218                       | 5.9           | n/a           |
| Dec 10   | WSN Environmental Solutions            | Municipal waste / Landfill  | 235                       | 7.2           | n/a           |
| <b>International transactions</b>                      |  |   |                           |               |               |
| Sep 20   | Suez Sweden R&R operations             | Collections / Post-collections                                    | 582                       | 10.5          | n/a           |
| Sep 20   | Suez European R&R operations           | Collections / Post-collections                                    | 1,779                     | 11.0          | n/a           |
| Aug 20   | WCA Waste Corporation                  | Collections / Post-collections                                    | 1,692                     | 11.5          | n/a           |
| Jun 20   | Advanced Disposal Services             | Collections / Post-collections                                    | 6,682                     | 10.8          | n/a           |
| Jun 20   | Advanced Disposal Services assets      | Collections / Post-collections                                    | 1,216                     | 9.0           | n/a           |
| Mar 20   | Viridor                                | Collections / Post-collections                                    | 8,452                     | 18.5          | n/a           |
| Oct 18   | Waste Industries                       | Collections / Post-collections                                    | 3,959                     | 13.1          | n/a           |
| Jan 16   | Progressive Waste Solutions            | Collections / Post-collections                                    | 7,245                     | 10.4          | n/a           |
| Oct 15   | TransForce Matrec Solid Waste Business | Post-collection services  | 859                       | n/a           | 9.8           |

**Note:**

- 1 We have excluded Australian / NZ transactions with a transaction value of less than A\$100 million and international transactions with a transaction value of less than A\$500 million.
  - 2 Date of announcement.
  - 3 Implied value of an acquisition of 100% if transaction does not already involve an acquisition of 100%. Foreign currencies have been converted to AUD at the exchange rate prevailing as at the date of announcement.
- n/a – not available.

**Source:** Company announcements, press commentary and LEA analysis.

## Appendix E

- 2 A brief description of each target company's activities at the date of acquisition follows.

### **Australian / NZ transactions**

#### **Cleanaway's acquisition of Suez's Australian R&R business / Sydney assets**

- 3 On 6 April 2021, Cleanaway announced that it had entered into an agreement with Suez to acquire Suez's R&R business in Australia. The proposed acquisition could be terminated in certain circumstances, including the outcome of Veolia's takeover offer for Suez. In the event that Veolia's takeover proposal proceeds, Suez and Cleanaway agreed that Cleanaway will instead acquire a portfolio of Suez's post-collections assets in Sydney.
- 4 On 12 April 2021, Veolia and Suez announced that they had reached an in-principle agreement on the key terms and conditions of the proposed merger between the two and on 27 April 2021, Cleanaway announced the agreement to acquire Suez's R&R business in Australia had been formally terminated. On that basis, Cleanaway's acquisition of the portfolio of Suez's Sydney post-collections assets will proceed (subject to various conditions including ACCC approval).
- 5 Suez's Australian R&R business operates across the waste value chain from collections to resource and energy recovery, through to treatment and disposal for both putrescible and non-putrescible waste streams. The business comprises a collections fleet of more than 1,000 vehicles, a workforce of more than 2,000 employees and a post-collections infrastructure network comprising six landfills (including one hazardous waste landfill), 59 collection and depot facilities, eight organics processing facilities and two medical waste facilities.
- 6 The portfolio of Suez's post-collections assets in Sydney include two landfills and five transfer stations. The two landfill assets, located in Lucas Heights and Kemps Creek, have approximately 9.9 million cubic metres and 8.7 million cubic metres of available airspace across putrescible and dry / restricted waste streams respectively. The five transfer stations are located across the greater Sydney Basin in Auburn, Artarmon, Belrose, Rockdale and Ryde and feature waste processing capacity and capabilities.

#### **Dial-A-Dump Industries**

- 7 DADI was a fully integrated recycling and waste management business in NSW with operations across the waste value chain from collections to recycling, landfill and recycled product sales. At the time of the acquisition, DADI had a collections fleet of 55 vehicles and a post-collections network including a transfer station in Alexandria and a landfill, materials processing facility and recycled product processing facility at Eastern Creek.

#### **Toxfree Limited**

- 8 Toxfree was an Australian based waste management company with a focus on providing solutions for hazardous and specialty waste streams. The company offered a full range of waste management services through a national network of 81 locations across Australia, including 29 licensed waste treatment facilities and a fleet of 895 waste collection vehicles. Toxfree operated across four business divisions, being Waste Services, Industrial Services, Technical and Environmental Services and Health Services.

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## Appendix E

### Patons Lane

- 9 Patons Lane is a 60-hectare site adjacent to the Western Sydney Priority Growth Area. At the time of the acquisition, it was approved for the development of a recycling centre and landfill, to receive building, demolition, commercial and industrial waste. The resource recovery centre had approved annual throughput of up to 350,000 tonnes. The landfill asset had a capacity of 4.3 Mt with a maximum operational life of approximately 25 years. The site had development approvals in place and was expected to become operational in FY20 with forecast FY20 EBITDA of \$20 million (pre-synergies).

### Daniels

- 10 Daniels provided medical waste solutions, collections and treatments in Australia. It held the intellectual property rights to various collector systems, including the “Sharpsmart” and “Clinismart” series of reusable sharps and clinical waste containers. The company employed approximately 300 staff in Australia across 17 sites, including incineration facilities in Sydney and Melbourne, as well as three joint venture managed sites in NZ. Daniels serviced public and private hospitals, medical centres and aged care facilities.

### SembSITA Pacific

- 11 In September 2015, Suez bought out Sembcorp Industries’ 40% interest in SembSITA Pacific to obtain 100% ownership. SembSITA Pacific owned SembSITA Australia, which provided solid waste collection services, including transportation, recycling, disposal and management of landfills. The business employed 1,798 staff as at December 2015. It also operated medical waste treatment and disposal facilities, via a subsidiary company.

### Melbourne Western Landfill

- 12 Transpacific Industries<sup>152</sup> acquired the Melbourne Western Landfill business (the largest in Melbourne), including existing licenses and permits, from Boral. Transpacific Industries expected the site to replace its existing Melbourne sites, which were planned to close in FY16. Consideration included \$150 million for the site and approximately \$15 million for site preparation work. Boral also received fixed and volume-based royalties for the life of the landfill, with the earnings stream expected to be around \$15 million per annum at the time of the acquisition.

### Waste Management NZ

- 13 Waste Management NZ specialised in environmentally friendly landfill methods, odour management and hazardous waste handling. The company operated solid waste collection, processing, recycling and landfill disposal operations. It also provided liquid and hazardous waste collection, treatment, recycling and disposal services. Waste Management NZ owned three landfill sites (two of these via joint ventures) and operated from over 70 locations. It had a fleet of around 800 vehicles and employed over 1,000 staff. The company serviced the government, industrial and manufacturing sectors.

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<sup>152</sup> Transpacific Industries was a predecessor business / company to Cleanaway.

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### Global Renewables

- 14 Global Renewables owned and operated an alternative waste treatment facility in Eastern Creek, Sydney that employed 80 people. The facility sorted and processed 220,000 tonnes per annum of municipal solid waste under a NSW Government-guaranteed long-term waste supply agreement. It diverted around 60% of the waste processed away from landfill disposal. The diverted waste was sorted through a patented process plant, called ResourceSort, which separated household waste into recyclables and organic materials (which were used for composting).

### Enviro Waste Services

- 15 Enviro Waste Services was a diversified, vertically integrated waste management business that operated in NZ. The company employed 500 staff and provided waste-related services to approximately half a million commercial and residential sites. Enviro Waste Services owned and operated a network of collection facilities at 18 locations nationwide, 14 transfer stations, three landfills and a fleet of over 290 vehicles. In addition, it also operated bulk waste haulage and landfill gas-to-electricity generation businesses.

### Thiess Waste Management

- 16 Established in 1987, Thiess Waste Management employed 600 staff and operated a range of waste management assets, including transfer stations, landfills, logistics depots and recycling facilities in Queensland, NSW and VIC. The company's ReOrganic Energy technology captured gases produced in engineered landfill for use in generating renewable electricity.

### WSN Environmental Solutions

- 17 The NSW Government sold WSN Environmental Solutions to SITA, with the sale completed in February 2011. The assets acquired by SITA included three engineered landfill operations, two resource recovery ventures (the wholly owned ArrowBio Facility, and the Eastern Creek UR-3R waste contract), eight transfer stations and three material recovery facilities. The state government retained ownership and operation of two of the landfills; however, SITA obtained the exclusive rights to the landfill capacity and void space.

### International transactions

#### Suez Sweden Recycling and Recovery operations

- 18 Suez Sweden Recycling and Recovery operated a network of 50 sites across Sweden and employed approximately 1,100 staff. The business had a leading market position in the Sweden waste management industry, with a presence throughout the Recycling and Recovery Value chain, from collections for municipalities and industrial and commercial clients, to sorting and treatment of waste.

#### Suez European Recycling and Recovery operations

- 19 Suez's European Recycling and Recovery operations had market leading positions in the Netherlands, Luxembourg, Germany and Poland and provided services across the entire waste management value chain from collection to sorting, processing and treatment. Suez's European Recycling and Recovery operations handled a broad range of waste types (wood, glass, paper, metal etc) across its 215 sites operated by approximately 6,700 employees.

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## Appendix E

### **WCA Waste Corporation**

- 20 WCA Waste Corporation provided non-hazardous solid waste collection, transfer, material processing, and disposal services. At the time of the acquisition, WCA operated a vertically-integrated network of solid waste assets including 37 collection and hauling operations, 27 transfer stations, three material recovery facilities and 22 landfills supported by over 1,000 collection vehicles across 11 US states.

### **Advanced Disposal Services**

- 21 In June 2020, Waste Management announced revised terms to acquire Advanced Disposal Services, including the divestment of various advanced Disposal Services assets to GFL Environmental (refer below). Advanced Disposal Services was the fourth largest solid waste services company in the US that provided integrated, non-hazardous solid waste collection, recycling and disposal services to residential, commercial, industrial and construction customers across 16 US states and the Bahamas.

### **Advanced Disposal Services assets**

- 22 In June 2020, GFL Environmental acquired a portfolio of Advanced Disposal Services' vertically integrated solid waste collection, transfer, recycling and disposal assets. The assets acquired by GFL Environmental included 32 collection operations, 36 transfer stations and 18 landfills supported by 380 collection vehicles across 10 US states.

### **Viridor**

- 23 Viridor was one of the UK's leading recycling and residual waste businesses with operations across the waste value chain through collections, recycling, landfill and landfill gas and energy recovery facilities. Viridor provided services to around 150 local authorities and major clients as well as over 32,000 customers across England, Wales and Scotland from its workforce of approximately 3,000 staff.

### **Waste Industries**

- 24 Waste Industries was a vertically integrated, regional provider of non-hazardous solid waste collection, transfer, recycling, and disposal services in the US. Founded in 1970, the company operated in North Carolina, South Carolina, Georgia, Colorado, Tennessee, Virginia, Maryland, Pennsylvania and Delaware. At the time of the acquisition, Waste Industries employed more than 2,850 people and serviced more than 77,000 commercial and industrial customers and provided residential solid waste collection services to approximately 1.6 million households.

### **Progressive Waste Solutions**

- 25 Progressive Waste Solutions provided non-hazardous solid waste collection, recycling and disposal services to commercial, industrial, municipal and residential customers in 14 states across the US, the District of Columbia and six Canadian provinces. The company served its customers from its vertically integrated network of collection and disposal assets.

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### **TransForce Matrec solid waste business.**

- 26 In October 2015, GFL Environmental acquired TransForce's Matrec solid waste division. At the time of the acquisition, TransForce's Matrec solid waste division provided post-collection solid waste management services across Eastern Ontario and Quebec in Canada from its network of landfill, transfer station and recycling centre operations.

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## Appendix F

### Underlying value of Class C shares

- 1 Rolling Shareholders will receive (inter alia) one Class C share in RollCo for each BINGO share held.

#### Key terms

- 2 Each Class C share will entitle the holder to receive an Earn-Out Dividend<sup>153</sup>, depending on the level of EBITDA achieved by the BINGO business in the period up to and including FY24. More specifically, if BINGO achieves underlying Adjusted EBITDA<sup>154</sup> of:
  - (a) \$240 million or more in FY24, the entire Earn-Out Dividend will be payable
  - (b) between \$220 million and \$240 million in FY24, a straight-line pro-rata percentage of the Earn-Out Dividend will be payable
  - (c) less than \$220 million in FY24, no Earn-Out Dividend will be payable.
- 3 The sensitivity of the Earn-Out Dividend to the level of Adjusted EBITDA achieved in FY24 is shown below:

| Sensitivity of Earn-Out Dividend to FY24 Adjusted EBITDA | FY24 Adjusted EBITDA |        |        |        |          |
|--|----------------------|--------|--------|--------|----------|
|  | ≤ \$220m             | \$225m | \$230m | \$235m | ≥ \$240m |
| Earn-Out Dividend (\$/share)                             | Nil                  | 0.20   | 0.40   | 0.60   | 0.80     |

- 4 Early payment of the Earn-Out Dividend is possible if Adjusted EBITDA of \$240 million or more is achieved in FY22 or FY23.
- 5 The Earn-Out Dividend is required to be franked to the maximum extent possible. However, if at the time the Earn-Out Dividend is payable<sup>155</sup> RollCo is unable to pay a fully franked dividend, then:
  - (a) RollCo must pay the dividend fully franked to the maximum extent possible
  - (b) the portion of the dividend that is unpaid (i.e. the portion that was unable to be fully franked) will attract interest at a rate of 8% per annum for the first two years and 10% thereafter
  - (c) RollCo may (if approved by all Class B Directors, or at least 50% of the holders of Class C shares if no Class B Director is appointed) pay some or all of the unpaid portion on an unfranked basis.

<sup>153</sup> A fully franked (to the maximum extent possible) earn-out dividend of up to \$0.80 per share.

<sup>154</sup> For this purpose Adjusted EBITDA has the meaning given to the term "Adjusted EBITDA" as defined in Schedule 7 of the Deed, the executed form of which is included as an attachment to the Scheme Booklet.

<sup>155</sup> Payment of the Earn-Out Dividend is required to be paid within 50 days from the date the audited financial statements for the relevant year are finalised.

## Appendix F

- 6 Class C shares do not have voting rights<sup>156</sup>, or rights to participate in any dividends, distributions, capital returns or other distributions of profits or assets of RollCo (other than the Earn-Out Dividend). In addition, Class C shares are not able to be sold or transferred.
- 7 Class C shares must be redeemed for \$0.80 per share if an Exit Event occurs prior to FY24 (less any Earn-Out Dividend already paid on the Class C share, if applicable).

### Valuation issues

- 8 The underlying value of the Class C shares therefore depends on, inter alia:
  - (a) **likelihood of redemption** – the likelihood of the Class C shares being redeemed prior to the determination of any Earn-Out Dividend due to the occurrence of an Exit Event
  - (b) **likelihood of hurdle being achieved** – the likelihood that BINGO will achieve Adjusted EBITDA:
    - (i) in FY24 of at least \$220 million (in order for some Earn-Out Dividend to be paid)
    - (ii) in (or before) FY24 of at least \$240 million (in order for the full Earn-Out Dividend to be paid)
  - (c) **franking credits** – the extent to which the Earn-Out Dividend will be franked, and the extent to which any attaching franking credits have value to shareholders
  - (d) **likely date of payment** – the date at which the Earn-Out Dividend is expected to be paid (if at all)
  - (e) **required rate of return** – the rate of return likely to be required by investors in the Class C shares due to the significant uncertainty regarding the Earn-Out Dividend which might be paid (noting that it could range from \$nil to a maximum of \$0.80 per share).
- 9 These matters are discussed below.

### Likelihood of redemption

- 10 As noted above, the Class C shares must be redeemed for \$0.80 per share if an Exit Event occurs prior to FY24 (less any Earn-Out Dividend already paid on the Class C share, if applicable).
- 11 Whilst such an Exit Event is possible, in our view it is inappropriate to attribute any significant value to this scenario. This is principally because:
  - (a) such an Exit Event would have to occur within a relatively short timeframe post implementation of the Scheme (which we consider to be of low likelihood)
  - (b) unless the Earn-Out Dividend was expected to be equal to the maximum amount of \$0.80 per share, any controlling shareholders in RollCo (i.e. MIRA) would likely delay any Exit Event until the Earn-Out Dividend was known (to avoid unnecessarily paying the maximum amount).

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<sup>156</sup> Other than in respect of any resolution to vary the rights attaching to the Class C shares.



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## Appendix F

12 For the purposes of our valuation we have therefore assumed that redemption will not occur.

### Likelihood of hurdle being achieved

- 13 In order to assess the likelihood of an Earn-Out Dividend being paid (and the quantum thereof) we have considered the EBITDA forecasts up to FY24 as reflected in each of our DCF valuation scenarios (which have been adjusted in this Appendix to incorporate the impact of AASB 16, which is consistent with the basis upon which the EBITDA performance hurdle is to be measured).
- 14 We note that our DCF valuation scenarios reflect cash flows and related earnings attributable to the existing asset base of BINGO. We understand that in the event of an acquisition by BINGO of a business and/or company subsequent to the implementation of the Scheme, then the related earnings (EBITDA) would be eligible to be included in Adjusted EBITDA for the purposes of determining any entitlement to an Earn-Out Dividend. Our assessment of the likelihood of an Earn-Out Dividend being paid specifically excludes consideration of earnings attributable to any such future acquisition (information in respect of which is unknown at the date of this report<sup>157</sup>).
- 15 As set out in Section VI, our DCF analysis of BINGO considered three main scenarios (i.e. Scenarios A, B and C), together with a number of sub-variants thereof which increased the total number of scenarios considered to 15.
- 16 The three main scenarios largely considered the sensitivity of the valuation range to changes in the assumption regarding the speed at which the MPC2 volumes ramp-up and achieve maximum operational capacity. The scenarios also differ in respect of the assumed maximum EBITDA margin that may be achieved by the business.
- 17 We set out below our DCF Model projected FY24 EBITDA scenario outcomes by broad category of earnings:

| DCF Model – projected FY24 EBITDA by broad category of earnings <sup>(1)</sup> |  |          |          |          |          |          |
|--|--|----------|----------|----------|----------|----------|
| Scenarios  | Projected FY24 underlying EBITDA by category |          |          |          |          |          |
|  | ≥ \$220m                                     | ≥ \$225m | ≥ \$230m | ≥ \$235m | ≥ \$240m | ≥ \$240m |
|  | but  | but      | but      | but      | but      |          |
|  | ≤ \$220m                                     | < \$225m | < \$230m | < \$235m | < \$240m | ≥ \$240m |
| Scenarios A to A(iv)   | -  | -        | 3.0      | 1.0      | -        | 1.0      |
| Scenarios B to B(iv)   | 2.0  | 2.0      | -        | -        | 1.0      | -        |
| Scenarios C to C(iv)   | -  | -        | -        | -        | 2.0      | 3.0      |
| Total  | 2.0  | 2.0      | 3.0      | 1.0      | 3.0      | 4.0      |

#### Note:

1 Number of scenario outcomes falling within that category of earnings. EBITDA has been adjusted to incorporate the impact of AASB 16, which is consistent with the basis upon which the Adjusted EBITDA performance hurdle is to be measured.

<sup>157</sup> BINGO management have confirmed that there are no such acquisitions under consideration at the date of this report.

## Appendix F

- 18 In respect of the above, we note that:
- (a) Scenario A and B projections reflect a level of EBITDA in FY24 which (if achieved) would result in an entitlement to some Earn-Out Dividend. However, the Earn-Out Dividend under these two scenarios is likely to be significantly less than the maximum Earn-Out Dividend of \$0.80 per share
  - (b) Scenario C projections reflect a level of EBITDA in FY24 which (if achieved) would result in the maximum Earn-Out Dividend of \$0.80 per share being paid. However, as noted in Section VI, this scenario assumes a much more aggressive ramp-up in MPC2 volumes than Scenarios A and B and is therefore subject to greater risk
  - (c) the Scenarios include sub-variant (iv), the projections for which sit above or close to \$240 million in EBITDA. We note that this sub-variant reflects the illustrative value that may arise from growth in the C&I Collections business (over and above that reflected in the forecast of the Existing Business) and improved sales (and pricing) of recycled products. These initiatives are very early stage and, in our opinion, too uncertain to attribute any significant value to
  - (d) the outcomes do not reflect the differential risk profiles of each individual scenario (in that higher projected earnings are subject to greater risk than lower projected earnings). We have allowed for this risk differential in our assessment of the appropriate discount rate to apply.
- 19 We have also noted for completeness the current analyst consensus estimates for EBITDA up to FY24 (the estimates for FY22 and FY23 are set out in Section VI<sup>158</sup>). In relation to those forecasts, we note that:
- (a) BINGO's EBITDA needs to increase significantly over the period to FY24 in order to achieve the level of EBITDA required if an Earn-Out Dividend is to be paid (i.e. FY24 EBITDA above \$220 million)
  - (b) whilst only three analysts provide EBITDA forecasts for FY24, two of the forecasts are well below the level of EBITDA required in order for an Earn-Out Dividend to be paid (with the highest estimate being \$228 million)
  - (c) the level of variability in EBITDA forecasts for BINGO amongst investment analysts<sup>159</sup> for FY24 is greater than for shorter term forecasts, which is consistent with the greater level of uncertainty associated with medium and long-term forecasts.
- 20 As a result, we consider that the most likely outcome (based on the information considered for the purpose of this report) is that any Earn-Out Dividend will be significantly less than the maximum Earn-Out Dividend of \$0.80 per share.

<sup>158</sup> The consensus EBITDA for FY24 is \$208 million. However, we note that there are only three EBITDA estimates available for this year and they range from \$197 million to \$228 million.

<sup>159</sup> Measured as the percentage difference between the minimum and maximum estimates, excluding outliers.

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### Appendix F

- 21 For valuation purposes we have adopted a probability adjusted approach which involves estimating the expected Earn-Out Dividend based on the probability of BINGO achieving various EBITDA levels in (or before) FY24.
- 22 Based on the above, we have concluded that the expected Earn-Out Dividend (on a probability adjusted basis) ranges from \$0.40 to \$0.50 per Class C share. Whilst this is a relatively wide range, this reflects the inherent uncertainty associated with the likely Earn-Out Dividend. Further, BINGO shareholders considering an election to receive the Mixed Consideration should be aware that the Earn-Out Dividend could be \$nil.

#### Franking credits

- 23 As stated above, the Earn-Out Dividend is required to be franked to the maximum extent possible. However, if at the time the Earn-Out Dividend is payable, RollCo is unable to pay a fully franked dividend, then:
- (a) RollCo must pay the dividend fully franked to the maximum extent possible
  - (b) the portion of the dividend that is unpaid (i.e. the portion that was unable to be fully franked) will attract interest at a rate of 8% per annum for the first two years and 10% thereafter
  - (c) RollCo may (if approved by all Class B Directors, or at least 50% of the holders of Class C shares if no Class B Director is appointed) pay some or all of the unpaid portion on an unfranked basis.
- 24 The Class B Directors (most likely) will include Mr Tartak and Mr Malouf (or their Board appointed representatives), who will also be large Class C shareholders if the Scheme is implemented. In our view, it is therefore unlikely that all Class B Directors would approve payment of an unfranked dividend (particularly given the implicit interest rates which apply to the Earn-Out Dividend if franking is not possible). Accordingly, in our opinion, it is reasonable to assume that any Earn-Out Dividend will be fully franked.
- 25 Whilst only Australian resident shareholders obtain any material benefit from franking credits<sup>160</sup>, we note that foreign investors (defined as investors with residential addresses outside Australia and NZ) are ineligible to elect to receive the Mixed Consideration. Consequently, it is reasonable to assume that almost all Class C shareholders should be able to benefit from the franking credits attached to any Earn-Out Dividend<sup>161</sup>.
- 26 To allow for the benefit of franking credits, we have therefore grossed up the potential Earn-Out Dividend to reflect the gross dividend inclusive of attaching franking credits<sup>162</sup>. Thus,

<sup>160</sup> Withholding tax is not required to be deducted from fully franked dividends paid to non-resident shareholders. This represents a timing benefit to non-resident shareholders provided the non-resident shareholder is able to claim a credit for the withholding tax paid.

<sup>161</sup> BINGO shareholders with NZ registered addresses only held 3.1 million (or 0.47)% of the BINGO shares on issue as at 7 May 2021.

<sup>162</sup> We consider this approach commercially appropriate in the circumstances and also having regard to the materiality of the franking credit Mixed Consideration.

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the expected Earn-Out Dividend adopted for valuation purposes on a gross (pre-tax) basis is therefore \$0.57 to \$0.71 per share<sup>163</sup>.

### Likely date of payment

- 27 The Earn-Out Dividend (if any) is required to be paid within 50 days from the date the audited financial statements for the relevant year are finalised. Accordingly, should the requirement to pay an Earn-Out Dividend arise following the completion of the financial statements for FY24<sup>164</sup>, then payment of that dividend would not occur until late in calendar 2024<sup>165</sup>.
- 28 Our valuation of the Class C shares has therefore taken into account the fact that payment of any Earn-Out Dividend is unlikely to occur for some 3.5 years.

### Required rate of return

- 29 Our DCF valuation of the BINGO business (in Section VI) applied a post corporate tax discount rate range of 7.5% to 8.5% per annum (with a mid-point of 8.0%). This discount rate range:
- (a) represents our view on the appropriate rates of return likely to be required by an investor acquiring the (ungeared) business operations of BINGO; and
  - (b) implies a pre-tax discount rate range of around 10.7% to 12.1% per annum.
- 30 Clearly, the rate of return (i.e. discount rate) which an investor in the Class C shares would require from an investment in the Class C shares would materially exceed the discount rate range that is considered appropriate for the BINGO business. This is principally because:
- (a) the risk of loss associated with an investment in Class C shares is materially higher than for BINGO, as evidenced by the fact that the Class C shares will be worthless unless BINGO's Adjusted EBITDA exceeds \$220 million in FY24
  - (b) the variability of the potential Earn-Out Dividend is very high (i.e. anywhere between \$nil and \$0.80 per share).
- 31 Whilst subjective, we consider a pre-tax discount rate of 20% to 25% per annum is appropriate to compensate for the high variability of the potential returns from an investment in the Class C shares and the inherent uncertainty associated with estimating the Earn-Out Dividend at this time<sup>166</sup>.

<sup>163</sup> Being \$0.40 to \$0.50 per share divided by 0.7 (being 1 less the franking rate of 30%).

<sup>164</sup> In our view, BINGO is unlikely to achieve the required level of Adjusted EBITDA in order for an Earn-Out Dividend to be paid prior to FY24.

<sup>165</sup> As a public unlisted company, RollCo may not produce audited financial statements until (potentially) the end of October.

<sup>166</sup> Whilst a probability adjusted approach has been adopted, the adopted probabilities in each scenario do not take into account the inherent uncertainty associated with estimating the Earn-Out Dividend.

## Annexure 1: Independent Expert's Report



### Appendix F

#### Underlying value of Class C shares

- 32 On the basis of the above, we have assessed the underlying value of the Class C shares as follows:

| Class C share – assessed underlying value <sup>(1)</sup> |           |             |             |
|--|-----------|-------------|-------------|
|  | Paragraph | Low<br>\$   | High<br>\$  |
| Estimated Earn-Out Dividend <sup>(2)</sup>               | F22       | 0.40        | 0.50        |
| Attaching franking credits                               | F26       | 0.17        | 0.21        |
| Estimated Earn-Out Dividend (including franking credits) |           | 0.57        | 0.71        |
| Present value impact <sup>(3)</sup>                      | F28, F31  | (0.31)      | (0.33)      |
| <b>Underlying value of Class C shares</b>                |           | <b>0.26</b> | <b>0.38</b> |

**Note:**

- 1 Rounding differences may exist.
- 2 Excludes any EBITDA benefit that may be obtained from the future acquisition of a business and/or company which we understand would be eligible to be included in Adjusted EBITDA for the purposes of determining any entitlement to an Earn-Out Dividend.
- 3 Based on pre-tax discount rates of 20% (high end) to 25% (low end) per annum for 3.5 years.

- 33 As noted elsewhere in this Appendix, there is a high degree of uncertainty associated with the Earn-Out Dividend. Whilst for the purposes of this report we have attributed a value to the Earn-Out Dividend, BINGO shareholders considering an election to receive the Mixed Consideration should be aware that the Earn-Out Dividend could be \$nil.

## Glossary

| Term                     | Meaning  |
|--------------------------|--|
| 1H20                     | First six months of the 2020 financial year  |
| 1H21                     | First half of the 2021 financial year  |
| 2H20                     | Second half of the 2020 financial year   |
| 5% Rolling Shareholder   | Rolling Shareholders who hold at least 5% of RollCo's Voting Shares on implementation of the Scheme  |
| AASB                     | Australian Accounting Standards Board  |
| AASB 16                  | Australian Accounting Standard 16 – <i>Leases</i>  |
| ABS                      | Australian Bureau of Statistics  |
| ACCC                     | Australian Competition and Consumer Commission   |
| ACT                      | Australian Capital Territory   |
| Adjusted EBITDA          | Has the meaning given to the term "Adjusted EBITDA" as defined in Schedule 7 of the Deed, the executed form of which is included as an attachment to the Scheme Booklet  |
| AFCA                     | Australian Financial Complaints Authority  |
| AFR                      | Australian Financial Review  |
| Agreement                | Scheme Implementation Deed between BINGO and BidCo dated 26 April 2021   |
| ASIC                     | Australian Securities & Investments Commission   |
| ASX                      | Australian Securities Exchange   |
| AUD / A\$                | Australian dollar  |
| B&D                      | Building & Demolition  |
| BidCo or the Bidder      | Recycle and Resource Operations Pty Limited  |
| BINGO or the Company     | BINGO Industries Limited   |
| bps                      | Basis points   |
| C&I                      | Commercial & Industrial  |
| CAGR                     | Compound annual growth rate  |
| CAPM                     | Capital asset pricing model  |
| Cash Consideration       | \$3.45 per BINGO share held less any Special Dividend determined and paid  |
| Class B Director         | Director appointed by a 5% Rolling Shareholder   |
| COAG                     | Council of Australian Governments  |
| Corporations Act         | <i>Corporations Act 2001 (Cth)</i>   |
| Corporations Regulations | <i>Corporations Regulations 2001</i>   |
| CPEC                     | CPE Capital  |
| DADI                     | Dial-A-Dump Industries   |
| DCF                      | Discounted cash flow   |
| DCF Model                | Simplified high level financial model of BINGO's operations developed by LEA   |
| Deed                     | RollCo Shareholders' Deed  |
| Earn-Out Dividend        | A fully franked (to the maximum extent possible) dividend of up to \$0.80 per Class C share. The payment of the Earn-Out Dividend is contingent upon the BINGO business achieving the specified post AASB-16 EBITDA performance hurdles outlined at paragraph 4(b)(ii) |
| EBIT                     | Earnings before interest and tax   |
| EBITA                    | Earnings before interest, tax and amortisation of acquired intangibles   |
| EBITDA                   | Earnings before interest, tax depreciation and amortisation  |
| EPA                      | Environmental Protection Authority   |
| EV                       | Enterprise value   |
| Forecast Period          | Nine year period from 1 July 2021 to 30 June 2030  |
| FSG                      | Financial Services Guide   |
| FY                       | Financial year   |

## Annexure 1: Independent Expert's Report



### Appendix G

| Term                   | Meaning   |
|------------------------|---|
| IBC                    | BINGO's Independent Board Committee, comprising three independent BINGO Non-Executive Directors, Ms Elizabeth Crouch AM, Ms Maria Atkinson AM and Mr Barry Buffier AM   |
| IER                    | Independent expert's report   |
| IFRS                   | International Financial Reporting Standards   |
| Indicative Proposal    | Unsolicited, highly conditional, non-binding and indicative proposal from the Initial Consortium to acquire BINGO for a cash price of \$3.50 per share  |
| Initial Consortium     | CPEC and its potential co-investors which included MIRA   |
| kg                     | Kilogram  |
| LEA                    | Lonerган Edwards & Associates Limited   |
| LTM Mar 21             | Last 12 months to 31 March 2021   |
| MAIF3                  | MAIF 3 R2 Pty Limited as trustee for MAIF 3 R2 Trust  |
| MAIT2                  | Macquarie Australian Infrastructure Management 2 Limited as trustee for MAIT2 Recycling Trust   |
| MIRA                   | Macquarie Infrastructure and Real Assets and its managed funds MAIF3 and MAIT2  |
| Mixed Consideration    | \$1.32 cash per BINGO share (less any Special Dividend determined and paid), plus RollCo Scrip  |
| Mod 6                  | Modification 6 at BINGO's Eastern Creek Recycling Ecology Park  |
| MPC1                   | BINGO's existing Materials Processing Centre at Eastern Creek   |
| MPC2                   | BINGO's second Material Processing Centre at Eastern Creek  |
| Mr Malouf              | Mr Ian Malouf   |
| Mr Tartak              | Mr Daniel Tartak  |
| MRP                    | Market risk premium   |
| MSW                    | Municipal solid waste   |
| Mt                     | Million tonnes  |
| Mtpa                   | Million tonnes per annum  |
| NPV                    | Net present value   |
| NRG                    | National Recycling Group  |
| NSW                    | New South Wales   |
| NZ                     | New Zealand   |
| PE                     | Price earnings  |
| R&R                    | Recycling and recovery  |
| Recommending Directors | Collectively, the IBC, Mr Tartak, Mr Malouf and Mr Daniel Girgis  |
| RG 111                 | Regulatory Guide 111 – <i>Content of expert reports</i>   |
| RMF                    | Recycling Modernisation Fund  |
| RollCo                 | Recycle and Resource Holdings Limited, which is the sole shareholder of Recycle and Resource Pty Limited which in turn is the sole shareholder of BidCo   |
| RollCo Scrip           | 1 Class B share, 1 Preference share and 1 Class C share in RollCo   |
| Rolling Shareholders   | Eligible BINGO shareholders that validly elect to receive the Mixed Consideration   |
| Scheme                 | Scheme of arrangement between BINGO and its shareholders (excluding ineligible foreign shareholders) to implement the transaction   |
| Scheme Consideration   | The Cash Consideration or the Mixed Consideration   |
| SEARs                  | Standard Secretary's Environmental Assessment Requirements  |
| Small Shareholder      | Rolling Shareholders that are issued less than \$10,000 worth of Class B and Preference shares upon implementation of the Scheme (based upon the issue price of \$1.089 per Class B share and \$0.891 per Preference share) |
| Special Dividend       | A special fully franked dividend of no more than \$0.117 per BINGO share. It remains at the discretion of the BINGO Board as to whether the Special Dividend is ultimately determined and paid.                             |
| Suez                   | Suez SA   |

## Appendix G

| Term                      | Meaning   |
|---------------------------|---|
| Sydney Assets Acquisition | Cleanaway's (alternative) proposed acquisition of a portfolio of Suez's Sydney post-collection assets |
| TORO                      | TORO Waste Equipment  |
| Total Network Capacity    | BINGO's network capacity across all divisions   |
| TV                        | Terminal value  |
| UK                        | United Kingdom  |
| US                        | United States of America  |
| Veolia                    | Veolia Environment SA   |
| VIC                       | Victoria  |
| Voting Shares             | Class A and Class B shares in RollCo  |
| VWAP                      | Volume weighted average price   |
| WACC                      | Weighted average cost of capital  |
| WANOS                     | Weighted average number of shares outstanding   |



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# **Annexure 2:**

## **Scheme of arrangement**



HERBERT  
SMITH  
FREEHILLS

## Scheme of arrangement – share scheme

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BINGO Industries Limited

Scheme Shareholders

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia  
GPO Box 4227 Sydney NSW 2001 Australia

T +61 2 9225 5000 F +61 2 9322 4000  
herbertsmithfreehills.com DX 361 Sydney

# Annexure 2: Scheme of arrangement



HERBERT  
SMITH  
FREEHILLS

## Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

BINGO Industries Limited ACN 617 748 231 of 305 Parramatta Road,  
Auburn NSW 2144 (**Bingo**)

The Scheme Shareholders

### 1 Definitions, interpretation and scheme components

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#### 1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

#### 1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

#### 1.3 Scheme components

This Scheme includes any schedule to it.

### 2 Preliminary matters

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- (a) Bingo is a public company limited by shares, registered in New South Wales, Australia, and has been admitted to the official list of the ASX. Bingo Shares are quoted for trading on the ASX.
- (b) Bidder is a proprietary company limited by shares registered in Victoria, Australia.
- (c) Rollco is an unlisted public company limited by shares registered in Victoria, Australia.
- (d) If this Scheme becomes Effective:
  - (1) Bidder and Rollco must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with their respective obligations under the terms of this Scheme and the Deed Poll; and



- (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Bidder and Bingo will enter the name of Bidder in the Share Register in respect of the Scheme Shares.
- (e) Bingo and Bidder have agreed, by executing the Implementation Deed, to implement this Scheme.
- (f) This Scheme attributes actions to Bidder and Rollco but does not itself impose an obligation on them to perform those actions. Bidder and Rollco have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

### 3 Conditions

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#### 3.1 Conditions precedent

This Scheme is conditional on, and will have no force or effect (and will not become Effective) until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3 of the Implementation Deed (other than the condition in clause 3.1(e) of the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Bidder and Bingo;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Bidder and Bingo having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Bingo and Bidder agree in writing).

#### 3.2 Certificate

- (a) Bingo and Bidder will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

#### 3.3 End Date

This Scheme will lapse and be of no further force or effect if:

## Annexure 2: Scheme of arrangement



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### 4 Implementation of this Scheme

- (a) the Effective Date does not occur on or before the End Date; or
  - (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,
- unless Bingo and Bidder otherwise agree in writing.

## 4 Implementation of this Scheme

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### 4.1 Lodgement of Court orders with ASIC

Bingo must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme.

### 4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.3(b), 5.3(c), 5.4 and the Scaleback Arrangements, and Bidder having provided Bingo with written confirmation of the provision of the Scheme Consideration, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by Bingo as attorney and agent for Scheme Shareholders under clause 8.5), by:
  - (1) Bingo delivering to Bidder a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Bingo; and
  - (2) Bidder duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Bingo for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Bingo must enter, or procure the entry of, the name of Bidder in the Share Register as the registered holder of all the Scheme Shares.

## 5 Scheme Consideration

---

### 5.1 Provision of Scheme Consideration

- (a) The Scheme Consideration in respect of each Scheme Share is either:
  - (1) the All Cash Consideration; or
  - (2) the Mixed Consideration.
- (b) Each Scheme Shareholder is entitled to receive either the All Cash Consideration or the Mixed Consideration in respect of each Scheme Share held by that Scheme Shareholder, subject to the terms of this Scheme.



## 5.2 Election

- (a) A Scheme Shareholder, other than an Ineligible Foreign Shareholder, may make an election (**Election**) to receive either the All Cash Consideration or the Mixed Consideration for all of their Scheme Shares by validly completing the Election Form, such Election being subject to the terms of this Scheme including without limitation clauses 5.2(b), 5.6, 5.7, and 5.9.
- (b) Rollco must not issue any Scrip Consideration under this Scheme to or in respect of any Ineligible Foreign Shareholder. Accordingly, no Ineligible Foreign Shareholder may make a valid Election to receive the Mixed Consideration (and any such purported Election by or on behalf of an Ineligible Foreign Shareholder is void and of no effect), and neither Bidder nor Rollco is under any obligation to issue or procure the issue of the Mixed Consideration to any Ineligible Foreign Shareholder.
- (c) Subject to clause 5.2(g), for an Election to be valid:
- (1) the Scheme Shareholder must not be an Ineligible Foreign Shareholder;
  - (2) the Scheme Shareholder must complete and sign the Election Form in accordance with the instructions in the Scheme Booklet and the terms and conditions set out in the Election Form; and
  - (3) the Election Form must be received by the Bingo Registry by the Election Time at the address specified by Bingo in the Scheme Booklet and on the Election Form.
- (d) A Scheme Shareholder that makes an Election may vary, withdraw or revoke that Election by lodging a replacement Election Form (such form to be requested from the Bingo Registry), provided such replacement Election Form is received by the Bingo Registry by the Election Time.
- (e) If:
- (1) a valid Election is not made by a Scheme Shareholder;
  - (2) the Scheme Shareholder is an Ineligible Foreign Shareholder; or
  - (3) no Election is made by a Scheme Shareholder,
- then that Scheme Shareholder will be deemed to have elected to receive All Cash Consideration in respect of all of their Scheme Shares.
- (f) Subject to this clause 5.2, clause 5.4 and the Scaleback Arrangements, if a Scheme Shareholder makes a valid Election, that Election will be deemed to apply in respect of that Scheme Shareholder's entire registered holding of Scheme Shares at the Scheme Record Date, regardless of whether the Scheme Shareholder's holding of Scheme Shares at the Scheme Record Date is greater or less than the Scheme Shareholder's holding at the time it made its Election.
- (g) In the manner considered appropriate by, and agreed between, Bingo and Bidder (acting reasonably including after consultation with the Bingo Registry), a Scheme Shareholder who holds one or more parcels of Bingo Shares as trustee, nominee or custodian for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of Scheme Shares, and if it does so will be treated as a separate Scheme Shareholder in respect of each such parcel in respect of which a separate Election is made (and in respect of any balance of its holdings), provided that if, at the Scheme Record Date, it holds fewer Bingo Shares than it held at the time it made the Election, then, unless it

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has at the time of any sale of Bingo Shares notified Bingo whether the Bingo Shares sold relate to any such separate Election (and if so which separate Election the Bingo Shares sold relate to), it will be treated as not having made a valid Election in respect of any of its Bingo Shares (or will be treated in any other manner that Bidder and Bingo agree is fair to the Bingo Shareholder, in all the circumstances acting reasonably).

- (h) Subject to clauses 5.2(i) and 5.2(j), an Election Form will not be valid unless it is completed and received in accordance with the procedures set out in clause 5.2(c).
- (i) Bingo will determine, in its sole discretion (after consulting with Bidder in good faith), all questions as to the correct completion of an Election Form, and time of receipt of an Election Form. Bingo is not required to communicate with any Scheme Shareholder prior to making this determination. The determination of Bingo will be final and binding on the Scheme Shareholder.
- (j) Notwithstanding clause 5.2(c), with the prior written consent of Bidder (such consent not to be unreasonably withheld or delayed), Bingo may at any time and without further communication to the relevant Scheme Shareholder, deem any Election Form it receives from a Scheme Shareholder to be a valid Election in respect of the relevant Scheme Shares, even if a requirement for a valid Election has not been complied with.

### 5.3 Provision of Aggregate Cash Consideration

- (a) Bidder must by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the Aggregate Cash Consideration payable to all Scheme Shareholders in accordance with this Scheme into an Australian dollar denominated trust account with an Authorised Deposit-taking Institution (as defined by the *Banking Act 1959* (Cth)) operated by Bingo as trustee for the Scheme Shareholders (**Trust Account**) (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account). The obligation of the Bidder to provide, or procure the provision of, the Aggregate Cash Consideration to Scheme Shareholders under this Scheme will be satisfied by the Bidder complying with its obligations under this clause 5.3(a).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 5.3(a), Bingo must pay or procure the payment of the Aggregate Cash Consideration from the Trust Account, by paying or procuring the payment to each Scheme Shareholder who:
  - (1) does not make an Election;
  - (2) does not make a valid Election;
  - (3) makes or is deemed to make a valid Election to receive the All Cash Consideration in respect of all (or if permitted pursuant to clause 5.2(g), some) of that Scheme Shareholders' Scheme Shares (including Ineligible Foreign Shareholders in accordance with clause 5.2(e)(2)); or
  - (4) makes a valid Election to receive the Mixed Consideration, to the extent that Scheme Shareholder's Mixed Consideration relates to the cash component or was scaled back under the Scaleback Arrangements determined in accordance with the terms of this Scheme,

such amount of cash as is due to that Scheme Shareholder in respect of all of that Scheme Shareholder's Scheme Shares (in accordance with clauses 5.1 and 5.2).

- (c) The obligations of Bingo under clause 5.3(b) will be satisfied by Bingo (in its absolute discretion, and despite any election referred to in clause 5.3(c)(1) or authority referred to in clause 5.3(c)(2) made or given by the Scheme Shareholder):
- (1) if a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Bingo Registry to receive dividend payments from Bingo by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
  - (2) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Bingo; or
  - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.6).
- (d) To the extent that, following satisfaction of Bingo's obligations under clause 5.3(b), there is a surplus in the amount held by Bingo as trustee for the Scheme Shareholders in the Trust Account referred to in that clause, that surplus must be paid by Bingo to Bidder.

#### 5.4 Provision of Scrip Consideration

- (a) Subject to clauses 5.2, 5.7 and 5.9 and the Scaleback Arrangements, before 12.00pm (or such other time as Bidder and Bingo may agree in writing) on the Implementation Date, Rollco must:
- (1) issue the Scrip Consideration to each Scheme Shareholder who has made a valid Election, or is otherwise deemed to have validly elected, to receive Scrip Consideration (by way of that Scheme Shareholder's valid Election to receive Mixed Consideration) in accordance with the Scheme in respect of that Scheme Shareholder's Scheme Shares; and
  - (2) procure that the name and address of each Scheme Shareholder to whom Scrip Consideration is issued in accordance with clause 5.4(a)(1) is entered into the Rollco Register in respect of the Scrip Consideration to which it is entitled under the Scheme (either directly or through the Nominee to hold as bare trustee for the relevant Scheme Shareholders as contemplated by clause 5.4(b) and the Shareholders' Deed).
- (b) The Scrip Consideration in respect of which a Scheme Shareholder is entitled under clause 5.4(a) may, in Bidder's absolute discretion, be issued directly to that Scheme Shareholder (such that the Scheme Shareholder will be the legal holder of the relevant Scrip Consideration) or, pursuant to and in accordance with the terms of the Shareholders' Deed, issued to the Nominee to hold as bare trustee for that Scheme Shareholder (such that the Scheme Shareholder



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will be the beneficial holder but not the legal holder of the relevant Scrip Consideration).

- (c) On or before the date that is five Business Days after the Implementation Date, Rollco must send, or procure the sending of, a certificate or other holding statement to each Scheme Shareholder or (if applicable) the Nominee entitled to receive Scrip Consideration under this Scheme, reflecting the issue of such Scrip Consideration, by express post to their Registered Address or as otherwise validly directed by the relevant Scheme Shareholder or the Nominee (as applicable).

### 5.5 Scaleback arrangements

- (a) If the Aggregate Scrip Election is less than or equal to the Maximum Scrip Threshold, each Scheme Shareholder who has made a valid Election to receive the Mixed Consideration will receive Scrip Consideration the subject of their valid Elections in full, subject to the other conditions in this Scheme.
- (b) If the Aggregate Scrip Election exceeds the Maximum Scrip Threshold, each Scheme Shareholder (or Nominee on that Scheme Shareholder's behalf) who has made a valid Election to receive the Mixed Consideration will receive:
- (1) the Mixed Consideration in respect of the number of Scheme Shares calculated in accordance with the formula below only (**Scaleback Shares**):
- $$\text{Scaleback Shares} = A \times (B / C)$$
- where:
- A** is the number of Scheme Shares the subject of the Scheme Shareholder's valid Election to receive the Mixed Consideration;
- B** is the Maximum Scrip Threshold;
- C** is the Aggregate Scrip Election; *plus*
- (2) the All Cash Consideration for:
- (A) each Scheme Share they hold; *less*
- (B) the number of Scheme Shares held by the Scheme Shareholder in respect of which the Scheme Shareholder will receive the Mixed Consideration as calculated in accordance with clause 5.5(b) above.
- (c) Where the calculation of the Scaleback Shares in respect of a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to receive the Mixed Consideration in relation to a fraction of a share, the fractional entitlement will be rounded to the nearest whole number, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number.

### 5.6 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 5.3(c), any Scheme Consideration payable in cash in respect of those Scheme Shares is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Bingo, the holder whose name



appears first in the Share Register as at the Scheme Record Date or to the joint holders;

- (b) any Scrip Consideration to be issued under this Scheme must be issued to and registered in the names of the joint holders or, if Scrip Consideration is issued to the Nominee to hold as bare trustee for the joint holders (as contemplated by clause 5.4), the joint holders will have joint beneficial ownership of that Scrip Consideration; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Bingo (or, in the case of clause 5.4(c), the Bidder), the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

### 5.7 Splitting

- (a) If Bidder is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds Bingo Shares which results in a fractional entitlement to Scheme Consideration have, before the Scheme Record Date, been party to a shareholding splitting or division (or some other abusive or improper conduct) in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Bidder may direct Bingo to give notice to those Scheme Shareholders:
  - (1) setting out the names and Registered Addresses of all of them;
  - (2) stating that opinion; and
  - (3) attributing to one of them specifically identified in the notice the Bingo Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Bingo Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no Bingo Shares. Bidder, in complying with the other provisions of this Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of this Scheme.

### 5.8 Unclaimed monies

- (a) Bingo may cancel a cheque issued under this clause 5 if the cheque:
  - (1) is returned to Bingo; or
  - (2) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Bingo (or the Bingo Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Bingo must reissue a cheque that was previously cancelled under this clause 5.8.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in sections 7 and

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8 of the *Unclaimed Money Act 1995* (NSW)), but any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Bidder.

### 5.9 Orders of a court or Government Agency

If written notice is given to Bingo (or the Bingo Registry), Bidder or Rollco of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Bingo in accordance with this clause 5, then Bingo shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Bingo from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Bingo shall be entitled to (as applicable):
  - (1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration; and
  - (2) direct Rollco not to issue, or to issue to a trustee or nominee, any Scrip Consideration that Scheme Shareholder would otherwise be entitled to under clause 5.1,

until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

### 5.10 Status of Scrip Consideration

Subject to this Scheme becoming Effective, Rollco and Bidder must:

- (a) issue (or procure the issue of) the Scrip Consideration required to be issued under this Scheme on terms such that each share forming part of the Scrip Consideration will rank equally in all respects with each existing share (if any) of the same class and will have the rights set out in the Rollco Constitution and the Shareholders' Deed; and
- (b) ensure that each such share is duly and validly issued in accordance with all applicable laws, the Rollco Constitution and the Shareholders' Deed, fully paid and free from any mortgage, charge, lien, encumbrance, pledge or other security interest (including any 'security interest' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)).

### 5.11 Withholding

If Bidder determines, having regard to legal or other professional advice, that Bidder is either:

- (a) required by law to:
  - (1) withhold any amount from a payment to a Scheme Shareholder; or
  - (2) not issue a security (or any securities) to a Scheme Shareholder; or



- (b) liable to pay an amount to the Commissioner of Taxation under section 14-200 of Schedule 1 to *Taxation Administration Act 1953* (Cth) (amounts required to be paid for CGT non-resident withholding) in respect of the acquisition of Scheme Shares from a Scheme Shareholder,

then Bidder is entitled to:

- (c) withhold the relevant amount before making the payment to the Scheme Shareholder; or
- (d) not issue the relevant security (or securities) to the Scheme Shareholder until permitted to do so,

(and payment of the reduced amount or issue of the reduced number of securities shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.1).

Bidder must pay any amount (or issue any security) so withheld to the relevant taxation authority within the time permitted by law, and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence (or procure the provision of such receipt or other evidence) of such payment (or issue of any security) to the relevant Scheme Shareholder.

## 6 Dealings in Bingo Shares

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### 6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Bingo Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Share Register as the holder of the relevant Bingo Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept,

and Bingo must not accept for registration, nor recognise for any purpose (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

### 6.2 Register

- (a) Bingo must register registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Bingo to register a transfer that would result in a Bingo Shareholder holding a parcel of Bingo Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or otherwise deal with, or purport or agree to dispose of or otherwise deal with, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than

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- pursuant to this Scheme, and any attempt to do so will have no effect and Bingo shall be entitled to disregard any such disposal or other dealing.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Bingo must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been provided to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
  - (d) All statements of holding for Bingo Shares (other than statements of holding in favour of Bidder) will cease to have effect after the Scheme Record Date as documents of title in respect of those Bingo Shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Bidder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Bingo Shares relating to that entry.
  - (e) Bingo must provide, or procure the provision, to the Bidder details of any final Election made by a Bingo Shareholder, within two Business Days after the Election Time, including the name and Registered Address of each Bingo Shareholder who has made a valid Election and the Scrip Consideration that Rollco must issue to that Bingo Shareholder to meet its obligations under the Scheme in accordance with that Bingo Shareholder's valid Election (subject to the terms of this Scheme).
  - (f) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Bingo will ensure that details of the names, Registered Addresses and holdings of Bingo Shares for each Scheme Shareholder as shown in the Share Register are made available to Bidder in the form Bidder reasonably requires.
  - (g) Without limiting Bingo's obligations under clauses 6.2(e) and 6.2(f), Bingo must provide, or procure the provision, to Bidder, such other information as Bidder may reasonably require in connection with the provision of the Scheme Consideration to the Scheme Shareholders in accordance with this Scheme.

## 7 Quotation of Bingo Shares

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- (a) Bingo must apply to ASX to suspend trading on the ASX in Bingo Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Bidder, Bingo must apply:
  - (1) for termination of the official quotation of Bingo Shares on the ASX; and
  - (2) to have itself removed from the official list of the ASX.

## 8 General Scheme provisions

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### 8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:



- (a) Bingo may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented in writing; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Bingo has consented to in accordance with clause 8.1(a).

## 8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
  - (1) agrees to the transfer of their Bingo Shares together with all rights and entitlements attaching to those Bingo Shares in accordance with this Scheme;
  - (2) agrees to the variation or modification of the rights attached to their Bingo Shares constituted by or resulting from this Scheme;
  - (3) to the extent they are to receive Scrip Consideration as a component of the Scheme Consideration to which they are entitled, agrees to become a shareholder of Rollco and to be bound by the Rollco Constitution and the Shareholders' Deed;
  - (4) to the extent they are to receive Scrip Consideration as a component of the Scheme Consideration to which they are entitled and that Scrip Consideration is issued to the Nominee to hold as bare trustee for the Scheme Shareholder (as contemplated by clause 5.4), agrees to be bound by the Nominee Deed;
  - (5) who holds their Bingo Shares in a CHESS Holding agrees to the conversion of those Bingo Shares to an Issuer Sponsored Holding and irrevocably authorises Bingo to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;
  - (6) agrees to, on the direction of Bidder, destroy any holding statements or share certificates relating to their Bingo Shares; and
  - (7) acknowledges and agrees that this Scheme binds Bingo and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Bingo and Bidder on the Implementation Date, and appointed and authorised Bingo as its attorney and agent to warrant to Bidder on the Implementation Date, that:
  - (1) all their Bingo Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Bingo Shares to Bidder together with any rights and entitlements attaching to those shares; and
  - (2) they have no existing right to be issued any Bingo Shares, options or performance rights exercisable into Bingo Shares, convertible notes in Bingo or any other Bingo securities.

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- (c) Bingo undertakes that it will provide the warranty in clause 8.2(b) to Bidder as agent and attorney of each Scheme Shareholder.

### 8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Bidder will, at the time of transfer of them to Bidder, vest in Bidder free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.3(b), 5.3(c), 5.4 and the Scaleback Arrangements, Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Bingo of Bidder in the Share Register as the holder of the Scheme Shares.

### 8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.3(b), 5.3(c), 5.4 and the Scaleback Arrangements, and until Bingo registers Bidder as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Bidder as attorney and agent (and directed Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not, and undertakes to Bidder not to, attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Bidder and any director, officer, secretary or agent nominated by Bidder under clause 8.4(a) may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

### 8.5 Authority given to Bingo

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Bingo and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Bidder and Rollco, and Bingo undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Bidder and Rollco on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Bingo and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or



taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing:

- (1) the Scheme Transfer; and
- (2) any deed or other document required by Bingo or Bidder that causes each Scheme Shareholder entitled to Scrip Consideration under this Scheme to be bound by the Rollco Constitution, the Shareholders' Deed and the Nominee Deed (as applicable),

and Bingo accepts each such appointment. Bingo as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

## 8.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Bingo that are binding or deemed binding between the Scheme Shareholder and Bingo relating to Bingo or Bingo Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Bingo Shares; and
- (c) notices or other communications from Bingo (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Bidder in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Bidder and to be a binding instruction, notification or election to, and accepted by, Bidder in respect of the Scrip Consideration issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to Bidder at its registry.

## 8.7 Binding effect of Scheme

This Scheme binds Bingo and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Bingo.

# 9 General

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## 9.1 Stamp duty

Bidder will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).



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### 9.2 Consent

Each of the Scheme Shareholders consents to Bingo doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Bingo or otherwise.

### 9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Bingo, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Bingo's registered office or at the office of the Bingo Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Bingo Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### 9.4 Governing law

- (a) This Scheme is governed by the laws in force in New South Wales, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

### 9.5 Further action

Bingo must do all things and execute all documents (whether on its own behalf or on behalf of each Scheme Shareholder) necessary to give full effect to this Scheme and the transactions contemplated by it.

### 9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that none of Bingo, Bidder or Rollco, nor any director, officer, secretary or employee of any of Bingo, Bidder or Rollco shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.



## Schedule 1

### Definitions and interpretation

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#### 1 Definitions

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The meanings of the terms used in this Scheme are set out below.

| <b>Term</b>                         | <b>Meaning</b>  |
|-------------------------------------|---|
| <b>Aggregate Cash Consideration</b> | the aggregate of:<br>1 the All Cash Consideration; and<br>2 the cash component of the Mixed Consideration,<br>payable to Scheme Shareholders under the Scheme (taking into account all valid Elections made by the Election Time and the terms of this Scheme). |
| <b>Aggregate Scrip Election</b>     | the total number of Scheme Shares the subject of all valid Elections to receive Mixed Consideration.  |
| <b>All Cash Consideration</b>       | A\$3.45 cash for each Scheme Share held by a Scheme Shareholder, less the actual amount of any Bingo Permitted Dividend that is declared and paid for each Scheme Share.  |
| <b>ASIC</b>                         | the Australian Securities and Investments Commission.   |
| <b>ASX</b>                          | ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.  |
| <b>Bidder</b>                       | Recycle and Resource Operations Pty Ltd ACN 649 357 442.  |
| <b>Bingo</b>                        | BINGO Industries Limited ACN 617 748 231.   |
| <b>Bingo Permitted Dividend</b>     | has the meaning given in the Implementation Deed.   |
| <b>Bingo Registry</b>               | Link Market Services Limited ABN 54 083 214 537.  |

## Annexure 2: Scheme of arrangement



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Schedule 1 Definitions and interpretation

| <b>Term</b>              | <b>Meaning</b>  |
|--------------------------|---|
| <b>Bingo Share</b>       | a fully paid ordinary share in the capital of Bingo.  |
| <b>Bingo Shareholder</b> | each person who is registered as the holder of a Bingo Share in the Share Register.   |
| <b>Business Day</b>      | a day that is not a Saturday, Sunday or public holiday or bank holiday in Sydney, Australia.  |
| <b>CHESS</b>             | the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.  |
| <b>CHESS Holding</b>     | has the meaning given in the Settlement Rules.  |
| <b>Class B Share</b>     | a Class B Share in Rollco with an issue price of \$1.089 having the rights set out in the Rollco Constitution and the Shareholders' Deed.   |
| <b>Class C Share</b>     | a Class C Share in Rollco with an issue price of \$0.00001 having the rights set out in the Rollco Constitution and the Shareholders' Deed.   |
| <b>Corporations Act</b>  | the <i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.  |
| <b>Court</b>             | the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Bidder and Bingo.  |
| <b>Deed Poll</b>         | the deed poll executed by Bidder and Rollco under which Bidder and Rollco each covenants in favour of the Scheme Shareholders to perform the obligations attributed to Bidder and Rollco under this Scheme.           |
| <b>Effective</b>         | when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme. |
| <b>Effective Date</b>    | the date on which this Scheme becomes Effective.  |
| <b>Election</b>          | has the meaning given in clause 5.2(a).   |



| <b>Term</b>                           | <b>Meaning</b>  |
|---------------------------------------|---|
| <b>Election Form</b>                  | the form issued by Bingo under which each Bingo Shareholder (other than any Ineligible Foreign Shareholders) is requested to elect to receive either the All Cash Consideration or the Mixed Consideration in respect of all of their Bingo Shares, subject to the terms of this Scheme.  |
| <b>Election Time</b>                  | 7.00pm on the date which is five Business Days before the date of the Scheme Meeting or such other date as agreed in writing by Bingo and Bidder.   |
| <b>End Date</b>                       | <ol style="list-style-type: none"><li>1 the date which is six months after the date of the Implementation Deed; or</li><li>2 such other date as agreed in writing by Bidder and Bingo.</li></ol>  |
| <b>Government Agency</b>              | any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian. |
| <b>Implementation Date</b>            | the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Bingo and Bidder.  |
| <b>Implementation Deed</b>            | the scheme implementation deed dated 27 April 2021 between Bingo and Bidder relating to the implementation of this Scheme.  |
| <b>Ineligible Foreign Shareholder</b> | a Scheme Shareholder whose address shown in the Share Register on the Scheme Record Date is a place outside Australia or New Zealand, unless Bingo and Bidder agree in writing that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with Scrip Consideration if the Scheme Shareholder so elects under this Scheme.   |
| <b>Issuer Sponsored Holding</b>       | has the meaning given in the Settlement Rules.  |
| <b>Maximum Scrip Threshold</b>        | the number of Scheme Shares which represents 40% of total Scheme Shares or such other number of Scheme Shares agreed between Bidder and Bingo in writing.   |

## Annexure 2: Scheme of arrangement



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Schedule 1 Definitions and interpretation

| <b>Term</b>                   | <b>Meaning</b>   |
|-------------------------------|--|
| <b>Mixed Consideration</b>    | <ol style="list-style-type: none"><li>1 A\$1.32 cash for each Scheme Share held by a Scheme Shareholder, less the actual amount of any Bingo Permitted Dividend that is declared and paid in accordance with the Implementation Deed for each Scheme Share; plus</li><li>2 the Scrip Consideration for each Scheme Share held by a Scheme Shareholder,</li></ol> subject to the terms of this Scheme and the Scaleback Arrangements. |
| <b>Nominee</b>                | has the meaning given in the Shareholders' Deed.   |
| <b>Nominee Deed</b>           | has the meaning given in the Shareholders' Deed.   |
| <b>Operating Rules</b>        | the official operating rules of ASX.   |
| <b>Preference Share</b>       | a Preference Share in Rollco with an issue price of \$0.891 having the rights set out in the Rollco Constitution and the Shareholders' Deed.   |
| <b>Registered Address</b>     | in relation to a Bingo Shareholder, the address shown in the Share Register as at the Scheme Record Date.  |
| <b>Rollco</b>                 | Recycle and Resource Holdings Limited ACN 649 347 302.   |
| <b>Rollco Constitution</b>    | the constitution of Rollco.  |
| <b>Rollco Register</b>        | the register of shareholders maintained by Rollco or its agent.  |
| <b>Scaleback Arrangements</b> | the scaleback arrangements set out in clause 5.5.  |
| <b>Scaleback Shares</b>       | has the meaning given in clause 5.5(b).  |
| <b>Scheme</b>                 | this scheme of arrangement under Part 5.1 of the Corporations Act between Bingo and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Bingo and Bidder.   |



| <b>Term</b>                 | <b>Meaning</b>  |
|-----------------------------|---|
| <b>Scheme Booklet</b>       | the scheme booklet published by Bingo in respect of the Scheme pursuant to section 412 of the Corporations Act and dated 9 June 2021.   |
| <b>Scheme Consideration</b> | for each Scheme Share:<br><ol style="list-style-type: none"><li>1 the All Cash Consideration; or</li><li>2 the Mixed Consideration,</li></ol> subject to the terms of this Scheme.  |
| <b>Scheme Meeting</b>       | the meeting of the Bingo Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.                                    |
| <b>Scheme Record Date</b>   | 7.00pm on the second Business Day after the Effective Date or such other time and date as agreed in writing by Bingo and Bidder.  |
| <b>Scheme Shares</b>        | all Bingo Shares held by the Scheme Shareholders as at the Scheme Record Date.  |
| <b>Scheme Shareholder</b>   | a Bingo Shareholder as at the Scheme Record Date.   |
| <b>Scheme Transfer</b>      | a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Bidder as transferee, which may be a master transfer of all or part of the Scheme Shares.                                 |
| <b>Scrip Consideration</b>  | 1 Class B Share, 1 Preference Share and 1 Class C Share for each Scheme Share in respect of which a valid Election is made to receive the Mixed Consideration in accordance with this Scheme, subject to the Scaleback Arrangements.  |
| <b>Second Court Date</b>    | the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard. |
| <b>Settlement Rules</b>     | the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.   |

# Annexure 2: Scheme of arrangement



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Schedule 1 Definitions and interpretation

| <b>Term</b>               | <b>Meaning</b>   |
|---------------------------|--|
| <b>Share Register</b>     | the register of members of Bingo maintained by Bingo or the Bingo Registry in accordance with the Corporations Act.  |
| <b>Shareholders' Deed</b> | the Shareholders' Deed in relation to Rollco to be entered into by the shareholders of Rollco on substantially the terms set out in Attachment 5 of the Implementation Deed, or in such other form as agreed between Bingo and Bidder. |
| <b>Trust Account</b>      | has the meaning given in clause 5.3(a).  |

## 2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney, Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;



- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (s) a reference to the Operating 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.

### 3 Interpretation of inclusive expressions

---

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

### 4 Business Day

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Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



---

# Annexure 3:

## Deed Poll



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Deed

## Share scheme deed poll

Recycle and Resource Operations Pty Limited

Recycle and Resource Holdings Limited

ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia  
GPO Box 4227 Sydney NSW 2001 Australia

T +61 2 9225 5000 F +61 2 9322 4000  
herbertsmithfreehills.com DX 361 Sydney

# Annexure 3: Deed Poll



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## Share scheme deed poll

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Date ► 7 June 2021

This deed poll is made

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By Recycle and Resource Operations Pty Limited  
ACN 649 357 442 of Level 8, 50 Martin Place, Sydney NSW 2000  
**(Bidder)**  
and  
Recycle and Resource Holdings Limited  
ACN 649 347 302 of Level 8, 50 Martin Place, Sydney NSW 2000  
**(Rollco)**

in favour of each person registered as a holder of fully paid ordinary shares in BINGO Industries Limited ACN 617 748 231 **(Bingo)** in the Share Register as at the Scheme Record Date.

Recitals

- 1 Bingo and Bidder entered into the Implementation Deed.
- 2 In the Implementation Deed, Bidder agreed to make this deed poll and to procure that Rollco make this deed poll.
- 3 Bidder and Rollco are making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform the actions and obligations attributed to each of them under the Scheme.

---

This deed poll provides as follows:

---

## 1 Definitions and interpretation

---

### 1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

| Term                    | Meaning  |
|-------------------------|--|
| <b>First Court Date</b> | the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the |

---



| Term                       | Meaning   |
|----------------------------|---|
|                            | Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.   |
| <b>Implementation Deed</b> | the scheme implementation deed entered into between Bingo and Bidder dated 27 April 2021.   |
| <b>Scheme</b>              | the members' scheme of arrangement under Part 5.1 of the Corporations Act between Bingo and the Scheme Shareholders under which all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration, the form of which is set out in Attachment 1 (or such other form as agreed in writing by Bidder and Bingo), together with any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and consented to by Bidder in accordance with clause 4.2 of the Implementation Deed. |
| (b)                        | Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.   |

## 1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

## 1.3 Nature of deed poll

Bidder and Rollco acknowledge that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Bingo and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Bidder and Rollco.

## 2 Conditions to obligations

### 2.1 Conditions

This deed poll and the obligations of Bidder and Rollco under this deed poll are subject to the Scheme becoming Effective.

# Annexure 3: Deed Poll



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3 Scheme obligations

## 2.2 Termination

The obligations of Bidder and Rollco under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
  - (b) the Scheme has not become Effective on or before the End Date,
- unless Bidder, Rollco and Bingo otherwise agree in writing.

## 2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Bidder and Rollco are released from their obligations to further perform this deed poll except those obligations under clause 7.1; and
- (b) each Scheme Shareholder retains the rights they have against Bidder and Rollco in respect of any breach of this deed poll which occurred before it was terminated.

## 3 Scheme obligations

---

### 3.1 Undertaking to provide Scheme Consideration and perform other actions

Subject to clause 2, each of Bidder and Rollco undertakes in favour of each Scheme Shareholder to:

- (a) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme by:
    - (1) in relation to the Aggregate Cash Consideration, by no later than the Business Day before the Implementation Date, depositing, or procuring the deposit of, in cleared funds an amount equal to the Aggregate Cash Consideration payable to all Scheme Shareholders in accordance with the Scheme into the Trust Account (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account);
    - (2) in relation to the Scrip Consideration, on the Implementation Date, and subject to the Scaleback Arrangements, issuing, or procuring the issue of, the Scrip Consideration to each Scheme Shareholder (or the Nominee, as the case may be) entitled to receive the Scrip Consideration; and
  - (b) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to each of them under the Scheme,
- in each case, subject to and in accordance with the terms of the Scheme.



### 3.2 Status of Rollco Shares

Each of Bidder and Rollco covenants in favour of each Scheme Shareholder that the Rollco Shares which are issued to each Scheme Shareholder in accordance with the Scheme will:

- (a) rank equally in all respects with each existing Rollco Share (if any) of the same class and will have the rights set out in the Rollco Constitution and the Shareholders' Deed; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance, pledge or other security interest (including any 'security interest' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)).

## 4 Warranties

---

Each of Bidder and Rollco represents and warrants in favour of each Scheme Shareholder, in respect of itself, that:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) it has full capacity, corporate power and lawful authority to execute, deliver and enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

## 5 Continuing obligations

---

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder and Rollco have fully performed their obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

## 6 Notices

---

### 6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and

# Annexure 3: Deed Poll



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6 Notices

- (b) addressed to Bidder and Rollco in accordance with the details set out below (or any alternative details nominated by Bidder or Rollco by Notice).

|                      |  |
|----------------------|--|
| <b>Attention</b>     | Company Secretary  |
| <b>Address</b>       | Level 8, 50 Martin Place, Sydney, NSW 2000   |
| <b>Email address</b> | miralegal@macquarie.com<br>with a copy (such copy not to constitute notice) to each of:<br>Kieran.Zubrinich@macquarie.com<br>Mitch.Ainsworth@macquarie.com<br>Verena.Lim@macquarie.com<br>John.Lee@macquarie.com<br>CCondoleon@gtlaw.com.au<br>ACorrigall@gtlaw.com.au |

## 6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.  
 (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), in the place nominated by the addressee as its address in clause 6.1(b), then the Notice will instead be regarded as given and received at the start of the following business hours period in that place.

| Method of giving Notice                  | When Notice is regarded as given and received  |
|--|--|
| By hand to the nominated address         | When delivered to the nominated address  |
| By express post to the nominated address | At 9.00am (addressee's time) on the second Business Day after the date of posting  |
| By email to the nominated email address  | The earlier of:<br>1 when the recipient's email server generates a message to the sender confirming that the email has been delivered to that server (" <b>delivery receipt</b> "), or at the time that the recipient "read" the email as stated in an automated message received by the sender (" <b>read receipt</b> "); |

- 2 the time that the recipient confirms receipt of the email by reply email to the sender; and
- 3 four hours after the time that the email is sent (as recorded on the device from which the email was sent) unless the sender receives, within that four hour period, an automated message that the email has not been delivered.

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### 6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 6.2).

---

## 7 General

### 7.1 Stamp duty

Bidder:

- (a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under or in connection with the Scheme and this deed poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

### 7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in New South Wales, Australia.
- (b) Bidder and Rollco irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales, Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Bidder and Rollco irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

### 7.3 Waiver

- (a) Bidder and Rollco may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Shareholder may rely on words or conduct of Bidder or Rollco as a waiver of any right unless the waiver is in writing and signed by Bidder or Rollco, as appropriate. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) The meanings of the terms used in this clause 7.3 are set out below.



# Annexure 3: Deed Poll



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7 General

| Term           | Meaning   |
|----------------|---|
| <b>conduct</b> | includes delay in the exercise of a right.  |
| <b>right</b>   | any right arising under or in connection with this deed poll and includes the right to rely on this clause.   |
| <b>waiver</b>  | includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel. |

## 7.4 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by Bingo in writing; or
- (b) if on or after the First Court Date, the variation is agreed to by Bingo in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Bidder and Rollco will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

## 7.5 Cumulative rights

The rights, powers and remedies of Bidder, Rollco and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

## 7.6 Assignment

- (a) The rights created by this deed poll are personal to Bidder, Rollco and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Bidder or Rollco.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

## 7.7 Joint and several obligations

Bidder and Rollco are jointly and severally liable for each obligation imposed on both of them by the terms of this deed poll.

## 7.8 Further action

Bidder and Rollco must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.



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## Attachment 1

### Scheme

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Attached.

## Annexure 3: Deed Poll



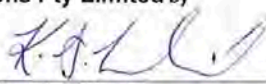
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### Signing page

Executed as a deed poll

#### Bidder

Signed sealed and delivered by  
**Recycle and Resource  
Operations Pty Limited** by

sign here ▶   
Company Secretary/Director

sign here ▶   
Director

print name Kieran Zubrinich

print name ILIAS BENJELLOUN




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SMITH  
FREEHILLS

Signing page

**Rollco**

Signed sealed and delivered by  
**Recycle and Resource Holdings  
Limited** by

sign here ▶   
Company Secretary/Director

print name Kieran Zubrinich

sign here ▶   
Director

print name ILIAS BENJELLOUN

---

# **Annexure 4:**

## **RollCo Shareholders' Deed**

---

## Shareholders' Deed

**Recycle and Resource Holdings Limited**

**ACN 649 347 302**

## Annexure 4: RollCo Shareholders' Deed

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# Annexure 4: RollCo Shareholders' Deed

**Date:** 3 May 2021

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## Parties

- 1 **Recycle and Resource Holdings Limited ACN 649 347 302** of Level 8, 50 Martin Place, Sydney NSW 2000, Australia (the **Company**)
- 2 **MAIF 3 R2 Pty Limited ACN 649 269 778 as trustee for MAIF3 R2 Trust** of Level 6, 50 Martin Place, Sydney NSW 2000, Australia (the **MAIF3 Shareholder**)
- 3 **Macquarie Australian Infrastructure Management 2 Ltd ACN 131 476 910 as trustee for MAIT2 Recycling Trust** of Level 6, 50 Martin Place, Sydney NSW 2000, Australia (the **MAIT Shareholder**)

Together the MAIF3 Shareholder and the MAIT Shareholder being the **Investor Shareholders** as at the date of this Deed.

### The parties agree

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## 1 Defined terms and interpretation

### 1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1, has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

### 1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

### 1.3 Effectiveness of deed

This deed comes into effect on Implementation.

### 1.4 Precedence of this deed

Where this deed and the Constitution deal with the same or a similar topic differently:

- (a) this deed prevails in relation to that topic; and
- (b) if a Shareholder gives the Company a notice specifying the difference and requesting an amendment to the Constitution that will remove that difference, each Shareholder must take all necessary steps to amend the Constitution to make the Constitution consistent with this deed.

## 1.5 Capital Structure

- (a) Immediately prior to Implementation, the only Shareholders in the Company are the Investor Shareholders, who will hold no more than:
  - (i) 832,303,021 Class A Shares; and
  - (ii) 832,303,021 Preference Shares,as at immediately prior to Implementation.
- (b) Prior to the Implementation Date of the Scheme, the Investor Shareholders will subscribe for additional Class A Shares and Preference Shares in the Company pursuant to clause 9.3(b).
- (c) As part of Implementation, the Company will issue Preference Shares, Class B Shares and Class C Shares to shareholders of the Target pursuant to the Scheme.
- (d) Immediately following Implementation, the only securities on issue in the capital of the Company will be:
  - (i) Class A Shares;
  - (ii) Class B Shares;
  - (iii) Preference Shares; and
  - (iv) Class C Shares.
- (e) Each Class B Share issued under the Scheme will rank equally in all respects with each other Class B Share.
- (f) Each Class C Shares issued under the Scheme will rank equally in all respects with each other Class C Share.
- (g) Each Preference Share issued under the Scheme will rank equally in all respects with each other Preference Share.
- (h) Any Class B Shares acquired by the Investor Shareholders or their Permitted Transferees will be automatically re-classified as Class A Shares.
- (i) Without limiting clause 1.5(h) above, any Class B Shares acquired by a Third Party who is not a Class B Shareholder or a Permitted Transferee of a Class B Shareholder pursuant to clause 11.5(b) or clause 11.6 will be automatically re-classified as Class A Shares.

## 1.6 Objectives

The primary objectives of the Company are to:

- (a) operate, carry on and grow the business of the Group, in a proper and efficient manner in accordance with sound business practice and so as to give effect to the Business Plan; and
- (b) maximise the sustainable value of the Group in line with the direction and strategy of the Group as determined by the Board from time to time in accordance with this deed.

# Annexure 4: RollCo Shareholders' Deed

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## 2 Business and management of the Company

### 2.1 Function of the Board

The function of the Board is to govern the management of the Group. Subject to clause 2.8 and the Corporations Act, the Board may do all things necessary or desirable in connection with this function including:

- (a) determining the overall business strategy and direction for the Group;
- (b) reviewing and approving annual business plans and budgets; and
- (c) determining any other matter in relation to the Group.

### 2.2 Delegation and management

- (a) The Board will be responsible for the day-to-day management and operation of the Business.
- (b) Subject to clause 2.3:
  - (i) the Board may establish one or more committees and delegate to such committee or members of senior management of a Group Company matters which are part of the day-to-day management of the Group; and
  - (ii) the Board may, in its absolute discretion and at any time, amend, revoke or replace any delegation made to senior management.

### 2.3 Delegated Matters

- (a) No committee may be established nor any matter delegated pursuant to clause 2.2(b) unless approved by Special Majority Approval.
- (b) No matter requiring Special Director Approval may be delegated pursuant to clause 2.2(b) unless approved by all Class B Directors.

### 2.4 Business Plan and Budget

The Company must ensure that the Group conducts its Business in each Financial Year in accordance with the Business Plan and Budget approved and adopted by the Board (by Special Majority Approval) for that Financial Year, or as may be amended by the Board from time to time. Any material deviation from or variation to the Business Plan and Budget must have prior Special Majority Approval.

### 2.5 New Business Plans

Each Investor Shareholder must exercise its rights as a Shareholder to ensure:

- (a) at least one month before the beginning of each Financial Year, the management of the Company submits to the Board and the Shareholders a draft Business Plan and Budget; and
- (b) the Board considers the draft Business Plan and Budget and, if considered appropriate, approves that Business Plan and Budget before the start of the next Financial Year, provided that if the draft Business Plan or Budget contemplates a

change to the Business Scope prior to 30 June 2024, Special Director Approval is obtained to the extent required to approve any changes in the Business Scope.

## 2.6 Board fails to adopt Business Plan or Budget

If a Business Plan or Budget is not endorsed and approved under clause 2.5, then until such time as a new Business Plan or Budget has been so endorsed and approved, the Board and the Company must conduct (and the Investor Shareholders must procure that the Company conducts) the Business in accordance with the existing Business Plan and Budget, except that:

- (a) any one off item in the Business Plan or Budget which was, at the time of the development of the relevant Business Plan or Budget, intended to apply only to the previous Financial Year is excluded;
- (b) any costs which must be incurred by a Group Company in order to properly and efficiently operate the Business and which are outside the control of the Group may be incurred without regard to the existing Business Plan and Budget; and
- (c) any item in the existing Business Plan or Budget which is a recurring cost will be varied in accordance with the following formula;

$$P = \frac{A \times C}{B}$$

where:

*P* = means the cost payable in accordance with the following period;

*A* = means the cost payable in accordance with the previous Business Plan or Budget;

*B* = means the CPI last published before the commencement of the period applicable to the previous Business Plan or Budget; and

*C* = means the CPI last published after the end of the period applicable to the previous Business Plan or Budget.

## 2.7 Shareholders' resolutions

Subject to applicable law and the terms of this deed, all resolutions by Shareholders will be made by the affirmative vote of a Simple Majority Resolution.

## 2.8 Reserved matters

The Company must not do nor commit to do, and must procure that no Group Company does or commits to do, and the parties must use all voting rights and any other powers of control available to them (whether as a Shareholder, through a Director appointed by them or otherwise) to procure that no Group Company does, or commits to do:

- (a) a thing listed in Part A of Schedule 2 without Special Majority Approval;
- (b) a thing listed in Part B of Schedule 2 without Special Director Approval; or
- (c) a thing listed in Part C of Schedule 2 without Special Investor Approval,



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and, for the avoidance of doubt, where a thing is listed in Part A and Part B of Schedule 2, both Special Majority Approval and Special Director Approval will be required for that thing.

### 2.9 Compliance program

- (a) As soon as reasonably practicable after the implementation of the Scheme and in any event within 90 days of the Implementation Date, the Board will approve and adopt a revised WHS compliance program for the Company.
- (b) Each Investor Shareholder may request at any time a WHS report, including details of compliance by the Company and its Related Bodies Corporate with that revised WHS compliance program.
- (c) The Company must allow the Investor Shareholders and their Representatives with reasonable access during normal business hours to undertake site visits to review WHS performance and inspect applicable records.

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## 3 Board

### 3.1 Minimum and maximum number of Directors

The Board must consist of a minimum of four Directors and a maximum of ten Directors, or such greater number approved by Special Majority Approval.

### 3.2 Appointment of Directors

- (a) An Investor Shareholder who, together with the Investor Shareholders who qualify as its Permitted Transferees, holds at least 10% of the Voting Shares is (collectively with those other Investor Shareholders) entitled to appoint, remove and replace one Director to the Board for each 10% of Voting Shares held (each such Director being a **Class A Director**).
- (b) Subject to clause 3.2(c), each Non-Investor Shareholder (together with Non-Investor Shareholders who qualify as its Permitted Transferees) that holds a Qualifying Interest may appoint, remove and replace one Director (each such Director being a **Class B Director**). A Non-Investor Shareholder holds a **Qualifying Interest** if it:
  - (i) holds 5% or more of Voting Shares immediately after Implementation; or
  - (ii) would have held at least 5% of the Voting Shares on issue immediately after Implementation but for the operation of the Scaleback Arrangements (if applicable).
- (c) A Non-Investor Shareholder's right (and the right of their Permitted Transferees) under clause 3.2(b) will cease to apply (and that Non-Investor Shareholder must remove any Class B Director appointed by it immediately) if that Non-Investor Shareholder (or its Permitted Transferees who it has transferred Securities to) transfers more than 50% of the number of Securities that it held immediately after Implementation, other than a transfer to a Permitted Transferee pursuant to clause 11.2(d) or a transfer pursuant to clauses 11.5(b), 11.6 or 13, whether in one transaction or a series of transactions.
- (d) An Investor Shareholder or a Non-Investor Shareholder must give the Company notice of appointment or removal of a Class A Director under clause 3.2(a) or a

Class B Director under clause 3.2(b) (as applicable) and, subject to applicable laws, any appointment or removal of the Director takes effect when such notice is given. For the avoidance of doubt, subject to clause 3.3, a Class B Director may only be removed by its appointing Non-Investor Shareholder under clause 3.2(c).

- (e) No other Shareholder or Class C Shareholder has the right to appoint, remove or replace any Director.
- (f) The Chairperson of the Board may be appointed, removed and replaced by Special Majority Approval.
- (g) One or more Independent Directors may be appointed, removed and replaced by Special Majority Approval.

### **3.3 Eligibility and vacation of office**

- (a) A Director must (and his or her appointing Shareholder must procure that he or she) immediately vacate their office and shall be automatically removed if he or she is disqualified from managing a corporation or has been or is convicted of or charged with an indictable offence.
- (b) A Class B Director must be an Australian citizen that ordinarily resides in Australia.

### **3.4 Directors' interests**

- (a) A Director is not disqualified (solely by virtue of being a Director) from holding any office or place of profit, including any office or place of profit with a Shareholder or their Affiliates. For the avoidance of doubt, a Director may:
  - (i) be or become a director of or otherwise hold office or a place of profit in any entity promoted by a Shareholder or its Affiliates or in which a Shareholder or its Affiliates may be interested; and
  - (ii) contract or make any arrangement with a Shareholder or its Affiliates.
- (b) If the Board is required to consider any:
  - (i) Related Party Transaction involving a Director or Shareholder (or their respective Affiliates);
  - (ii) matter related to the enforcement of the rights of the Company or any other Group Company against, or litigation involving, a Director or Shareholder (or their respective Affiliates); or
  - (iii) matter in which a Director has a material personal interest,but excluding any matter in respect of which all Shareholders are affected in substantially the same way, then the relevant Director or the Directors nominated by that Shareholder (as the case may be):
  - (iv) must, prior to or at the Board meeting at which the relevant matter is to be considered and / or voted on, disclose to the Board:
    - (A) that this clause 3.4(b) applies; and
    - (B) to the extent that such disclosure would not breach any duty of confidence or similar obligation that the Director or Shareholder (as

## Annexure 4: RollCo Shareholders' Deed

the case may be) is subject to, the nature and extent of the interest of the Director or Shareholder (or their respective Affiliates) in the relevant matter and its relation to the affairs of the Company or any other Group Company;

- (v) are entitled to receive information regarding, and participate in discussions and deliberations of the Board in relation to, the relevant matter, to the extent that doing so does not unfairly or unreasonably prejudice the interests of the Company or any other Group Company;
- (vi) are not entitled to vote on any resolution of the Board in relation to the relevant matter to the extent such voting gives rise to a conflict of interest for those Directors; and
- (vii) notwithstanding clause 3.4(b)(vi) above, those Directors entitled to give their consent or approval for the sole purpose of meeting any applicable Special Majority Approval or Special Director Approval requirement.

### 3.5 Directors acting in interests or at direction of nominating Shareholder

Subject to applicable law:

- (a) a Director:
  - (i) may disclose to their nominating Shareholder(s) any information obtained in the Director's capacity as a Director; and
  - (ii) may have regard (including exclusive regard) to, represent and/or act in the interests of their nominating Shareholder(s), the funds managed or advised by their nominating Shareholder(s) or its Affiliates and their direct and indirect investors, if any, in priority to the interests of the other Shareholders and/or the Company, in performing their duties or exercising any power, right or discretion as a Director in relation to any Group Company;
  - (iii) may act on the directions and in the interests of their nominating Shareholder(s) or its Affiliates and their direct and indirect investors (if any) in performing their duties or exercising any power, right or discretion as a Director in relation to any Group Company,

and a Director who does any of the things described in this clause 3.5 will not, for that reason alone, be in breach of their duties to the Company or any Group Company; and

- (b) where a Shareholder gives directions to its nominated Director and as a result that Shareholder is considered to be involved in the management of any Group Company or to be a de facto Director, the Shareholders agree that the appointing Shareholder will not, in giving such directions, have any obligation to represent or take into consideration the interests of any other Shareholder and may act solely in its own interests.

### 3.6 Voting entitlements of Directors

- (a) Subject to clauses 3.6(b) and 4.3, each Director is entitled to one vote.
- (b) Class A Directors appointed by an Investor Shareholder who are present at any Board Meeting may exercise in aggregate the number of votes as is equal to the number of Class A Directors that Investor Shareholder (together with the Investor

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Shareholders who qualify as its Permitted Transferees) is eligible to appoint under clause 3.2, irrespective of the number of Directors attending or voting at a Board Meeting.

- (c) The Chairperson will not have a casting vote.

### **3.7 Alternate Directors**

- (a) Each Director may appoint an alternate to represent him or her at meetings of the Board.
- (b) That person may be appointed by notice in writing to the Company signed by the appointor and that person need not be approved by resolution of the Directors, provided that any alternate may not be a person who is disqualified from managing a corporation or has been or is convicted of or charged with an indictable offence.
- (c) An alternate director will be entitled to attend and vote at meetings of the Board and to be counted in determining whether a quorum is present, without the need for such alternate to be approved by the Board.

### **3.8 Observer**

- (a) Each Investor Shareholder entitled to appoint a Director under clause 3.2 may from time to time appoint and remove one person as an observer to the Board, provided that the Investor Shareholder must notify the Company of any such nomination.
- (b) An observer has the right to be notified of and attend Board meetings (and receive copies of all Board papers), but does not have the right to vote or speak nor the right to be counted in a quorum.
- (c) An Investor Shareholder must procure that any observer that it appoints complies with the same confidentiality obligations that apply to that Investor Shareholder under this deed

### **3.9 Directors' expenses**

- (a) Any Independent Director appointed under clause 3.2(g) that is not an employee of a Shareholder, an Affiliate of a Shareholder or appointed by a Shareholder is entitled to a Director's fee as determined by the Board by Special Majority Approval, from time to time.
- (b) Other than as set out in clause 3.9(a), a Director is not entitled to any Director's fees.
- (c) The Company will reimburse all reasonable and substantiated travel, accommodation or similar third party costs and expenses incurred by Directors in attending to the Business of the Group, including attending Board meetings, if incurred in accordance with the Company's relevant policies and procedures as approved by the Board from time to time.

### **3.10 Directors' and officers' insurance**

- (a) The Company must, to the fullest extent permitted by law, purchase and maintain insurance for each Director against any liability incurred by the Director as an officer of any Group Company including liability for negligence, and for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal on

## Annexure 4: RollCo Shareholders' Deed

policy terms approved by the Board on terms reasonably available in the market and appropriate for the operation of the Group and its Business.

- (b) The Company must procure that each Group Company enters into a deed of access and indemnity with each of its directors under which the relevant Group Company indemnifies the relevant director to the maximum extent permitted by law and gives the relevant director a right to have access to and make copies of all board papers, records and minutes of the Group Company in respect of the period during which the relevant director is or was a director of the Group Company.

### 3.11 Shareholder obligations

- (a) Each Shareholder must, and must exercise its rights as a Shareholder to, ensure the Board is composed, and its meetings are conducted, in accordance with this clause 3.
- (b) Each Shareholder must, and must exercise its rights as a Shareholder to, ensure the Board and operation of each Subsidiary of the Company acts in accordance with the decisions of the Board.

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## 4 Board meetings

### 4.1 Meetings

- (a) The Board must meet at least quarterly, unless otherwise determined by the Board.
- (b) A Director may convene a meeting of the Board at any time by at least 5 Business Days' notice to the other Directors, which notice must include:
  - (i) an agenda for the meeting, if that detail is known by the convening Director; and  
  
any proposed resolutions to the extent it relates to a thing requiring Special Director Approval.
- (c) A meeting of the Board may be held by the Directors communicating with each other by any technological means by which they are able simultaneously to hear each other and to participate in discussion. The Directors need not be all physically present in the same place. A Director who participates in a meeting in accordance with this paragraph is treated as being present and entitled to vote at the meeting.

### 4.2 Quorum

- (a) The quorum for a meeting of the Board (**Board Meeting**) is at least:
  - (i) one Class A Director appointed by each Investor Shareholder who together with the Investor Shareholders who qualify as its Permitted Transferees, has appointed a Class A Director pursuant to clause 3.2(a); and
  - (ii) one Class B Director (where a Class B Director has been appointed).
- (b) If a quorum is not present within 30 minutes of the time set for the meeting because of the absence of a Class B Director, the meeting is adjourned to the same time and place one Business Day later and notice reconvening the adjourned meeting must be promptly given to all Directors and the quorum at the reconvened meeting will be satisfied by one Class A Director appointed by each Investor

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Shareholder who, together with the Investor Shareholders who qualify as its Permitted Transferees, has appointed a Class A Director.

#### **4.3 Board Decisions**

Subject to applicable law and the terms of this deed (including clause 2.8), all actions or resolutions of the Board will be made by the affirmative vote of a Simple Majority Resolution.

#### **4.4 Circulating resolutions of Directors**

- (a) The Directors may pass a resolution without a Directors' meeting being held if all of the Directors entitled to vote on the resolution sign a written document containing a statement that they are in favour of the resolution set out in the document, provided that the proposed resolution is circulated to all Directors.
- (b) The resolution is passed when the last Director signs the document.
- (c) Two or more separate documents in identical terms, each of which is signed by one or more Directors, are treated as one document.
- (d) An emailed 'portable document format' (PDF) document containing the text of the document expressed to have been signed by a Director and sent to the other Directors is a document signed by that Director at the time of its receipt by the last of the other Directors.

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## **5 Audit and reporting obligations**

### **5.1 Information to Investor Shareholders**

- (a) The Company must (and the Shareholders must exercise their rights to procure that the Company), and must procure that each Group Company and the CEO and CFO from time to time, promptly deliver to, or as directed by, the Investor Shareholders:
  - (i) within 120 Business Days after the end of a Financial Year, a copy of the audited statement of financial position, statement of financial performance and a statement of cash flows for each Group Company for each Financial Year, including details of accounting policies applied and any deviation from the applicable Accounting Standards;
  - (ii) within 60 Business Days after any Shareholder has become entitled to a distribution, a copy of a distribution statement which sets out the distribution paid or owing to the Shareholder; and
  - (iii) such other financial and other information relating to the Company (or any other Group Companies) as an Investor Shareholder may request, including any information required by any financiers or prospective financiers of the Company or any other Group Companies and any information as may be reasonably requested or required by the Shareholders to enable them to prepare their Tax returns.
- (b) The Company must (and the Shareholders must exercise their rights to procure that the Company) provide to each Investor Shareholder, upon request, full access to:

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- (i) visit and inspect the assets and property of the Company or any other Group Company;
- (ii) inspect and take copies of documents relating to the Business or the Company or any other Group Company; and
- (iii) discuss the affairs, finances and accounts of the Company and any other Group Company with the Company's officers, employees, agents, consultants, auditor or advisers,

in each case at all reasonable times and on reasonable notice to the relevant Group Company.

### 5.2 Information to Non-Investor Shareholders

- (a) Any Non-Investor Shareholder may request a copy of the most recent annual audited accounts of the Company and its Related Bodies Corporate and the Company must provide the requested information to that Non-Investor Shareholder within a reasonable time of the request (which must not be more than 10 Business Days after such request). For the avoidance of doubt, a Non-Investor Shareholder is not entitled to any information relating to the Company or any other Group Company other than as set out in this clause 5.2.
- (b) The Company will provide to any Non-Investor Shareholder holding Class A Shares and Preference Shares with a value of at least \$20 million (calculated on the basis of each one Class A Share and one Preference Share together having an aggregate value of \$1.98) information reasonable for a passive institutional limited partner investor.

### 5.3 Information to Directors

The Company must send to each Director:

- (a) promptly following each Board meeting, copies of all Board minutes, papers and resolutions and any circulating resolutions that have been approved (but that has not otherwise been circulated to the Director);
- (b) promptly following each Board committee meeting, copies of all minutes, papers and resolutions and any circulating resolutions that have been approved by that committee; and
- (c) any information provided to Investor Shareholders under clause 5.1.

### 5.4 Audit

The Company must ensure that the accounts of the Group are audited annually by the Auditor.

### 5.5 Legal professional privilege

Anything subject to legal professional privilege will not be provided to an Investor Shareholder under clause 5.1, except where the thing can be provided in a manner that will not waive legal professional privilege.

## 5.6 Confidentiality

Any information disclosed under this clause 5 is Confidential Information that is given subject to clause 19.

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## 6 Management Equity Plan

- (a) If the Scheme becomes effective, the Board may adopt a Management Equity Plan and may invite Managers of any Group Company to participate in the Management Equity Plan and subscribe for Management Shares.
- (b) The Board must at all times ensure that, unless approved by Special Director Approval, the maximum number of Management Shares granted under a Management Equity Plan does not exceed 10% of the total number of Securities in the Company (on a fully diluted basis).

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## 7 Distributions to Shareholders

### 7.1 Decision to pay dividend

- (a) Subject to the Corporations Act, clause 7.1(b) and clause 7.1(c), a decision to pay and the amount of any dividend will be at the sole discretion of the Board by Special Majority Approval.
- (b) If the Earn-Out Amount is payable, the Company and each Investor Shareholder must do everything within their control to ensure that, to the maximum extent possible, the Earn-Out Dividend is fully franked and paid to each Class C Shareholder. Without limitation, this includes the Company and each Investor Shareholder:
  - (i) using their best endeavours to procure that the relevant resolutions are made by the Company's subsidiaries in order for the necessary distributions to be made to the Company (including via intermediary entities); and
  - (ii) using their best endeavours to ensure that any finance documents to which a Company Group Member is party permits such payments.
- (c) Unless and until:
  - (i) the Earn-Out Amount has been determined pursuant to clause 2.2 of Schedule 7; and
  - (ii) either the Earn-Out Amount is nil or the Earn-Out Amount has been paid in full to Class C Shareholders,

the Company and each Investor Shareholder must procure that no Company Group Member makes any distributions or payments to any Investor Shareholder or their Affiliates other than the dividend contemplated in clause 4(d) of Schedule 5, including by the Board resolving or paying any other dividends or making any other distributions.

### 7.2 Dividend to be made on a pro rata basis

- (a) The Company may not declare or pay any dividend or other distribution on Class A Shares or Class B Shares unless such dividend or other distribution is declared or



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paid (as applicable) on a pro rata basis across all Class A Shares and Class B Shares (as if they were a single class of Securities).

- (b) The Company may not declare, make or pay any dividend or other distribution to Shareholders in a class, unless such dividend or other distribution is declared or made on a pro rata basis to all Shareholders in that class.

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### 8 Earn-Out Amount

Subject to Implementation occurring, the Company must:

- (a) prepare each Earn-Out Accounts and Earn-Out Statement;
- (b) calculate each Earn-Out Amount; and
- (c) pay the Earn-Out Amount, if applicable,

in accordance with Schedule 7.

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### 9 Issue of Securities

#### 9.1 No obligation to provide further funding

- (a) Except as otherwise provided in this deed, no Shareholder is obliged to provide any further funding (by way of debt or equity, guarantee or otherwise) to the Group.
- (b) Nothing in this deed constitutes an undertaking by a Shareholder:
  - (i) to make any loan or give any other financial accommodation to or for the benefit of the Company or any Group Company;
  - (ii) to give any guarantee or indemnity in respect of any obligation or liability of the Company or any Group Company; or
  - (iii) to acquire or subscribe for any Securities of the Company or any Group Company.

#### 9.2 New Securities

The Company must not issue any Securities unless the issue is:

- (a) a permitted issue, as set out in clause 9.3;
- (b) a pro rata issue, as set out in clause 10; or
- (c) approved by the Board with Special Director Approval.

#### 9.3 Permitted issues

The Company may issue Securities if the issue is approved by the Board with Special Majority Approval and is:

- (a) **(emergency funding)** to one or more Investor Shareholders, or their respective Affiliates, if the Board determines (acting reasonably), after having first bona fide considered other means of financing, that an injection of funds:

- (i) is necessary or desirable in order to ensure that a Group Company does not breach (or ceases to breach (where a breach is already subsisting) or is prevented from breaching (where the Board reasonably believes in good faith that a breach is reasonably likely to occur)) a covenant or condition of its external finance facilities;
- (ii) is otherwise required by its external financiers in writing and the Board considers in good faith that the requirement is reasonable; or
- (iii) is necessary to ensure that a Group Company does not become insolvent,

such issuance being an **Emergency Issue** and such Investor Shareholder subscribing for Securities pursuant to the Emergency Issue being the **Funding Shareholder**, and provided that as soon as possible (and in any case within 20 Business Days) after the Emergency Issue either:

- (iv) the Funding Shareholder offers to the other Shareholders the opportunity to acquire a proportion of the investment comprising the Emergency Issue; or
- (v) the Company offers to the other Shareholders the opportunity to subscribe for Securities on the same terms as the Emergency Issue,

in each case:

- (vi) using the process set out in clause 10, *mutatis mutandis* as though the Emergency Issue were in satisfaction of a pro rata offer to Investor Shareholders and Non-Investor Shareholders in accordance with clause 10; and
- (vii) so as to give each Shareholder other than the Funding Shareholder the opportunity to either subscribe for, or acquire from one or more of the Funding Shareholders, Securities on the same terms as the Emergency Issue, to maintain or restore their Relevant Proportion immediately prior to the Emergency Issue;

(b) (**Scheme Related Issuances**) the issue of:

- (i) Class A Shares and Preference Shares to the Investor Shareholders to provide funding to:
  - (A) pay for transaction costs incurred by or on behalf of the Investor Shareholders in connection with the Scheme up to \$115 million; and
  - (B) finance the payment of the cash consideration under the Scheme to Target securityholders or repay the debts of the Target in place prior to implementation of the Scheme,

such Class A Shares to be issued at an issue price of \$1.089 per share (which is equal to the issue price of the Class B Shares issued pursuant to clause 9.3(b)(ii)); and

- (ii) Class B Shares, Preference Shares and Class C Shares pursuant to the Scheme in consideration for the transfer of Target shares to a Group Company,

(together, the **Scheme Related Issuances**);

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- (c) **(Manager)** an issue of Management Shares to a Manager (or an Affiliate of a Manager) pursuant to any Management Equity Plan, subject to clause 6;
- (d) **(acquisitions/mergers)** an issue of Securities (including, for the avoidance of doubt, Securities in a new class of Securities) in respect of the bona fide, arm's length acquisition of, or merger with, a company, or the acquisition of a company, business or assets, by a Group Company, provided that Special Director Approval is obtained if required under item 2 of Part B of Schedule 2;
- (e) **(Reorganisation)** an issuance of Securities in connection with a bona fide corporate restructure or reorganisation that does not have a materially adverse impact on the holdings, rights and obligations of Shareholders and provided that the corporate restructure or reorganisation does not dilute a Shareholder's proportion of:
  - (i) Securities of a given type or class as that bears to the total number of Securities of that type or class held by all Shareholders; and
  - (ii) Securities of any given type or class that bears to the total number of Securities held by all Shareholders; or
- (f) **(IPO)** an issue of Securities pursuant to an IPO.

### 9.4 No requirement to prepare disclosure document

Any person's rights to be offered Securities and / or to subscribe for Securities (whether under this clause 8 or otherwise) are subject to those rights not requiring the Company to issue a disclosure document (including a prospectus) or a product disclosure statement, undertake any registration or filing with any Government Agency or take any comparable action, whether under Chapter 6D or Chapter 7 of the Corporations Act or any comparable legislation in any other jurisdiction, unless the Company (with the Board's approval) agrees otherwise. For the avoidance of doubt, neither the Company nor any other party will be in breach of this document if it fails to offer any Securities to any person, or give any notice which would constitute an offer of any Securities to any person, in circumstances where such offer or issue of Securities would require the taking of any action described in this clause 9.4.

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## 10 Pro rata issue of Securities

### 10.1 Pro rata offer to Shareholders

- (a) The Board may resolve to issue Securities (other than an issue in accordance with clause 9.3), only on the basis that those Securities are offered to all Investor Shareholders and Non-Investor Shareholders in accordance with this clause 10.
- (b) For the avoidance of doubt, this clause 10 does not apply to Class C Shares or Management Shares.

### 10.2 Basis of issue

The Company must ensure that the issue is conducted on the following basis:

- (a) the Company must serve notice on each Investor Shareholder and each Non-Investor Shareholder (**Issue Notice**) specifying:
  - (i) the proposed terms of issue;

- (ii) the issue price per new Security, which shall be the Market Value;
  - (iii) the total number of new Securities to be issued;
  - (iv) the number and type of new Securities for which the Shareholder would need to subscribe to maintain its Relevant Proportion;
  - (v) the date on which acceptance of the offer by the Shareholder (or its nominated Affiliate) must be received by the Company, which shall be no earlier than 10 Business Days after the date of the Issue Notice (**Initial Acceptance Period**); and
  - (vi) the date on which subscription monies for the new Securities must be paid to the Company (being not less than 5 Business Days after the date of the Issue Notice);
- (b) the issue must be for cash and the new Securities are offered on the same terms to each Shareholder (or its nominated Affiliate) on a pro rata basis in their Relevant Proportions in accordance with this clause 10; and
- (c) in the event a Shareholder (**Non-contributing Shareholder**) does not take up its entitlement within the Initial Acceptance Period:
- (i) an Investor Shareholder; and
  - (ii) a 5% Shareholder,
- may each give notice to:
- (iii) in the case of the Investor Shareholder, the Company and the Non-contributing Shareholder; and
  - (iv) in the case of a 5% Shareholder, the Company,

that it (**Accepting Shareholder**) (or its nominated Affiliate) wishes to subscribe for those new Securities that were not taken up by the Non-contributing Shareholder, in which case that Accepting Shareholder (or its nominated Affiliate) may subscribe for the new Securities not taken up by the Non-contributing Shareholder and those new Securities will be issued to one or more of the Investor Shareholders, 5% Shareholder (or their respective nominated Affiliates, as the case may be). If there is more than one Accepting Shareholder, each Accepting Shareholder will be offered its Relevant Proportion of the new Securities not taken up by a Non-contributing Shareholder.

### 10.3 Classes of Securities to be issued

- (a) Any Voting Shares issued pursuant to this clause 10 (regardless of whom the Securities were initially offered to) will be:
- (i) Class A Shares if they are issued to the Investor Shareholders; and
  - (ii) Class B Shares if they are issued to Non-Investor Shareholders,
- provided that all Voting Shares are issued for the same price and otherwise on the same terms.
- (b) No Class C Shares or Management Shares may be issued under this clause 10.

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### 11 Dealing with Securities

#### 11.1 Restrictions on Disposal

A Shareholder must not Dispose of any of its Securities unless:

- (a) the Disposal is expressly permitted or provided for in clause 11, 12, 14, 15 or 16; and
- (b) the provisions of clause 25 are complied with.

For the avoidance of doubt, a Class C Shareholder is not entitled to Dispose of its Class C Shares other than in accordance with the terms of issue of Class C Shares set out in Schedule 6.

#### 11.2 Permitted Disposals

Subject to clauses 11.1 and 11.3, the following Disposals may be effected:

- (a) **(Sale by the Investor Shareholders)** an Investor Shareholder may Dispose of some or all of its Securities at any time provided that where such Disposal of Securities is to a Third Party Buyer it complies with clauses 13 or 14 (as applicable);
- (b) **(Shareholder default)** pursuant to clause 16.1;
- (c) **(Small holdings)** pursuant to clause 16.2; or
- (d) **(Permitted Transferee):**
  - (i) subject to clause 25.2, a Shareholder may Dispose of all or any of its Securities to a person who is, at the time of Disposal, a Permitted Transferee of that Shareholder; or
  - (ii) pursuant to clause 11.3,

provided that no Shareholder may Dispose of any of their Voting Shares without at the same time Disposing the same proportion of their Preference Shares (and vice versa), unless the Board approves that Disposal by Special Director Approval.

#### 11.3 Ceasing to be Permitted Transferee

If a person to whom Securities are Disposed under clause 11.2(d) (**Holder**) ceases to be a Permitted Transferee of the transferor (**Transferor**), the Holder must immediately upon ceasing to be a Permitted Transferee:

- (a) transfer its entire legal and beneficial interest in the relevant Securities back to the Transferor; or
- (b) transfer its entire legal and beneficial interest in the relevant Securities to another Permitted Transferee of the Transferor,

provided that a Holder does not cease to be a Permitted Transferee of the Transferor merely because:

- (c) the Transferor is terminated in accordance with its terms or otherwise ceases to exist; and
- (d) in the case of an Investor Shareholder, without limiting the foregoing, the Permitted Transferee continues to be managed or advised by its relevant Managing Entity.

#### **11.4 Permitted upstream Disposals by Investors**

- (a) Other than as permitted under clause 11.1 and clause 11.4(b), no Disposals may occur in respect of Securities held by a MAIF3 Shareholder. For the purposes of the definition of Event of Default, this clause 11.4(a) is not a material provision of this deed.
- (b) Subject to clause 11.1, and clause 11.4(c), the following Disposals may be effected:
  - (i) on or before the second anniversary of the Implementation Date, acquisitions by one or more person, whether in a single transaction or a series of transactions, of no more than 65% of the interests in an Investor Shareholder in aggregate (and where the Investor Shareholder is a trust, including, for the avoidance of doubt, units or other beneficial interests in the Investor Shareholder and/or securities in the trustee of the Investor Shareholder);
  - (ii) after the second anniversary of the Implementation Date, an acquisition by a person(s) of:
    - (A) no more than 50% of the interests in an Investor Shareholder (directly or indirectly);
    - (B) more than 50% of the interests in an Investor Shareholder (directly or indirectly) provided that such acquisition would not result in a change in Control of that Investor Shareholder; or
    - (C) no more than 50% of the interests in the Company that are held by an Investor Shareholder (directly or indirectly);
  - (iii) a Disposal that arises as a result of:
    - (A) a change to the limited partners, beneficiaries or underlying investors of a holder of interests in the Investor Shareholder;
    - (B) the appointment, removal or replacement of the trustee, general partner or Managing Entity of an Investor Shareholder (or any holder of interests in the Investor Shareholder) by members of the Investor Shareholder (or the holder of interests in the Investor Shareholder) in accordance with the constituent documents of the Investor Shareholder (or the holder of interests in the Investor Shareholder), provided that such appointment, removal or replacement is not the result of a deliberate act or omission by or on behalf of the trustee, general partner or Managing Entity being removed or replaced that was wilfully undertaken to cause members to undertake the appointment, removal or replacement;
    - (C) the appointment, removal or replacement of the trustee, general partner or Managing Entity of an Investor Shareholder (or any holder

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- of interests in the Investor Shareholder) other than as permitted in clause 11.4(b)(iii)(B);
- (D) a change of Control of the trustee, general partner or Managing Entity of an Investor Shareholder (or any holder of interests in the Investor Shareholder);
  - (E) the appointment, removal or change of a custodian of an Investor Shareholder (or any holder of interests in the Investor Shareholder);
  - (F) an internal reorganisation of an Investor Shareholder (or any holder of interests in the Investor Shareholder) where no third party obtains an interest it did not previously hold in the Investor Shareholder (or any holder of interests in the Investor Shareholder) as part of that internal reorganisation; or
  - (G) an action that is expressly permitted or provided for under this deed; or
- (iv) an acquisition by a person(s):
- (A) that is a limited partner or that otherwise held a beneficial ownership interest (directly or indirectly) in an Investor Shareholder prior to the acquisition; or
  - (B) that is Controlled by an entity that Controls an Investor Shareholder prior to the acquisition,
- (c) Clause 11.4(b) does not apply to a Disposal, in connection with the MAIF3 Shareholder, if such Disposal results in:
- (i) any person(s) (alone or together with their Affiliates) other than MAIF3 Fund acquiring the power to appoint half, or more than half, of the number of Class A Directors that the MAIF3 Shareholder is entitled to appoint from time to time;
  - (ii) any person(s) (alone or together with their Affiliates) other than a Permitted Transferee of MAIF3 Fund acquiring the power to procure that MAIF3 Fund exercises its power to appoint any particular person as a Class A Director; and
  - (iii) any person(s) (alone or together with their Affiliates) other than MAIF3 Fund acquiring the power to procure that the MAIF3 Shareholder or any Class A Director appointed by the MAIF3 Shareholder to vote, in its capacity as an Investor Shareholder or Class A Director (as applicable) in favour of any of the things in Parts A, B and C of Schedule 2 (and, for the avoidance of doubt, such other person(s) will not have such power where the approval or consent of MAIF3 Fund is required to procure the MAIF3 Shareholder or a Class A Director appointed by the MAIF3 Shareholder to do such things).
- (d) If a Disposal of the kind described in clauses 11.4(b)(iii)(C) or 11.4(b)(iii)(D) occurs, or a breach of clause 11.4(a) occurs, each with the result that the trustee, general partner or Managing Entity of the MAIF3 Fund is no longer a wholly owned subsidiary of MQG, a Class B Shareholder may Dispose of some or all of its Securities at any time on and from the date of such Disposal.

- (e) For the avoidance of doubt, an Investor Shareholder need not comply with clauses 13 or 14 (as applicable) in respect of a Disposal permitted under clause 11.4(b).

#### **11.5 Partial sell-down right**

Despite any other provision in this deed:

- (a) on or after the fourth anniversary of the Implementation Date, each 5% Shareholder may Dispose of up to 50% of the Securities it held at Implementation to any person; and
- (b) after the end of the Option Period, each Option Grantor may Dispose some or all of the Option Securities to any person, provided that if an Option Notice has been given before the end of the Option Period the Option Grantor may not Dispose of any Option Securities subject of that Option Notice unless the Option Grantee (or its nominee) has failed to perform its obligations under clause 11.6(g) to complete the sale and purchase of the Called Option Securities and such failure has not been remedied within 5 Business Days of such failure being notified to the Company. Upon receipt of such a notice, the Company will promptly notify and provide a copy to the Option Grantee. For the avoidance of doubt, a failure by the Company to comply with this clause 11.5(b) does not invalidate the notice to the Company.

For the avoidance of doubt, any person who acquires Securities from a 5% Shareholder under this clause 11.5 shall not themselves be a 5% Shareholder and shall not have any rights under clauses 3.2, 10.2(c), 13 (as modified by clause 12.2(b)), 18.3(c) or this 11.5.

#### **11.6 Call option**

##### **(a) Grant of Option**

- (i) Each Option Grantor grants to the Option Grantee an irrevocable option to require the Option Grantor to sell all or a proportion of its Option Securities in accordance with the terms of this clause 11.6 (**Option**).
- (ii) The Option confers on the Option Grantee the right, but not the obligation, to give the Option Notice.

##### **(b) Option Period**

The Option commences on Implementation and lapses at the end of the Option Period. Upon lapsing, the Option is of no further force or effect and (without prejudice to any accrued rights or obligations of either party) no party to the Option will have any continuing rights or obligations in respect of the Option (other than to give effect to an exercise of the Option prior to such lapsing).

##### **(c) Exercise of Option**

- (i) The Option Grantee may exercise the Option by signing and delivering an Option Notice to the Company at any time during the Option Period, such Option Notice to include:
  - (A) the identity of the nominee, if the transferee is the Option Grantee's nominee; and
  - (B) confirmation of what, if any, Clearances are required for the transfer of the Called Option Securities.



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- (ii) An Option Notice may be given in respect of all or a proportion of the Option Securities. For the avoidance of doubt, the Option Notice must be for an equivalent number of Class B Shares and Preference Shares.
- (iii) Once given, an Option Notice is irrevocable.
- (iv) Upon receipt of an Option Notice, the Company will promptly notify and provide a copy to the Option Grantors. For the avoidance of doubt, a failure by the Company to comply with this clause 11.6(c)(iv) will not invalidate the exercise of the Option.

**(d) Time of exercise of Option**

The Option is taken to have been exercised at the time when a signed Option Notice is delivered to the Company in accordance with clause 11.6(c)(i).

**(e) Agreement to sell and purchase**

- (i) Upon exercise of the Option, each Option Grantor irrevocably agrees to sell and transfer to the Option Grantee (or its nominee), and the Option Grantee irrevocably agrees to purchase (or procure that its nominee purchase) from each Option Grantor, the Option Securities specified in the Option Notice delivered in accordance with clause 11.6(c)(i) (**Called Option Securities**), for the Option Exercise Price per Called Option Security, on the terms and conditions of this clause 11.6 and subject only to obtaining any Clearances specified in the Option Notice.
- (ii) Each Option Grantor acknowledges and agrees that, where the proposed transferee is a nominee of the Option Grantee, the Option Grantee may, by written notice to the Company, require each Option Grantor to execute such documentation as is necessary to give effect to a novation of all of the Option Grantee's rights and obligations under the agreement in this clause 11.6(e) from the Option Grantee to the nominee, in which case the Option Grantee has no further obligations under this clause 11.6.
- (iii) Upon receipt of a notice under clause 11.6(e)(ii), the Company will promptly notify and provide a copy to the Option Grantors. For the avoidance of doubt, a failure by the Company to comply with this clause 11.6(e)(iii) will not invalidate the novation referred to in clause 11.6(e)(ii).

**(f) Transfer and assignment free from Security Interests**

Any Option Securities transferred under this clause 11.6 must be transferred free from any mortgage, charge, lien, pledge, Security Interest or Claim.

**(g) Completion of Option**

If the Option is exercised, completion of the sale and purchase of the Called Option Securities must take place at 10.00am:

- (i) **(no Clearances required)** on the 10<sup>th</sup> Business Day after the date that a valid Option Notice has been signed and delivered to the Company, if no Clearances are required; and
- (ii) **(Clearances required)** on the earlier of:

- (A) the fifth Business Day after the date on which all Clearances have been obtained; and
- (B) 90 days after the end of the Option Period (**Option Sunset Date**),

at which:

- (iii) each Option Grantor shall sell and transfer to the Option Grantee (or its nominee), and the Option Grantee shall purchase (or procure that its nominee purchase) from each Option Grantor, the Called Option Securities; and
- (iv) the Option Grantors and the Option Grantee (or its nominee) shall execute and deliver all necessary documents and give all necessary instruments as reasonably required by the other (including the delivery of share certificates in relation to the Called Option Securities) to ensure that all right, title and interest in the Called Option Securities passes from each Option Grantor to the Option Grantee (or its nominee):
  - (A) free from all Security Interests; and
  - (B) free from any right of a person to acquire those Called Option Securities or to restrain someone from acquiring those Called Option Securities (including under an option, a right of pre-emption or a right of first refusal, such as one in a shareholders' agreement or in a constitution); and
- (v) the Option Grantee must pay (or procure that its nominee pay) to each Option Grantor the Option Exercise Price for the Called Option Securities in immediately available funds and to the bank account nominated by the Option Grantor in writing (if such nomination is made) or to the Company to be held for the benefit of the Option Grantor (if no such nomination is made). The Company must not register the transfer of the Called Option Securities unless and until the Option Grantee has paid (or procured the payment) of the Option Exercise Price for those Called Option Securities in accordance with this clause 11.6(g)(v).

**(h) Power of attorney**

Each Option Grantor irrevocably appoints the Company as its attorney in accordance with clause 27.7 to perform its obligations under this clause 11.6, provided that:

- (i) the Company may only act as attorney of a 5% Shareholder under this clause 11.6(h) following a default by the 5% Shareholder of its obligations under this clause 11.6 and provided the Company has given such Shareholder notice as required under clause 11.6(c)(iv); and
- (ii) the Company may only act as attorney for each other Option Grantor if the Company has given them notice as required under clause 11.6(c)(iv).

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## 12 Exit Event

### 12.1 Investor Shareholders

The Investor Shareholders may at any time initiate or pursue an Exit Event.

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### 12.2 Non-Investor Shareholders

- (a) Following the seventh anniversary of the Implementation Date, any Class B Director can require the Company to initiate or pursue an Exit Event unless the Investors have initiated an Exit Event under clause 12.1 less than 6 months prior.
- (b) If an Exit Event is initiated under clause 12.2(a), clauses 13 and 14 shall apply *mutatis mutandis* as though:
  - (i) each reference to "an Investor Shareholder" were deleted and replaced with "an Eligible Shareholder";
  - (ii) the words "each Non-Investor Shareholder and Management Shareholder" were deleted and replaced by "each other Shareholder";
  - (iii) the words "Class B Director" were deleted and replaced by "Class A Director";
  - (iv) the words "Class A Shares" were deleted and replaced by "Class B Shares" and
  - (v) clauses 13.2(b) and 14.2(b) were deleted.

### 12.3 Cooperation

- (a) If either the Investor Shareholders (pursuant to clause 12.1) or the Non-Investor Shareholders (pursuant to clause 12.2) (as applicable the **Initiating Party**) initiate or pursue an Exit Event, then:
  - (i) the Initiating Party will notify the other Shareholders they are seeking to initiate or pursue an Exit Event;
  - (ii) the Initiating Party may appoint (or direct the Company to appoint) one or more advisers to assist in evaluating, preparing for and implementing the Exit Event (**Advisers**) and the cost of any such Adviser must be paid by the Company; and
  - (iii) each party must do everything reasonably requested by the Initiating Party to implement the Exit Event.
- (b) Each Shareholder and each Relevant Individual will, as considered reasonably necessary or desirable by the Company or the Initiating Party in connection with the Exit Event, use reasonable commercial endeavours to support the expeditious implementation of the Exit Event proposed by the Initiating Party.

### 12.4 General

- (a) Each Non-Investor Shareholder (and its Relevant Individual, if applicable) acknowledges that they may be required to (and will if so required) give reasonable representations, warranties and indemnities having regard to the market standard for transactions of that nature, under any agreements relating to the Exit Event, provided that:
  - (i) any such representations, warranties and indemnities are given on an equivalent basis and subject to the same liability regime as to those given by the Class A Shareholders, which must be:

- (A) on a several (but not joint) basis;
  - (B) in respect of liability for warranties (other than warranties in relation to title and capacity), given by Shareholders in their Relevant Proportion;
  - (C) in respect of liability for warranties in relation to title and capacity, given by Shareholders in respect of their Securities only; and
- (ii) the liability of each Shareholder (and its Relevant Individual, if applicable) arising from a breach of any such representations and warranties is limited to the proportion of the consideration actually received by that Shareholder (and its Relevant Individual, if applicable) in connection with the Exit Event.
  - (iii) the Class A Shareholders must use their best endeavours to procure that warranty and indemnity insurance is obtained to minimise any exposure to all Shareholders on terms in line with prevailing market practice. Any cost associated with that warranty and indemnity insurance will be shared on a pro-rata basis by all Shareholders based on their Relevant Proportion, other than where such cost is borne by the Company, the Third Party Buyer or any of their respective Related Bodies Corporate;
  - (iv) any restrictive covenants on a Shareholder (and its Relevant Individual, if applicable) may only apply if such Exit Event is a Trade Sale or a Share Sale and:
    - (A) must not be for a period longer than three years after completion of the Trade Sale or Share Sale (as applicable); and
    - (B) must be on other terms that are no more onerous to the Dragged Shareholder (and its Relevant Individual, if applicable) than the terms of the Post-Shareholding Restraint; and
  - (v) the price and type of consideration received per Security by the Non-Investor Shareholders will be the same as the Investor Shareholders.

#### 12.5 Class C Shares

- (a) Notwithstanding any other provision of this deed, Class C Shares shall not be subject to the Exit Event regime under clause 12, the drag rights under clause 13, the tag along rights under clause 14, the IPO regime under clause 15 or compulsory acquisition or transfer regime under clause 16.
- (b) Class C Shares entitle a Class C Shareholder to an amount (if any) at the time determined by reference to the terms of issue of Class C Shares as set out in Schedule 6.

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## 13 Drag rights

### 13.1 Right to give Drag Notice

- (a) Subject to clause 13.2 and clause 13.3, if an Investor Shareholder or group of Investor Shareholders propose to Dispose all or a proportion of its (or their) Securities to a Third Party Buyer, that or those Investor Shareholder(s) (**Dragging Shareholder(s)**) may give a Drag Notice to each Non-Investor Shareholder and

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Management Shareholder (**Dragged Shareholder**) (with a copy to the Company) (**Drag Option**).

- (b) If an Investor Shareholder(s) commence a process to facilitate (including by engaging any external adviser, soliciting interest from potential acquirers or preparing materials to facilitate the process in relation to) the Disposal of their Securities to a Third Party Buyer, that or those Investor Shareholder(s) must notify the Class B Directors at the commencement of that process and must provide subsequent updates to the Class B Directors if there are any material changes to that sale process.
- (c) Each Investor Shareholder will pay to each other Shareholder \$1.00 for the creation of the rights under this clause. The consideration due under this clause 13.1(c) will be offset by the consideration due under clause 14.1(c).

### 13.2 Contents of Drag Notice

- (a) A Drag Notice must state:
  - (i) the identity of the proposed Third Party Buyer (except where the identity of the Third Party Buyer is unknown due to the proposed Disposal being by way of auction or dual-track Trade Sale or IPO);
  - (ii) the number of and class of Securities proposed to be Disposed by the Dragging Shareholder(s);
  - (iii) the number of Class A Shares proposed to be Disposed by the Dragging Shareholder and the percentage that represents of the total number of Class A Shares on issue (the **Drag Proportion**);
  - (iv) the sale price for each Security (except where the sale price is unknown due to the proposed Disposal being by way of auction or dual-track Trade Sale or IPO, in which case a minimum sale price must be specified or where the sale price is unknown due to the proposed Disposal being by way of IPO, in which case a price range must be specified) (**Drag Price**) to be Disposed by the Dragging Shareholder(s) (which need not be cash consideration), which must be the same price that the Dragging Shareholder is proposing to Dispose its Securities to the Third Party Buyer;
  - (v) any other terms of the proposed Disposal by the Dragging Shareholder(s) to the Third Party Buyer which must be:
    - (A) other than in respect of restrictive covenants, no less favourable to the Dragged Shareholder than the terms that the Dragging Shareholder is proposing to Dispose its Securities to the Third Party Buyer; and
    - (B) in accordance with the terms set out in clause 13.3(d),(together, the **Drag Sale Terms**);
  - (vi) that the Dragging Shareholder(s) requires the Dragged Shareholder to Dispose the Drag Proportion of the Shareholder's Securities (**Dragged Shares**) to the Third Party Buyer at the Drag Price per Security and on terms no less favourable to the Shareholder than the terms contained in the Drag Sale Terms; and

- (vii) if known, the date on which the proposed Disposal to the Third Party is proposed to be completed.
- (b) Notwithstanding the above, where a proposed Disposal by the Dragging Shareholder(s) will result in the Investor Shareholders and their Permitted Transferees collectively holding:
  - (i) less than 50% of Class A Shares on issue in the Company; or
  - (ii) less than 50% all the Voting Shares on issue in the Company,then each Dragged Shareholder will have the option, for the purpose of this clause 13.2, to increase the Drag Proportion in respect of its own Securities to 100% (and for the avoidance of doubt the definition of Dragged Shares shall be construed accordingly).
- (c) Where a part or all of the Drag Price is not cash consideration and:
  - (i) the portion of the Drag Price that is not cash comprises securities which are listed on a recognised securities exchange, those securities must be freely tradeable on the earlier of:
    - (A) the date which is 12 months after completion of the transaction the subject of the Drag Notice; and
    - (B) the seventh anniversary of the Implementation Date; and
  - (ii) otherwise, the terms of the Drag Price are approved by either:
    - (A) each Class B Director, if any Class B Director is appointed; or
    - (B) holders of at least 50% of Class B Shares, if no Class B Director is appointed.

### 13.3 Effect of Drag Notice

If a Drag Notice is given (and has not been withdrawn pursuant to clause 13.3(d)), then:

- (a) each Dragged Shareholder must Dispose its Dragged Shares to the Third Party Buyer on the terms stated in the Drag Notice, provided that the Drag Proportion in the Drag Notice is to be calculated using the number of Class A Shares that will actually be sold by the Dragging Shareholder to the Third Party Buyer;
- (b) the parties must do all things and execute such documentation as is reasonably necessary or is reasonably required by the Dragging Shareholder(s) to effect the proposed sale to the Third Party Buyer, subject to the sale agreement complying with the provisions of clause 13.3(d);
- (c) The Dragging Shareholder(s) must not complete the proposed sale to the Third Party Buyer unless at the same time, the Third Party Buyer offers to buy all the Dragged Shares of Dragged Shareholders on the terms stated in the Drag Notice, provided that the Drag Proportion in the Drag Notice is to be calculated using the number of Class A Shares that will actually be sold by the Dragging Shareholder to the Third Party Buyer; and
- (d) The Dragging Shareholder(s) may require each Dragged Shareholder (and their Relevant Individual, if applicable) to give reasonable representations, warranties,

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indemnities and restrictive covenants having regard to the market standard for transactions of that nature, under any agreements relating to the purchase of such Dragged Shares, the Business or the Group, provided that:

- (i) any such representations, warranties and indemnities are given on an equivalent basis and subject to the same liability regime as to those given by the Class A Shareholder, which must be:
  - (A) on a several (but not joint) basis;
  - (B) in respect of liability for warranties (other than warranties in relation to title and capacity), given by Shareholders in their Relevant Proportion; and
  - (C) in respect of liability for warranties in relation to title and capacity, given by Shareholders in respect of their Securities only;
- (ii) the liability of each Dragged Shareholder (and its Relevant Individual, if applicable) arising from a breach of any such representations, warranties, and indemnities is limited to the proportion of the consideration actually received by the Dragged Shareholder (and its Relevant Individual, if applicable) in connection with the purchase of such Dragged Shares;
- (iii) the Dragging Shareholders must use their best endeavours to procure that warranty and indemnity insurance is obtained to minimise any exposure to all Shareholders on terms in line with prevailing market practice. Any cost associated with that warranty and indemnity insurance will be shared on a pro-rata basis by all Shareholders based on their Relevant Proportion, other than where such cost is borne by the Company, the Third Party Buyer or any of their respective Related Bodies Corporate; and
- (iv) any restrictive covenants may only be imposed on a Dragged Shareholder which is a Qualifying Shareholder (and its Relevant Individual, if applicable) and:
  - (A) must not be for a period longer than three years after completion of the sale to the Third Party Buyer; and
  - (B) must be on other terms that are no more onerous to the Dragged Shareholder (and its Relevant Individual, if applicable) than the terms of the Post-Shareholding Restraint).

### 13.4 Withdrawal of Drag Notice

- (a) A Drag Notice may be withdrawn by the Dragging Shareholder(s) at any time by written notice to each holder of Dragged Shares (with a copy to the Company).
- (b) If the Drag Notice is withdrawn but the Dragging Shareholder(s) intend to continue with the sale of all or a proportion of its (or their) Securities to a Third Party Buyer, then, the Dragging Shareholder(s) must:
  - (i) give each Dragged Shareholder an Invitation to Tag in respect of the Securities proposed to be sold, as contemplated by clause 14.1; and
  - (ii) not complete the sale of its (or their) Securities to the Third Party Buyer other than in accordance with clause 14.

### 13.5 Power of attorney

On default by a Dragged Shareholder of their obligations under this clause 12, that Dragged Shareholder irrevocably appoints the Company as its attorney in accordance with clause 27.7 to perform its obligations under this clause 12.

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## 14 Tag along rights

### 14.1 Invitation to Tag

- (a) Subject to clause 14.2 and 14.3, if any Investor Shareholder or group of Investor Shareholders propose to Dispose all or a portion of its (or their) Securities to a Third Party Buyer in a single transaction or series of related transactions (**Tagging Shareholder(s)**) and the Tagging Shareholder(s) has not (if applicable) issued a Drag Notice pursuant to clause 13 (or has withdrawn such Drag Notice), the Tagging Shareholder(s) must give an Invitation to Tag to each Non-Investor Shareholder (**Tagged Shareholders**) (with a copy to the Company).
- (b) Prior to an Investor Shareholder(s) agreeing to Dispose their Securities to a Third Party Buyer, that or those Investor Shareholder(s) must notify the Non-Investor Shareholders of their intention to do so.
- (c) Each Shareholder will pay to each Investor Shareholder \$1.00 for the creation of the rights under this clause. The consideration due under this clause 14.1(c) will be offset by the consideration due under clause 13.1(c).

### 14.2 Contents of Invitation to Tag

- (a) An Invitation to Tag must state:
  - (i) the identity of the proposed Third Party Buyer (except where the identity of the Third Party Buyer is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO);
  - (ii) to the extent applicable, the maximum number of Securities the Tagging Shareholder(s) wishes to Dispose to the Third Party Buyer (**Maximum Tag Threshold**);
  - (iii) the number of Securities proposed to be Disposed by the Tagging Shareholder(s) (**Tagging Shareholders' Sale Shares**);
  - (iv) the number of Class A Shares proposed to be Disposed by the Tagging Shareholder and the percentage that represents of the total number of Class A Shares on issue (**Tag Proportion**);
  - (v) the sale price for each Security (except where the sale price is unknown due to the proposed sale being by way of auction or dual-track Trade Sale or IPO, in which case a minimum sale price must be specified or where the sale price is unknown due to the proposed sale being by way of IPO, in which case a price range must be specified) (**Tag Price**) to be sold by the Tagging Shareholder(s) (which need not be cash consideration) and any other terms of the proposed sale by the Tagging Shareholder(s) to the Third Party Buyer (**Tag Terms**);
  - (vi) that the Tagged Shareholder has an option (**Tag Option**) to direct the Tagging Shareholder(s) to include in the Disposal to the Third Party Buyer



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the Tag Proportion of the Tagged Shareholder's Securities (the **Tagged Shares**), at the Tag Price per Security and on terms no less favourable to the Tagged Shareholder than the terms contained in the Tag Terms, other than in respect of restrictive covenants. Any securities to be issued to the Tagging Shareholder(s) and the Tagged Shareholders as consideration for any Disposal of Securities under this clause 14 must be the same class, including with the same economic and voting rights;

- (vii) the period during which the Tag Option may be exercised, which must not be less than 15 Business Days from the date of the Invitation to Tag; and
  - (viii) if known, the date on which the proposed sale to the Third Party is proposed to be completed.
- (b) Notwithstanding the above, where a proposed Disposal by the Tagging Shareholder(s) will result in the Investor Shareholders and their Permitted Transferees collectively holding:
- (i) less than 50% of Class A Shares on issue in the Company; or
  - (ii) less than 50% of the Voting Shares on issue in the Company,

then each Tagged Shareholder will have the option, for the purpose of this clause 14.2, to increase the Tag Proportion in respect of its own Securities to 100% (and for the avoidance of doubt the definition of Tagged Shares shall be construed accordingly).

### 14.3 Exercise of a Tag Option

- (a) A Tag Option may be exercised by notice in writing to the Tagging Shareholder(s) (with a copy to the Company) within the exercise period stated in the Invitation to Tag and must include (where applicable) the Tagged Shareholder's election under clause 14.2(b)(i).
- (b) Subject to clause 14.3(c), any exercise of a Tag Option must be for all Tagged Shares and is irrevocable. Unless the Tagged Shareholders agree otherwise, the Tagging Shareholder(s) may not Dispose any of its Securities to the Third Party Buyer pursuant to the offer to which the Invitation to Tag relates if the Third Party Buyer does not agree to purchase the Tag Proportion of each Tagged Shareholder's Securities.
- (c) Where, following the exercise of the Tag Option, the sum of the Tagged Shares and the Tagging Shareholders' Sale Shares would exceed the Maximum Tag Threshold, the Tagging Shareholder(s) may elect in its sole discretion to reduce the number of the Tagging Shareholders' Sale Shares (which, for the avoidance of doubt, will result in a reduction of the Tag Proportion as set out in the Invitation to Tag (and if applicable the amended Tag Proportion pursuant to clause 14.2(b)(i))), provided that the Maximum Tag Threshold in the Drag Notice is to be calculated using the maximum number of Securities that will actually be sold by the Tagging Shareholder to the Third Party Buyer.

### 14.4 Effect of exercise of Tag Option

If a Tagged Shareholder exercises its Tag Option:

- (a) the Tagged Shareholder must Dispose all Tagged Shares to the Third Party Buyer on the terms stated in the Invitation to Tag, provided that the Tag Proportion in the

Drag Notice is to be calculated using the number of Class A Shares that will actually be Disposed by the Tagging Shareholder to the Third Party Buyer;

- (b) the parties must do all things and execute such documentation as is reasonably necessary or is reasonably required by the Tagging Shareholder(s) to effect the proposed Disposal to the Third Party Buyer, subject to the sale agreement complying with the provisions of clause 14.4(d);
- (c) the Tagging Shareholder(s) must not complete the proposed Disposal to the Third Party Buyer unless at the same time, the Third Party Buyer offers to buy all the Tagged Shares of each Tagged Shareholder for which a valid notice of exercise has been provided on the terms stated in the Invitation to Tag, provided that the Tag Proportion in the Drag Notice is to be calculated using the number of Class A Shares that will actually be Disposed by the Tagging Shareholder to the Third Party Buyer; and
- (d) the Tagging Shareholder(s) may require each Tagged Shareholder (and their Relevant Individual) to give reasonable representations, warranties, indemnities and restrictive covenants under any agreements relating to the purchase of such Tagged Shares, the Business or the Group, provided that:
  - (i) such representations, warranties and indemnities are given on an equivalent basis to and subject to the same liability regime as those given by the Tagging Shareholder(s), which must be:
    - (A) on a several (but not joint) basis;
    - (B) in respect of liability for warranties (other than warranties in relation to title and capacity), given by Shareholders in their Relevant Proportion; and
    - (C) in respect of liability for warranties in relation to title and capacity, given by Shareholders in respect of their Securities only;
  - (ii) the liability of each Tagged Shareholder (and its Relevant Individual, if applicable) arising from a breach of any such representations, warranties and indemnities is limited to the proportion of the consideration actually received by the Tagged Shareholder (and its Relevant Individual, if applicable); and
  - (iii) the Tagging Shareholders must use their best endeavours to procure that warranty and indemnity insurance is obtained to minimise any exposure to all Shareholders on terms in line with prevailing market practice. Any cost associated with that warranty and indemnity insurance will be shared on a pro-rata basis by all Shareholders, other than where such cost is borne by the Third Party Buyer; and
  - (iv) any restrictive covenants may only be imposed on a Tagged Shareholder which is a Qualifying Shareholder (and its Relevant Individual, if applicable) and:
    - (A) must not be for a period longer than three years after completion of the sale to the Third Party Buyer; and
    - (B) must be on other terms that are no more onerous to the Tagged Shareholder (and its Relevant Individual, if applicable) than the terms of the Post-Shareholding Restraint.

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### 14.5 Power of attorney

On default by a Tagged Shareholder of its obligations under this clause 14, that Tagged Shareholder irrevocably appoints the Company as its attorney in accordance with clause 27.7 to perform its obligations under this clause 14.

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## 15 IPO

### 15.1 IPO

- (a) If following the initiation of an Exit Event pursuant to clause 12.1 or 12.2 the Board (by Special Director Approval) wishes to pursue an IPO, each Shareholder will, as considered necessary or desirable by the Board in connection with the IPO:
- (i) act in good faith to sell down or retain as part of the IPO such interests in the Company (or the entity being listed) as the underwriters, joint lead managers and financial advisers recommend as being desirable in order to maximise the success of the IPO and provided that:
    - (A) the Non-Investor Shareholders are given an option to sell down the same Relevant Proportion as the Investor Shareholders on the same terms (including as to price and type of consideration); and
    - (B) if the Non-Investor Shareholders are required to retain any interest in the Company (or the entity being listed), they are not required to retain a higher Relevant Proportion than the Investor Shareholders
  - (ii) give all reasonable undertakings and enter into any reasonable escrow arrangements in relation to their Securities as may reasonably be required by the relevant Securities Exchange or the Board (having regard to the advice of the underwriters, joint lead managers or financial advisors to the IPO), provided such escrow arrangements:
    - (A) are no less favourable to the Shareholder than those agreed to by the Investor Shareholders (including as to duration);
    - (B) are on terms consistent with prevailing market practice; and
    - (C) do not extend beyond the seventh anniversary of the Implementation Date unless required by law (and if required by law, will not extend beyond the minimum amount of time required by law);
  - (iii) if recommended by the underwriters, joint lead managers or financial adviser in relation to the IPO, do all things reasonably necessary to effect a change in the number and mix of Securities issued by the Company (or its Subsidiary);
  - (iv) to the extent necessary or desirable, assist the Company in preparing a prospectus or similar disclosure document;
  - (v) provide all reasonable assistance necessary to obtain requisite Securities Exchange and Shareholder approvals for the IPO;
  - (vi) provide all reasonable assistance for marketing activities, including road shows; and

- (vii) take all actions reasonably required by the Company in order to effect a buyback, exchange or conversion of some or all of its Securities (which may involve the exchange of Securities in the Company for securities in a different entity which is to be listed),

in each case to achieve an IPO on the terms and structure identified by the Board.

## 15.2 Company's obligations

Without limiting the generality of clause 15.1, the Company must:

- (a) pay the costs of preparing the prospectus (or other relevant offer document), advisory fees, underwriting commissions (if any), expenses of due diligence investigations, Securities Exchange fees, fees of the relevant regulatory authorities, legal fees, expert's fees, printing expenses and postage expenses; and
- (b) use its best endeavours to satisfy all terms and conditions of admission to listing imposed by the Securities Exchange.

## 15.3 Power of attorney

In consideration of each Non-Investor Shareholder entering into this deed, a Non-Investor Shareholder that has received a notice from the Board requiring an action contemplated under clause 15.1 in connection with the IPO irrevocably appoints the Company, upon its default of an obligation under clause 15.1, to be its attorney in accordance with clause 27.7 to perform its obligations under clause 15.1.

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# 16 Compulsory acquisition or transfer

## 16.1 Shareholder Default

- (a) If a Shareholder or its Relevant Individual, commits an Event of Default (**Defaulting Shareholder**), the Board (excluding the Defaulting Shareholder and any Director or observer nominated by that Defaulting Shareholder, each of whom must not be present or participate in any deliberations, decision or vote of the Board in connection with such Event of Default) may determine that all or any portion of the Defaulting Shareholder's Securities (other than any Class C Shares) shall be acquired in accordance with this clause 16.1.
- (b) A determination of the Board under clause 16.1(a) must be notified to a Defaulting Shareholder within 20 Business Days of the Event of Default occurring.
- (c) If the Board makes a determination under clause 16.1(a) then each other Shareholder (other than a Management Shareholder) (**Non-Defaulting Shareholder**) will have the option to acquire the Securities held by the Defaulting Shareholder.
- (d) The Company must serve on each Non-Defaulting Shareholder a notice (**Option Notice**) setting out:
  - (i) the total number of Securities to be sold by the Defaulting Shareholder;
  - (ii) the price of the Securities (as determined by clause 16.1(f));

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- (iii) the date on which the Non-Defaulting Shareholder must accept the option which shall be no earlier than 3 Business Days after the date of the Option Notice; and
  - (iv) the date on which the subscription monies must be paid to the Defaulting Shareholder (being not less than 5 Business Days after the date of the Option Notice).
- (e) A Non-Defaulting Shareholder may elect to acquire the whole or a portion of the Defaulting Shareholder's Securities (**Accepting Non-Defaulting Shareholder**). If there is more than one Accepting Non-Defaulting Shareholder, each Accepting Non-Defaulting Shareholder will be entitled to acquire their Relevant Proportion of the Defaulting Shareholder's Securities.
- (f) The purchase price for the Securities under this clause 16.1 will be an amount equal to:
- (i) in the case of an Event of Default under paragraph (a) of the definition of that term:
    - (A) the face value or issue price (as applicable) plus any accrued interest or coupon, in relation to Preference Shares; and
    - (B) the Fair Value, in relation to Voting Shares; and
  - (ii) in the case of an Event of Default under either paragraphs (b) or (c) of the definition of that term:
    - (A) 90% of the face value or issue price (as applicable) plus 90% of the accrued interest or coupon, in relation to Preference Shares; and
    - (B) 90% of the Fair Value of the Voting Shares (where the relevant Shareholder holds greater than 1% of Voting Shares on issue in the Company as at the date of the Option Notice) or Market Value of the Voting Shares for all other Shareholders.
- (g) If the Defaulting Shareholder is a Qualifying Shareholder, the terms of the sale of the Securities under this clause 16.1 will include the Defaulting Shareholder agreeing in favour of each Accepting Non-Defaulting Shareholder that it will be subject to a restraint on the same terms as the Post-Shareholding Restraint, except that the restraint period will be for a period of 3 years following completion of the transfer of the Securities by the Defaulting Shareholder.

### 16.2 Small Holdings

- (a) After the first anniversary of the Implementation Date, the Board may at any time serve a written notice (**Small Holding Disposal Notice**) on a Small Shareholder that it requires the Small Shareholder to Dispose of all of its Small Holding Securities on the terms in this clause 16.2.
- (b) For the avoidance of doubt, under this clause 16.2:
  - (i) Small Shareholders may be requested by the Board to Dispose of their Small Holding Securities at different times and in different manners subject to the price per Small Holdings Securities being:

- (A) in the case of Small Holding Securities that are Class B Shares, the Fair Value of those Class B Shares; and
  - (B) in the case of Small Holding Securities that are Preference Shares, the aggregate face value or issue price (as applicable) plus any accrued interest or coupon of the relevant Preference Shares,
- at the date of the relevant Small Holding Disposal Notice and no Small Shareholder being required to Dispose of only some of its Securities; and
- (ii) Small Holding Disposal Notices may be given at multiple times.
- (c) A Small Holding Disposal Notice must state:
- (i) how the Board requires the Small Shareholder to Dispose of its Small Holding Securities, including whether the Small Holding Securities will be bought-back, redeemed, cancelled (including by way of capital reduction) and / or transferred to another Shareholder or third party nominated by the Board;
  - (ii) the Fair Value per Class B Share comprising of the Small Holding Securities the subject of the Small Holding Disposal Notice and the methodology for calculating the relevant per share value of Preference Shares comprising of the Small Holding Securities;
  - (iii) the date or dates on which the Disposal of the Small Shareholder's Small Holding Securities will be completed.
- (d) If a Small Holding Disposal Notice is given, each Small Shareholder must Dispose of its Small Holding Securities on the terms stated in the Small Holding Disposal Notice given by the Company in accordance with clause 16.2(c).
- (e) A Small Holding Disposal Notice is revocable and may be amended by the Company (in each case, with the consent of the Board) and by written notice to the relevant Small Shareholder without the consent of the Small Shareholder.
- (f) The Company and all Shareholders:
- (i) must take all actions requested by the Board to give effect to the transactions contemplated by a Small Holding Disposal Notice; and
  - (ii) must enter into and execute all documents as required by the Board in connection with and to give effect to a Small Holding Disposal Notice.
- (g) Completion of the transactions the subject of a Small Holding Disposal Notice must occur on the date or dates specified in the relevant Small Holding Disposal Notice or any other date determined by the Board and notified to the relevant Small Shareholder.
- (h) Each Small Shareholder irrevocably appoints the Company as its attorney in accordance with clause 27.7 on default of its obligations under this clause 16.2.

### 16.3 Fair Value

- (a) Where this deed requires a determination of Fair Value, the Board must, within 5 Business Days of the date on which the need for valuation arises, appoint an appropriate independent professional valuer (which must be one of

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PricewaterhouseCoopers, KPMG, Ernst & Young or Deloitte, unless otherwise agreed by the Investor Shareholders) (Valuer) to:

- (i) determine the Fair Value in accordance with this clause 16.3; and
  - (ii) as soon as reasonably practicable and, in any event, no later than 20 Business Days following the Valuer's appointment, provide a report to the Company setting out the results of its valuation, including its determination of the Fair Value of Securities, expressed as a per Security price, and an explanation of the methodologies used to conduct the valuation.
- (b) The Board must instruct the Valuer to determine the Fair Value:
- (i) as at the date on which the need for valuation arises;
  - (ii) on the basis that a seller of Securities is a willing (but not anxious) seller dealing at arm's length with a willing (but not anxious) buyer for the Securities;
  - (iii) without taking into account any element of control that a Shareholder may obtain as a result of acquiring all or part of another Shareholder's Securities in addition to the Shareholder's existing Securities;
  - (iv) if the Group is then carrying on business as a going concern, on the assumption that it continues to do so;
  - (v) taking into account the historical financial performance of the Group and the profit, strategic positioning, future prospects and undertakings of the Business;
  - (vi) without taking into account any transfer restrictions on the applicable Securities;
  - (vii) by performing the valuation in accordance with accounting principles and practice generally accepted in Australia and applied consistently;
  - (viii) on the assumption that all Voting Shares have the same value; and
  - (ix) taking into account any other matter (not inconsistent with the above) that the Valuer considers is appropriate.
- (c) The Company and each Shareholder must provide all information reasonable requested by the Valuer.
- (d) The Valuer acts as an independent expert and not as an arbitrator when valuing Securities.
- (e) The Valuer's report provided under clause 16.3(a)(ii) is binding on the Company and each Shareholder in the absence of manifest error.
- (f) The Company must pay the costs of the Valuer.

### 16.4 Suspension of rights

If an Event of Default occurs (or is occurring) in respect of a Shareholder then from that date until such time as the Event of Default ceases to exist or there is a Disposal of Securities as contemplated by clause 16.1:

- (a) any Director appointed by the Defaulting Shareholder is not entitled to vote at a meeting of the Board or exercise any other rights granted to the Director under this document or at law;
- (b) the Defaulting Shareholder is not entitled to vote at a meeting of Shareholders or exercise any other rights granted to a Shareholder under this document or at law; and
- (c) in the case of an Event of Default under either paragraphs (b) or (c) of the definition of that term, any distributions or dividends paid by the Company that would be payable to the Defaulting Shareholder must be retained by the Company, unless the Board resolves otherwise (and for the avoidance of doubt, the nominee Director of the Defaulting Shareholder will be conflicted from any such decision).

#### 16.5 Other remedies

The rights and remedies contained in this clause are in addition to and not to the exclusion of any other rights or remedies that a party may have against a party in default of this deed.

#### 16.6 Authorisations

The parties must do all things necessary to ensure that the Company may acquire any Securities as contemplated by this clause 16.

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## 17 Restraint on Shareholders

### 17.1 Restraint

For the purposes of promoting the commercial objectives of the Group and the Business, subject to clause 17.5, each Restrained Party undertakes to the Company that it will not, and must procure that each of its respective Restrained Affiliates will not, be Involved within the Restraint Area:

- (a) during the Shareholding Restraint Period, in any capacity in any business or activity which:
  - (i) offers waste disposal, collection, recycling or other waste related services, or conducts a waste to energy or other equivalent renewable waste activity, other than a service which is incidental to another business or undertaking;
  - (ii) offers the same or substantially similar products or services as those offered by the Business of any Group Company,

**(Shareholding Restraint); and**
- (b) during the Post-Shareholding Restraint Period, in any capacity in any business or activity which offers the same or substantially similar products or services as those offered by the Business of any Group Company as at the date that the Restrained Party and its Permitted Transferees ceased to hold any Securities (**Post-Shareholding Restraint**),

(together, the **Restraint**).



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### 17.2 Acknowledgement

Each Restrained Party acknowledges that:

- (a) the Restraint is reasonable in the circumstances and necessary to protect the goodwill of the Business;
- (b) damages are not an adequate remedy if the Relevant Individual or Restrained Party breaches this clause 17;
- (c) it has had the opportunity to receive independent legal advice as to the operation and effect of this clause 17; and
- (d) this clause 17 survives termination of this deed.

### 17.3 Deletion of restrictions

If any part of the Restraint goes beyond what is reasonable in the circumstances and necessary to protect the goodwill of the Business but would be reasonable and necessary if any activity were deleted or a period or area were reduced, then the Restraint applies with that activity deleted or period or area reduced by the minimum amount necessary to make the Restraint reasonable in the circumstances.

### 17.4 Severance

Each part of the Restraint has effect as a separate and severable restriction and is to be enforced accordingly.

### 17.5 Permitted exceptions

The restriction in clause 17.1 does not prevent any Restrained Party or their respective Restrained Affiliates from:

- (a) holding (directly or through an Affiliate) in aggregate up to 5% of the shares in any entity listed on any Securities Exchange;
- (b) continuing to hold (directly or through an Affiliate), commercialise and grow any interest that a Shareholder held as at the Implementation Date;
- (c) doing anything with the prior written consent of the Company; or
- (d) being Involved with the Group.

### 17.6 Injunctive Relief

The Company or any Shareholder may apply for injunctive relief if it believes a Restrained Party is likely to breach this clause 17 or if a Restrained Party has breached or threatened to breach this clause 17.

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## 18 Nominee arrangements

### 18.1 Interpretation

In this clause the following definitions apply unless the context otherwise requires:

**Expense** means any liability, cost, expense, loss or damage.

**Nominee Indemnity Provision** means clauses set out in the Nominee Deed in relation to the matters set out in clauses 18.9(d) and 18.9(e) of this Deed.

**Obligations** means all obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, the Nominee under or in respect of this document or the Nominee Deed.

**Overhead Cost** means overhead expenses, including rent, office maintenance and salaries.

**Relevant Trust** has the meaning given in clause 18.9(b).

## 18.2 Intended operation of this clause

- (a) The parties confirm that the principle to which this clause 17 is intended to give effect is that the voting, economic and other interests of a Non-Investor Shareholder, Management Shareholder or Class C Shareholder under this Deed and in respect of the Non-Investor Shareholder's or Management Shareholder's holding of Securities and a Class C Shareholder's holding of Class C Shares should, assuming that the Nominee and Non-Investor Shareholder and Class C Shareholder act in accordance with this deed and the Nominee Deed, be neither enhanced nor impaired as a consequence of appointing the Nominee as bare trustee in respect of the Non-Investor Shareholder's or Management Shareholder's Securities or Class C Shareholder's Class C Shares. For the avoidance of doubt, no Class A Shares held by an Investor Shareholder will be held through the Nominee.
- (b) Each party must take all actions within its power and authority, including giving relevant instructions to the Nominee, and in case of a Beneficial Holder, exercising its rights in its capacity as appointer of the Nominee as bare trustee for it, to give effect to the principle in clause 18.2(a).
- (c) Clauses 18.3 to 18.7 (inclusive) are to be interpreted subject to, and in a manner consistent with, the principle outlined in clause 18.2(a).

## 18.3 General

- (a) The Company will appoint a Nominee to hold the legal title to certain Securities and Class C Shares.
- (b) Unless otherwise determined by the Board and subject to clause 18.3(c), each Non-Investor Shareholder, Class C Shareholder or Management Shareholder will hold its Securities or Class C Shares through the Nominee.
- (c) Any Non-Investor Shareholder that holds more than 5% of Voting Shares on issue immediately after Implementation will be entitled to hold its Securities and Class C Shares directly and not through the Nominee.
- (d) The parties acknowledge that following appointment of a Nominee under clause 18, some parties to this Deed:
  - (i) have rights and obligations under this Deed as Shareholders and Class C Shareholders; but
  - (ii) do not hold legal title to Securities or Class C Shares and are instead Beneficial Holders in relation to Securities and Class C Shares held by the

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Nominee as bare trustee on their behalf as contemplated by the Nominee Deed.

- (e) The provisions in this clause 17 (subject to any changes reasonably required by the Nominee and accepted by the Company) apply in these cases.
- (f) To the extent that the provisions of this clause 17 require amendment under clause 18.3(e) following appointment of a Nominee (in accordance with the principle outlined in clause 18.2(a)), the Board may amend this clause 17 (and make any additional necessary consequential changes to this Deed) without the approval of a Special Majority Approval.

### 18.4 Beneficial Holders

- (a) Where a Shareholder or Class C Shareholder is a Beneficial Holder, then for the purposes of any references in this Deed to the Shareholder's Securities and Class C Shares, or to Securities or Class C Shares held by the Shareholder or Class C Shareholder (or any similar expression), the Shareholder or Class C Shareholder is to be regarded as holding its Beneficial Shares. For the avoidance of doubt (but without limitation):
  - (i) in the context of any requirement that an act be approved by Shareholders or Class C Shareholders holding at least a given percentage of all Securities or Class C Shares, Shareholders or Class C Shareholders who are Beneficial Holders are to be treated as holding their Beneficial Shares; and
  - (ii) a requirement that a Shareholder maintain a minimum shareholding applies in relation to a Shareholder who is a Beneficial Holder by reference to the number of its Beneficial Shares;
  - (iii) the number of Securities held by Shareholders for the purposes of determining:
    - (A) their participation entitlements under clause 10; and
    - (B) how many Securities they must or may (as applicable) transfer under clauses 13 or 14,include the Beneficial Shares held by the Beneficial Holder
- (b) The Nominee is not itself to be regarded for the purposes of this Deed as a 'Shareholder' or 'Class C Shareholder' in respect of, or to otherwise hold, Securities or Class C Shares which it holds as bare trustee for Beneficial Holders.
- (c) Clauses 18.4(a) and 18.4(b) do not apply in relation to clause 7. The parties recognise that the Nominee, as registered owner of the Securities and Class C Shares it holds on behalf of the Beneficial Holders, is the person legally entitled to voting rights and dividends in respect of those Securities and Class C Shares and that the Nominee is to be regarded as the relevant 'Shareholder' or 'Class C Shareholder' (to the exclusion of the relevant Beneficial Holders) for the purposes of clauses 4 and 7. However, the parties acknowledge:
  - (i) instructions may be given by each Beneficial Holder to the Nominee under the Nominee Deed in relation to voting and other dealings in respect of the Beneficial Holder's Beneficial Shares; and

- (ii) directions may be given by each Beneficial Holder to the Nominee in relation to dividends as provided in clause 18.7 below.
- (d) Obligations on Shareholders or Class C Shareholders who are Beneficial Holders to exercise voting rights or take other steps as registered holder of Securities or Class C Shares are to be interpreted as obligations to ensure that the Nominee takes the relevant steps (at the Beneficial Holder's direction, or by the Company on behalf of the Beneficial Holder, acting under power of attorney, or otherwise).
- (e) The Nominee agrees that it will comply with the terms of the Nominee Deed in relation to each Beneficial Holder's Beneficial Shares for the benefit of the relevant Beneficial Holder, as though each Beneficial Holder was a party to a separate Nominee Deed in place of the Company.
- (f) The Nominee agrees that it will comply with the terms of the Nominee Deed in relation to each Beneficial Holder's Beneficial Shares for the benefit of the relevant Beneficial Holder, as though each Beneficial Holder was a party to a separate Nominee Deed in place of the Company.

#### **18.5 Dealings in Securities**

- (a) Clause 11 applies to a Shareholder who is a Beneficial Holder so that (for the avoidance of doubt) restrictions on Disposing of the Shareholder's Securities include any dealings in its beneficial interest in its Beneficial Shares and any dealings in the legal title to those Securities by the Nominee (at the Beneficial Holder's direction, or by the Company on behalf of the Beneficial Holder acting under power of attorney, or otherwise).
- (b) Where this Deed contemplates the sale, purchase or transfer of some or all of a Shareholder's Securities, the relevant provisions apply in relation to a Shareholder who is a Beneficial Holder so that references to the sale, purchase or transfer of the Shareholder's Securities are to be construed as references to:
  - (i) the sale, purchase or transfer by the Shareholder of its beneficial interest in its Beneficial Shares; and
  - (ii) (without limiting clause 18.6 below in circumstances where the Nominee is to retain legal title to the relevant Securities) the Shareholder procuring the concurrent transfer of legal title in those Beneficial Shares by the Nominee,and obligations on Shareholders who are Beneficial Holders to offer Securities for sale, purchase, or transfer are to be construed in a corresponding manner.
- (c) In the context of a transferor who is a Beneficial Holder, the relevant Securities transfer form must be executed by the Nominee as registered holder.
- (d) Where this Deed permits any party to issue, transfer or sell Securities to any person, that includes permission to issue, transfer or sell Securities to the Nominee as bare trustee for the relevant person.
- (e) The restrictions on transfer in this Deed do not apply to prevent the transfer of bare legal title in Securities held by the Nominee as bare trustee for Beneficial Holders to a replacement trustee, as contemplated by the Nominee Deed.
- (f) Each Class B Shareholder and Management Shareholder irrevocably appoints the Company as its attorney in accordance with clause 27.7 on default by it of performance of its obligations under this clause 18.5.

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### 18.6 Legal title to remain with Nominee

- (a) A Shareholder or Class C Shareholder who is a Beneficial Holder must not without the consent of the Board direct the Nominee to transfer (or otherwise procure the transfer of) legal title to any of its Beneficial Shares to itself.
- (b) Unless the Board agrees otherwise in writing, a Shareholder who is a Beneficial Holder may transfer Securities to a Permitted Transferee under clause 11.2 on the basis that the Nominee is directed to hold legal title to the relevant Securities as bare trustee on behalf of the transferee (ie the Shareholder may only transfer the beneficial interest in its Beneficial Shares without a transfer of legal title). For the avoidance of doubt, Class C Shares may not be transferred.
- (c) Each party who is a Beneficial Holder irrevocably directs the other parties that if the Beneficial Holder becomes entitled to receive any additional Securities or Class C Shares, whether by way of issue or transfer (and whether under this Deed or otherwise), then unless the Company has consented to another holding arrangement in relation to the relevant transaction, the issue or transfer must be made in favour of the Nominee on the basis that the Securities or Class C Shares are to be held by the Nominee as bare trustee for the Beneficial Holder.
- (d) In relation to issues of Securities:
  - (i) an offer to a Shareholder who is a Beneficial Holder to participate in an issue of Securities or other equity securities on the basis that legal title to the relevant Securities will be issued to the Nominee as bare trustee for the Beneficial Holder will not be regarded for that reason alone as being on different terms from the terms offered to other Shareholders in circumstances where other Shareholders will receive legal and beneficial ownership; and
  - (ii) clauses 8 and 10 apply in relation to an issue of Securities to the Nominee as bare trustee for a Beneficial Holder by reference to the ability of the Company to make an offer of the beneficial interest in the Securities to the relevant Beneficial Holder.
- (e) Each party who is a Beneficial Holder must give all necessary directions to the Nominee to ensure compliance with this clause 18.6.
- (f) Each Non-Investor Shareholder and each Class C Shareholder irrevocably appoints the Company as its attorney in accordance with clause 27.7 on default by it of performance of its obligations under this clause 18.6.

### 18.7 Dividends

- (a) The parties acknowledge that the Nominee Deed entitles each Shareholder or Class C Shareholder who is a Beneficial Holder to act as the Nominee's attorney in relation to the matters stated in the Nominee Deed, including giving directions to the Company in respect of the payment of dividends.
- (b) Each Shareholder or Class C Shareholder who is a Beneficial Holder hereby directs the Company to pay dividends in respect of Securities or Class C Shares (as applicable) which are that Shareholder's or Class C Shareholder's Beneficial Shares directly to the Shareholder or Class C Shareholder as Beneficial Holder. This clause does not affect the right of any party to change the direction from time to time.

## 18.8 Indemnity and liability of Nominee

- (a) Pursuant to the terms of the Nominee Deed, the Nominee must, to the maximum extent permitted by law, and notwithstanding any other provision of this Deed, act on the direction of the Beneficial Holders under a power of attorney or otherwise, to the intent that each Beneficial Holder exercises day-to-day control over the operation of the trust under which its Beneficial Shares are held.
- (b) Each party who is a Beneficial Holder agrees to be bound by the terms of the Nominee Deed which contemplate that the Beneficial Holder:
- (i) indemnifies the Nominee for or in respect of any Expense which the Nominee pays, suffers, incurs or is liable for arising out of or in connection with; and
  - (ii) covenants with the Nominee not to claim, sue or take any action against the Nominee in relation to,  
  
anything done by the Nominee at the direction of or on behalf of the Beneficial Holder, or by reason of the Beneficial Holder's Beneficial Shares being registered in the name of the Nominee.
- (c) The indemnity and covenant in clause 18.8(b) does not apply to:
- (i) any Expense which arises as a result of the Nominee's (or any of its officers', employees', or agents') fraud, negligence, dishonesty, wilful misconduct, breach of any of its obligations under this Deed or the Nominee Deed or breach of trust; or
  - (ii) the Overhead Costs of the Nominee, fees of a Related Body Corporate of the Nominee as custodian of the Nominee and fees of a subcustodian, nominee or other delegate of such a custodian of the Nominee; or
  - (iii) the extent that the Nominee is entitled to recover and is actually indemnified for any such Expenses or Overhead Costs by the Company under the terms of the Nominee Deed or from the assets of the relevant trust under the terms of the Nominee Deed.
- (d) Each party acknowledges that the Nominee is obliged to act in accordance with the directions of the Beneficial Holders in relation to their respective Beneficial Shares. Any breach of this Deed that arises out of the Nominee complying with a direction given by a Beneficial Holder in relation to that Beneficial Holder's Beneficial Shares (**Directed Breach**) is to be construed for all purposes as a breach by the relevant Beneficial Holder and not by the Nominee, and, without limitation:
- (i) the Nominee is released from any claim, action, demand, suit or proceeding for damages, debt, specific performance or any other remedy in respect of any Directed Breach; and
  - (ii) each party (other than the Nominee) covenants not to claim, sue or take any action against the Nominee in respect of any Directed Breach.
- (e) Each indemnity given by a Beneficial Holder in this clause 18.8:
- (i) is an additional, separate and independent obligation of the Beneficial Holder and no one indemnity limits the generality of any other indemnity; and

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- (ii) survives termination of this Deed and the Nominee Deed.

### 18.9 Limitation of Nominee's liability

- (a) This limitation of the Nominee's liability applies despite any other provisions of this deed and extends to all Obligations of the Nominee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed.
- (b) Subject to clauses 18.9(h) and 18.9(i), the Nominee will be bound by this document only in its capacity as trustee of each trust created under the Nominee Deed (each a Relevant Trust) and in no other capacity.
- (c) Subject to clauses 18.9(h) and 18.9(i) the parties (other than the Nominee) acknowledge that the Nominee incurs the Obligation solely in its capacity as trustee of each Relevant Trust and that the Nominee will cease to have any Obligation under this document which arises after the time the Nominee ceases to be a legal holder of the relevant Beneficial Shares as trustee of the Relevant Trust.
- (d) Subject to clauses 18.9(h) and 18.9(i), the Nominee will not be liable to pay or satisfy any Obligations except to the extent that the Nominee is actually indemnified under the Nominee Indemnity Provisions or to the extent that and at the time the Nominee would, if the Nominee exercised its entitlement to be indemnified in respect of that liability under the Nominee Indemnity Provisions.
- (e) Subject to clauses 18.9(g) and 18.9(i), the parties (other than the Nominee) may enforce their rights against the Nominee arising from the non-performance of the Obligations only to the extent of the Nominee's right to be indemnified under the Nominee Indemnity Provisions.
- (f) Subject to clauses 18.9(h) and 18.9(i), if a party (other than the Nominee) does not recover all money owing to it arising from the non-performance of the Obligations, it may not seek to recover the shortfall by:
  - (i) bringing proceedings against the Nominee in its personal capacity or
  - (ii) applying to have the Nominee put into administration or wound up or applying to have a receiver or similar person appointed to the Nominee or proving in the administration or winding up of the Nominee.
- (g) Subject to clauses 18.9(h) and 18.9(i), each party (other than the Nominee) waives its rights and releases the Nominee from any personal liability whatsoever, in respect of any loss or damage:
  - (i) which it may suffer as a result of any:
    - (A) breach by the Nominee of any of its Obligations;
    - (B) or non-performance by the Nominee of the Obligations; and
  - (ii) which cannot be paid or satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions.
- (h) The parties acknowledge that the whole of this document is subject to this clause 18.9 and that the Nominee shall in no circumstances be required to satisfy any liability of the Nominee arising under, or for non-performance or breach of any Obligations out of any funds, property or assets other than the proceeds of the

indemnities given under the Nominee Indemnity Provisions as and when they are available to the Nominee to be applied in exoneration for such liability provided that, subject to clause 18.9(i), if the liability of the Nominee arising under, or for non-performance or breach of any Obligations is not fully satisfied out of the proceeds of the indemnities given under the Nominee Indemnity Provisions due to the negligence, breach of any obligations under the Nominee Deed or breach of trust (excluding any breach that arises as a result of any fraud, dishonesty or wilful misconduct) by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Relevant Trusts, the Nominee will be liable to pay out of its own funds, property and assets the unsatisfied amount of that liability, but will not be liable to pay an amount that is greater than the amount that the Nominee would have been able to recover under the Nominee Indemnity Provisions in relation to the relevant liability if its right to be indemnified under the Nominee Indemnity Provisions had not been prejudiced.

- (i) Clause 18.9(b) to 18.9(h) do not apply to any damages suffered by or amounts owing to another party which result from a breach or non-performance of an Obligation by the Nominee to the extent that those damages or amounts owing are not satisfied because the right of the Nominee to be indemnified under the Nominee Indemnity Provisions is prejudiced as a result of any fraud, dishonesty, or wilful misconduct by the Nominee or any of its officers, employees or agents in the performance of the Nominee's duties as trustee of the Relevant Trusts.
- (j) The parties (other than the Nominee) agree that no act or omission of the Nominee (including any related failure to satisfy any Obligations) will constitute fraud, negligence, breach of trust, breach of any obligations under the Nominee Deed, dishonesty or wilful misconduct of the Nominee or of any of its officers, employees or agents for the purposes of this clause 18.9 to the extent to which the act or omission was caused or contributed to by any failure of a party to this Deed (other than the Nominee) or any other person (other than an officer, employee or agent of the Nominee) to fulfil its obligations relating to the Relevant Trusts or by any other act or omission of a party to this Deed (other than the Nominee) or any other person (other than an officer, employee, or agent of the Nominee).
- (k) No attorney, agent, or other person appointed in accordance with this document has authority to act on behalf of the Nominee in a way which exposes the Nominee to any personal liability (except in accordance with the provisions of clause 18.9) and no act or omission of such a person will be considered fraud, negligence, dishonesty, wilful misconduct, breach of any obligations under the Nominee Deed or breach of trust by the Nominee or an officer, agent or employee of the Nominee for the purposes of this clause 18.9.

#### **18.10 Indemnity from Beneficial Holders**

- (a) If the Company suffers, incurs or is liable to the Nominee for any Expenses arising out of or in connection with any Securities held by the Nominee on behalf of a Beneficial Holder, subject to clause 18.10(b), the relevant Beneficial Holder must indemnify the Company in respect of those Expenses.
- (b) The Company agrees with each Beneficial Holder that it will meet the Nominee's out-of-pocket expenses and any internal costs of the Nominee relating to actions and directions by the Beneficial Holder in relation to its Beneficial Shares in the ordinary course. This does not apply in relation to Expenses that would have been incurred in comparable circumstances by the Beneficial Holder had it been the registered holder of the relevant Securities.
- (c) For the avoidance of doubt, clause 18.10(b) does not apply in relation to:



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- (i) any Taxes or duties in relation to any Securities or dealings in Securities; or
- (ii) any expenses or liabilities arising in connection with any action or direction by a Beneficial Holder which is in breach of any legal or contractual obligation (including a breach of this Deed),

nor is it intended to require the Company to meet Expenses incurred as a result of actions or directions by a Beneficial Holder that are unreasonable or otherwise outside the ordinary course (for example persistent requests for copies of the register of Beneficial Holders or other documents beyond what would reasonably be expected).

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### 19 Confidential Information

#### 19.1 Confidentiality obligations

Subject to clauses 19.2 and 19.3, each party must:

- (a) use the Confidential Information only for the purposes of the Business or in connection with the exercise of its rights or performance of its obligations under this deed and includes using such information to make decisions regarding its investment in the Company (including through its Directors);
- (b) keep the Confidential Information confidential and not disclose it or allow it to be disclosed to a third party; and
- (c) take or cause to be taken reasonable precautions necessary to maintain the confidentiality of the Confidential Information.

#### 19.2 Permitted disclosure

- (a) A Shareholder may disclose Confidential Information to:
  - (i) its Relevant Individual or an Affiliate of that Shareholder;
  - (ii) its Representatives who have a need to know (and only to the extent that each has a need to know) for the purpose of assisting the Shareholder and provided they are aware that the Confidential Information must be kept confidential and are subject to appropriate confidentiality obligations;
  - (iii) in respect of the Investor Shareholders only:
    - (A) to an existing or proposed debt or equity financier (or its advisers) to the Company, any of its Related Bodies Corporate or an Investor Shareholder, and to any of their respective directors, employees and professional advisers, provided in each case that they are aware that the Confidential Information must be kept confidential and are subject to appropriate confidentiality obligations;
    - (B) in connection with or as part of an IPO; or
    - (C) to a prospective buyer of Securities or a buyer of the Business who gives an appropriate confidentiality deed poll for the benefit of the Company.

- (iv) with the prior written consent of the Board, unless the Confidential Information relates only to certain Shareholder(s) (or an Affiliate), in which case with the prior written consent of the party to whom the Confidential Information relates,

and provided that a Shareholder must not disclose any Confidential Information to any person other than its Relevant Individual who is Involved within the Restrained Area in any capacity in any business or activity which offers (x) waste disposal, collection, recycling or other waste related services, or conducts a waste to energy or other equivalent renewable waste activity, other than a service which is incidental to another business or undertaking; or (y) the same or substantially similar products or services as those offered by the Business of any Group Company, but which will not prevent disclosure to such person where that person is a Third Party Buyer under this deed.

- (b) Where a Shareholder discloses Confidential Information under clause 19.2(a):
  - (i) it must ensure that such disclosee complies with the terms of this clause 19 as if it were the Shareholder; and
  - (ii) the Shareholder is responsible to each other party for any act or omission of the disclosee that would have breached this deed if the act or omission had been by the Shareholder.

### 19.3 Other exceptions

The obligations of confidentiality under this clause 19 do not extend to information that:

- (a) is disclosed to a party to this deed, but at the time of disclosure is rightfully known to or in the possession or control of the party and not subject to an obligation of confidentiality on the party;
- (b) is public knowledge (but not because of a breach of this deed or any other obligation of confidence);
- (c) must be disclosed by law or order of any court, tribunal, authority or regulatory body or in connection with the enforcement of this deed or by the rules of a relevant stock exchange (provided that the requirement to disclose did not result from a voluntary act on behalf of the person who is seeking to disclose), in which case, if practicable to do so, it shall give as much notice as is reasonable in all the circumstances to, and shall consult (to the fullest extent practicable in the circumstances) with, the other parties.

### 19.4 Ceasing to hold Securities

- (a) If a Shareholder ceases to hold Securities, it must on request from the Company destroy or deliver to the Company (at the Shareholder's election) all documents or other materials containing or referring to the Confidential Information that are in its power or control, including any information disclosed by it under clause 19.2(a), subject to clause 19.4(b).
- (b) Clause 19.4(a) does not apply to the extent that a Shareholder (or its Affiliate or Representative to whom Confidential Information has been disclosed under clause 19.2(a)) is required by law or order of any court, tribunal, authority or regulatory body or in connection with the enforcement of this deed or by the rules of a relevant stock exchange, or professional indemnity insurance policy or any applicable professional standards, to retain any Confidential Information, or to that

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Confidential Information that such Shareholder reasonably retains under its bona fide and pre-existing internal document retention policies or to that Confidential Information that the Recipient cannot return, destroy, delete or erase because it is stored electronically on off-site servers as a result of automatic data back-up in accordance with the normal practices of the Shareholder.

- (c) The rights and obligations of a Shareholder under this clause 19 continue to apply to a Shareholder even after it ceases to hold Securities.

### 19.5 Public announcements

A party must not make or authorise a press release or other public statement relating to the subject matter or terms of this deed unless:

- (a) it has the approval of the Board; or
- (b) it is required by law or order of any court, tribunal, authority or regulatory body or in connection with the enforcement of this deed or the listing rules of a relevant stock exchange, in which case, if practicable to do so, it shall give as much notice as is reasonable in all the circumstances to, and shall consult (to the fullest extent practicable in the circumstances) with, the Board.

### 19.6 Damages not an adequate remedy

Without prejudice to any other rights or remedies, the Shareholders acknowledge that damages may not be an adequate remedy for any breach of this clause 19.

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## 20 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with subparagraph (e)(i) 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 20(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 within the same month where reasonably practicable and, in any event, no later than 14 days after the time of payment of the Additional Amount.
- (d) If for any reason (including, without limitation, the occurrence of an Adjustment Event) 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 20(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 the same month where reasonably practicable and, in any event, no later than 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. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within the same month where reasonably practicable and, in any event, no later than 14 days after becoming aware of the occurrence of the Adjustment Event.
- (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 before the Additional Amount is calculated; and
  - (ii) no Additional Amount is payable under clause 20(b) in respect of a Supply to which section 84-5 of the GST Law applies.
- (f) Any reference in this clause 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 in this clause that is capitalised and not defined in this deed has the same meaning as in the GST Law.

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## 21 Representations and warranties

### 21.1 Capacity representations and warranties

Each Shareholder severally represents and warrants that:

- (a) they have full power and authority to enter into and perform their obligations under this deed;
- (b) they have taken all necessary action to authorise the execution, delivery and the performance of this deed; and
- (c) this deed constitutes their legal, valid and binding obligations, enforceable in accordance with the deed's terms.

### 21.2 Continuing obligation

The representations and warranties given under clause 21.1 are continuing obligations for the term of this deed.

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### 22 Term

#### 22.1 Commencement

This deed comes into effect on the date of this deed and, subject to clause 22.2, remains in effect until:

- (a) with respect to a Shareholder, the Shareholder has transferred all of their Securities in a manner contemplated by this deed;
- (b) with respect to a Relevant Individual, when none of the Relevant Individual's Affiliates holds any Securities, and such cessation has occurred in a manner permitted by this deed;
- (c) the parties agree to terminate this deed;
- (d) the Company goes into liquidation;
- (e) completion of an Exit Event occurs; or
- (f) all Securities on issue are held by one person.

#### 22.2 Certain provisions continue

The termination of this deed with respect to a party does not affect:

- (a) any obligation of that party which accrued prior to that termination and which remains unsatisfied; and
- (b) clauses 17 or 21 or any other provision of this deed which is expressed to come into effect on, or to continue in effect after, termination of this deed.

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### 23 Resolution of Disputes

#### 23.1 No proceedings

A party must not start court proceedings (except proceedings seeking interlocutory relief) in respect of a dispute arising out of this deed (**Dispute**) unless it has complied with this clause 23.

#### 23.2 Notice of Dispute

A party claiming that a Dispute has arisen must give each party to the Dispute notice setting out details of the Dispute.

#### 23.3 Best efforts to resolve Dispute

Each party to the Dispute (**Disputant**) must use its best efforts to resolve the Dispute within 20 Business Day after the notice is given under clause 23.2 (or any longer period agreed by the Disputants) (**Dispute Period**).

#### 23.4 Termination of Dispute resolution process

If, within 2 Business Days after the end of the Dispute Period, the Disputants have failed to resolve the Dispute, a Disputant that has complied with clause 23.4 may terminate the dispute resolution process by giving notice to each other Disputant.

#### 23.5 Breach of this clause

If a Disputant breaches clauses 23.1 to 23.5 (inclusive), each other Disputant does not have to comply with those clauses in respect of the relevant Dispute.

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## 24 Limitation of liability – trustee

- (a) This clause 23 applies to each party that enters into this deed in a capacity as a trustee (**Trustee**) of a Trust (**Trust**).
- (i) The parties acknowledge and agree that each Trustee enters into and performs this deed and the transactions contemplated by it in its capacity as trustee of the applicable Trust and in no other capacity, including in respect of any past and future conduct (including omissions) relating to this deed or the transactions contemplated by it.
  - (ii) A liability arising under or in connection with this deed is limited to and can be enforced against the relevant Trustee only to the extent to which it can be satisfied out of the property of the relevant Trust out of which the relevant Trustee is actually indemnified for the liability.
  - (iii) If those assets are insufficient, the other parties will not seek to recover any shortfall by bring proceedings against the relevant Trustee personally and may not seek the appointment of a liquidator, administrator, receiver or similar person to the relevant Trustee or prove in any liquidation, administration or arrangement of or affecting the relevant Trustee.
  - (iv) Each other party waives its rights and releases the relevant Trustee from any personal liability whatsoever in respect of any loss or damage which cannot be paid or satisfied out of the assets of the relevant Trust.
  - (v) This limitation of liability applies despite any other provision of this deed and extends to all liabilities and obligations of the relevant Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this deed.
  - (vi) No party to this deed may sue the relevant Trustee in any capacity other than as trustee of the relevant Trust. This clause shall not apply to any obligation or liability of the relevant Trustee to the extent that it is not satisfied out of the assets of the relevant Trust because under the trust deed establishing the relevant Trust or by operation of law there is a reduction in the extent of the relevant Trustee's indemnification out of the assets of the relevant Trust as a result of the relevant Trustee's fraud, gross negligence, breach of trust or dishonesty.
  - (vii) Under or in connection with this deed, no party to this deed may:
    - (A) bring proceedings against the relevant Trustee that are inconsistent with the limitations set out in this clause 23; or

## Annexure 4: RollCo Shareholders' Deed

- (B) take steps to have the relevant Trustee placed into any form of insolvency administration. The preceding sentence does not preclude appointing a receiver in respect of the assets of the relevant Trust.

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### 25 Accession Deed Poll

#### 25.1 New Shareholder

- (a) The Company may only issue Securities to a person not a party to this deed if the person (**New Shareholder**) has executed and delivered to the Company an Accession Deed Poll (except for an issue in connection with an IPO).
- (b) If the New Shareholder is a Manager or an Affiliate of a Manager, the Manager must also execute and deliver to the Company an Accession Deed Poll as a Relevant Individual of the New Shareholder.

#### 25.2 Transferees

A Shareholder who wishes to Dispose of any of its Securities must ensure that any proposed transferee executes and delivers an Accession Deed Poll to the Company (except in the case of an IPO or where the proposed transferee is already a Shareholder) prior to such Disposal.

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### 26 Notices and other communications

- (a) A notice, consent or other communication under this deed:
  - (i) must be in legible writing and in English;
  - (ii) must be addressed to the Shareholder to whom it is to be given and to the postal address or email address as notified by that Shareholder for the purposes of this clause;
  - (iii) subject to clause 26(c) must be signed by the sender (if an individual) or an authorised representative of the sender;
  - (iv) must be either:
    - (A) delivered by hand or sent by pre-paid ordinary mail (by airmail if sent to or from a place outside Australia) to the party's address; or
    - (B) sent by email to the Shareholder's email address; and
  - (v) is deemed to be received by the party in accordance with clause 26(b).
- (b) A notice, consent or other communication under this deed is deemed to be received:
  - (i) if delivered by hand, when delivered to the Shareholder's address (as notified to the Company);
  - (ii) if sent by post, on the 3<sup>rd</sup> Business Day after the date of postage, or if to or from a place outside Australia, on the 7<sup>th</sup> Business Day after the date of postage; or

(iii) if sent by email:

- (A) when the sender receives an automated message confirming delivery; or
- (B) 5 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm it is deemed to be received at 9.00 am on the following Business Day.

- (c) Notices sent by email need not be marked for attention in a particular way and are taken to be signed by the named sender.

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## 27 General

### 27.1 Variation and waiver

- (a) Subject to applicable laws and clause 27.1(b) and clause 27.1(c) this deed may be amended by the Board with Special Director Approval. Each party is bound by any variation of this deed made pursuant to this clause and notified to the party.
- (b) Where an amendment would adversely affect the rights of a Shareholder (including but not limited to a variation of the rights attached to any Shareholders' Securities) the variation must be in writing and signed by:
  - (i) each Investor Shareholder; and
  - (ii) where the amendment would adversely affect the rights of the Non-Investor Shareholders, by Non-Investor Shareholders holding more than 50% of Class B Shares.
- (c) In relation to an amendment to Schedule 7:
  - (i) The Company may, without the authority, assent or approval of any Class C Shareholders, amend or add to Schedule 7 where the amendment or addition is, in the reasonable opinion of the Company:
    - (A) of a formal, minor or technical nature;
    - (B) made to correct any manifest error; or
    - (C) necessary to comply with the provisions of any statute or the requirements of any statutory authority,and, in any case, is not materially detrimental to the Class C Shareholders.
  - (ii) An amendment not falling within clause 27.1(c)(i) may only be made if it has been approved by Class C Shareholders holding at least 75% of the Class C Shares on issue at a meeting held in accordance with the requirements of this Shareholders' Deed and the Corporations Act



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- (d) A provision of this deed, or a right created under it, may not be waived except in writing, signed by the party or parties to be bound.

### 27.2 No merger

The warranties, undertakings and indemnities in this deed do not merge on termination of this deed.

### 27.3 Further steps

Each party agrees, at its own expense, to do anything reasonably requested by another party to give effect to the provisions of this deed and the transactions contemplated by it.

### 27.4 Entire agreement

This deed and the Constitution constitute the entire agreement of the parties about the subject matter and supersede all previous agreements, understandings and negotiations on that subject matter.

### 27.5 Assignment

- (a) Rights arising out of or under this deed are not assignable by a party without the prior written consent of the other parties.
- (b) A breach of this clause 27.5 by a Shareholder is an Event of Default in respect of that Shareholder.
- (c) Clause 27.5(b) does not affect the construction of any other part of this deed.

### 27.6 Counterparts

This deed may consist of a number of copies, each signed by one or more parties to the deed. If so, the signed copies are treated as making up the one document and the date on which the last counterpart is executed is the date of the deed.

### 27.7 Powers of attorney

- (a) Each appointment of an attorney by a Shareholder or Relevant Individual under clauses 13.5, 14.5, 15.3, 16.2(h) and 18.5(f) (**Appointor**) is made on the following terms:
- (i) the Appointor irrevocably appoints the Company as its attorney to complete and execute such instruments and resolutions for and on its behalf as the attorney thinks necessary to give effect to any of the transactions contemplated by the relevant clause;
- (ii) the Appointor agrees to ratify and confirm whatever the attorney lawfully does, or causes to be done, under the appointment;
- (iii) the Appointor agrees to indemnify the attorney against all Claims, demands and costs arising in any way in connection with the lawful exercise of all or any of the attorney's powers and authorities under that appointment except in respect of Claims, demands and costs arising as a result of that attorney's fraud, negligence or wilful default; and
- (iv) the Appointor agrees to deliver to the Company on demand any power of attorney, instrument of transfer or other instruments as the Company may

require for the purposes of any of the transactions contemplated by the relevant clause.

- (b) Whenever an Appointor appoints an attorney under clauses 13.5, 14.5, and 15.3, it hereby appoints the Company as its agent as follows:
- (i) the Company will hold the purchase moneys on trust for the Appointor;
  - (ii) receipt by the Company of the purchase moneys will be good discharge of the buyer's obligation to the Appointor and the buyer will not be bound to see to the application of it; and
  - (iii) the Company must pay the purchase moneys to the Appointor on surrender of the relevant share certificates or other instruments of ownership (as appropriate for Securities other than shares),

and if the relevant default relates to the provision of share certificates, the Appointor indemnifies the buyer against any Claims, demands and costs arising in any way in connection with the non-provision of those share certificates.

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## 28 Shareholders' relationship

### 28.1 Shareholder not liable for another party

Each Shareholder is responsible for its obligations under this deed and is not liable for any obligation of another party.

### 28.2 Relationship between Shareholders

Except where this deed expressly states otherwise, this deed does not create any relationship between the Shareholders under which a Shareholder:

- (a) is liable generally for the acts or omissions of another Shareholder; or
- (b) may share profits.

### 28.3 Authority of Shareholders

A Shareholder:

- (a) may not hold itself out as a partner of, or principal or agent or trustee of another Shareholder;
- (b) except where this deed expressly states otherwise, does not have authority to act for, or to create or assume any responsibility or obligation on behalf of another Shareholder; and
- (c) the rights, duties, obligations and liabilities of a Shareholder is in every case several, and not joint nor joint and several and, in any event, does not constitute a partnership between the Shareholders.

### 28.4 No fiduciary duties

Nothing in this deed gives rise to or is intended to give rise to any fiduciary duties between Shareholders or between a Shareholder and the Company.

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## Annexure 4: RollCo Shareholders' Deed

### 28.5 No responsibility for tax

No party is responsible for the other party's obligations under the income tax laws of any applicable jurisdiction.

### 28.6 No partnership

Nothing in this deed is intended, or shall be deemed, to establish a partnership between the parties.

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## 29 Governing law

### 29.1 Governing law

This deed is governed by the law in force in New South Wales.

### 29.2 Jurisdiction

Each party submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

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## Schedule 1 Dictionary

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### 1 Dictionary

In this deed:

**5% Shareholder** means a Non-Investor Shareholder who held a Qualifying Interest.

**Accession Deed Poll** means a deed poll in the form of Attachment A.

**Accounting Standards** means:

- (a) accounting standards approved under the Corporations Act and its requirements about the preparation and contents of account; and
- (b) Australia's equivalent to the International Financial Reporting Standards as approved by the Australia Accounting Standards Board.

**Additional Amount** has the meaning given in clause 20(b).

**Affiliate** means:

- (a) with respect to any person:
  - (i) any other person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, such first person; and
  - (ii) in respect of a person or Shareholder that is an individual, also includes:
    - (A) any Family Company or Family Trust of that person; and
    - (B) any self-managed superannuation fund for that individual, the trustee of which is that individual, that individual and their spouse, or a Family Company of that individual; and
- (b) in respect of an Investor Shareholder, also includes:
  - (i) any entities Controlled by the Investor Shareholder (whether individually or collectively);
  - (ii) any Parallel Vehicle of the Investor Shareholder;
  - (iii) a Fund or Managed Person managed or advised by a Managing Entity of the Investor Shareholder (and, where the Investor Shareholder is the MAIF3 Shareholder, the Managing Entity of MAIF3 Fund);
  - (iv) an entity that is Controlled by any Parallel Vehicle of the Investor Shareholder, a Fund or Managed Person referred to in subparagraph (iii) of this paragraph (b) or MQG or a Related Body Corporate of MQG (whether individually or collectively); and
  - (v) a manager, trustee, responsible entity or general partner of a Fund or Managed Person (in that capacity) referred to in the preceding subparagraphs of this paragraph (b);

## Annexure 4: RollCo Shareholders' Deed

- (vi) a nominee or custodian (in that capacity) of an entity referred to in the preceding subparagraphs of this paragraph (b); and
  - (vii) any partnership, limited partnership, venture capital limited partnership, trust, managed investment scheme, limited liability company or body corporate or other fund or entity of which the Managing Entity of that Investor Shareholder (or any holder of interests in the Investor Shareholder), is the manager, trustee, responsible entity, general partner or investment advisor, but excludes a Group Company; and
- (c) also includes a wholly-owned Subsidiary of MQG that is within the Macquarie Specified Division or any fund, limited partnership or other investment vehicle that is used to pool the resources of multiple underlying investors and that is managed on a discretionary basis by a wholly owned Subsidiary of MQG within the Macquarie Specified Division.

**Amount Incurred** has the meaning given in clause 20(e).

**Appointor** has the meaning given in clause 27.7(a).

**Auditor** means the auditor of the Group approved by the Board from time to time.

**Beneficial Holders** means a person on whose behalf the Nominee holds Securities or Class C Shares as bare trustee.

**Beneficial Shares** in relation to a Beneficial Holder, means the Securities held by the Nominee as bare trustee for that Beneficial Holder.

**Board** means all or some of the Directors acting as the board of the Company.

**Board Meeting** has the meaning in clause 4.2.

**Board Reserved Matters** includes all of the matters set out in Schedule 2.

**Budget** means a budget, included consolidated profit and loss account, balance sheet and cash flow statement for the Group.

**Business** means the business of the Group.

**Business Day** means a day other than a Saturday, Sunday or public holiday in New South Wales.

**Business Plan** means the 5 year programme current from time to time for the conduct of the Business during the current and next 4 Financial Years, including the Budget for the current and next Financial Years.

**Business Scope** has the meaning given to it in Part B of Schedule 2.

**CEO** means the person appointed as the chief executive officer of the Company from time to time.

**CFO** means the person appointed as the chief financial officer of the Company from time to time.

**Chairperson** means the person appointed as Chairperson of the Board under clause 3.2(f) of this deed.

**Claim** means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

**Class A Director** has the meaning given to that term in clause 3.2.

**Class A Share** means an ordinary share in the capital of the Company which is designated as an ordinary share and has the rights set out in Schedule 3.

**Class A Shareholder** means a holder of Class A Shares.

**Class B Director** has the meaning given to that term in clause 3.2(b).

**Class B Share** means a share in the capital of the Company which is designated as a Class B Share and has the rights set out in Schedule 4.

**Class B Shareholder** means a holder of Class B Shares.

**Class C Share** means a share in the capital of the Company which is designated as a Class C Share and has the rights set out in Schedule 6.

**Class C Shareholder** means a holder of Class C Shares.

**Clearances** means necessary approvals required from a Government Agency to permit the transfer of any Called Option Securities.

**Confidential Information** means:

- (a) any information belonging to or about the Group, or a Shareholder or its Affiliates;
- (b) any information relating to a Transaction Document or any transaction contemplated by a Transaction Document;
- (c) all data bases, source codes, methodologies, manuals, artwork, advertising manuals, trade secrets and all financial, accounting, marketing and technical information, customer and supplier lists, know-how, technology, operating procedures and other information, used by or relating to the Group and its transactions and affairs;
- (d) all notes and reports incorporating or derived from the material referred to in paragraphs (a) or (b); and
- (e) all copies of the material referred to in paragraphs (a) to (c),

but excludes any information that:

- (f) is in, or becomes part of, the public domain other than through breach of this deed or an obligation of confidence owed to a Group Company;
- (g) was already known to the relevant party at the time of disclosure by the Company or a Shareholder, other than as a result of a breach of an obligation of confidentiality; or
- (h) the relevant party acquires from a source other than the Company or a Shareholder, where the source is entitled to disclose it.

**Consideration** has the meaning given in clause 20(a).

## Annexure 4: RollCo Shareholders' Deed

**Constitution** means the constitution of the Company from time to time.

**Control** has the meaning in section 50AA of the Corporations Act, and **Controlled** has a corresponding meaning except that, in addition, an entity controls a second entity if the first entity would be taken to control the second entity but for section 50AA(4) of the Corporations Act. Without limiting the preceding sentence, an entity also Controls a Fund if it has the power, or controls (directly or indirectly) an entity with the power, to replace the trustee or legal representative of the Fund.

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

**CPI** means the Consumer Price Index (all groups – weighted average of eight capital cities) published by the Australian Bureau of Statistics.

**Directors** means all or some of the directors of the Company from time to time, including Class A Directors, Class B Directors and any Independent Director.

**Dispose** in relation to a person and any property means:

- (a) to sell, offer for sale, transfer, assign, surrender, gift, create an Encumbrance or option over, declare oneself a trustee of or part with the benefit of or otherwise dispose of that property (or any direct or indirect legal or beneficial interest in or over any rights in respect of any part of it);
- (b) to do anything which has the effect of placing a person in substantially the same position as if the person has done any of the things specified in paragraph (a); or
- (c) to attempt to do any of the things specified in paragraph (a) or (b).

and **Disposal** has a corresponding meaning.

**Dispute** has the meaning given in clause 23.1.

**Disputant** has the meaning given in clause 23.2.

**Drag Notice** means a notice given in accordance with clause 13.2.

**Drag Price** has the meaning given in clause 13.2.

**Drag Sale Terms** has the meaning given in clause 13.2.

**Dragged Shares** has the meaning given in clause 13.2.

**Dragged Shareholder** has the meaning given in clause 13.1.

**Dragging Shareholder** has the meaning given in clause 13.1.

**Eligible Shareholder** means each 5% Shareholder, other than a 5% Shareholder that:

- (a) has transferred to a Third Party Buyer more than 50% of the number of Securities that it held immediately after Implementation, whether in one transaction or a series of transactions; and
- (b) has transferred any Securities to a Third Party Buyer, where immediately following that transfer the 5% Shareholder (together with its Permitted Transferees) holds less than 4% of the total number of Securities in the Company,

in each case other than a transfer to a Third Party Buyer pursuant to clause 13 or any transfers pursuant to clause 11.5(b) or clause 11.6.

**Encumbrance** means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, Claim, covenant, profit à prendre, easement or any other security arrangement or any other arrangement having the same effect or any agreement to create any of them.

**Event of Default** means, in relation to a Shareholder:

- (a) that Shareholder or their Relevant Individual becomes the subject of an Insolvency Event;
- (b) that Shareholder or their Relevant Individual breaches a material provision of this deed which cannot be remedied or which remains unremedied for the period prescribed by the Board (which may not be less than 10 Business Days) following such notification; or
- (c) there is either:
  - (i) in respect of a Non-Investor Shareholder, a change in Control in relation to that Shareholder and a person who has Control as a result of that change was not a Permitted Transferee of that Shareholder immediately prior to the change in Control; or
  - (ii) a Shareholder ceases to be a Permitted Transferee and does not comply with the provisions of clause 11.3.

**Exit Event or Exit** means:

- (a) an IPO; or
- (b) a Share Sale; or
- (c) a Trade Sale.

**Fair Value** means the amount per Security determined by a Valuer in accordance with clause 16.3.

**Family Company** means a body corporate which:

- (a) the individual (either alone or with their spouse or, if applicable, Relevant Individual) Controls (directly or indirectly) and where all of the shares in the body corporate are owned, legally and beneficially, by the individual, their Relevant Individual and/or Relatives of the individual and/or Relevant Individual and/or trustees of a Family Trust of the individual; or
- (b) is otherwise associated with the individual and approved by the Company (with Board approval).

**Family Trust** means a trust which:

- (a) the individual and/or their Relevant Individual Controls (either alone or with their spouse) (directly or indirectly) and where all the beneficiaries or potential beneficiaries are the individual, their Relevant Individual and/or their Relatives and/or charities; or



## Annexure 4: RollCo Shareholders' Deed

(b) is otherwise associated with the individual and approved by the Company (with Board approval).

**Financial Year** means the 12-month period starting on 1 July and ending on 30 June each year (or other dates as the Board approves).

**Fund** means a unit trust, discretionary trust, investment trust, managed investment scheme, limited partnership, general partnership or any other collective investment company, entity or vehicle.

**Government Agency** means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity. It includes ASIC and ASX (and any other stock exchange).

**Group** means the Company and each of its Subsidiaries and other controlled entities from time to time.

**Group Company** means a member of the Group from time to time.

**GST** has the same meaning as in the GST Law.

**GST Group** has the same meaning as in the GST Law.

**GST Law** has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the *A New Tax System (Goods and Services Tax) Regulations 1999* (Cth).

**Implementation** means completion of the Scheme Related Issuances.

**Implementation Date** has the meaning given to that term in the SID.

**Independent Director** means a director that is not a Class A Director, Class B Director, Shareholder or an employee, trustee, executive or officer of a Group Company, a Shareholder or an Affiliate of a Shareholder.

**Initiating Party** has the meaning given to that term in clause 12.3.

**Initial Acceptance Period** has the meaning given in clause 10.2(a)(vi).

**Insolvency Event** means:

- (a) a "controller" (as defined in section 9 of the Corporations Act), manager, trustee, administrator or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraphs (a) or (b);
  - (ii) winding up a corporation; or
  - (iii) proposing or implementing a scheme of arrangement;

- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or their estate;
- (e) a moratorium of any debts of a person, a personal insolvency agreement or any other assignment, composition or arrangement (formal or informal) with a person's creditors or any similar proceeding or arrangement by which the asset of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

**Investor Shareholder** means the MAIT Shareholder, the MAIF3 Shareholder and any of their Permitted Transferees that hold Securities from time to time.

**Invitation to Tag** means in respect of the Shareholders, an invitation in the form contemplated by clauses 14.1 and 14.2.

**Involved** includes direct or indirect involvement as a principal, agent, partner, employee, shareholder, unitholder, director, trustee, beneficiary, manager, contractor, subcontractor, consultant, advisor or financier, provided that, for the avoidance of doubt, the MAIF3 Shareholder or the MAIT Shareholder are not Involved in any action taken by a Qualifying Future Portfolio Company, Qualifying Current Portfolio Company or Qualifying Fund without inducement by the MAIF3 Shareholder or MAIT Shareholder.

**IPO** means an initial public offering of shares in the Company, shares in any Subsidiary or shares in a company of which the Company is or will be a wholly owned subsidiary in conjunction with an application for the quotation of those shares on the Securities Exchange.

**Issue Notice** has the meaning given in clause 10.2(a).

**Macquarie Group** means Macquarie Group Limited and its Related Bodies Corporate.

**Macquarie Specified Division** means the asset management division of Macquarie Group that is primarily involved in the management of infrastructure and real assets, as well as investments in those assets, on behalf of institutional investors, which business group is currently operating under the name "Macquarie Infrastructure and Real Assets" division, as may be amended from time to time.

**MAIF3 Fund** means Macquarie Asia-Pacific Infrastructure Investors 3 Pte Ltd.

**MAIT2 Fund** means Macquarie Australian Infrastructure Management 2 Limited as trustee for Macquarie Australian Infrastructure Trust 2.

**Managed Person** means a person whose investment is managed professionally pursuant to an investment management agreement on arms-length terms, excluding where those assets are owned through, or are otherwise property of, a Fund.

**Management Equity Plan** means any management equity plan adopted by the Board from time to time under which the Company may issue Management Shares or other Securities to Managers of the Company.

## Annexure 4: RollCo Shareholders' Deed

**Management Shareholder** means a holder of Management Shares or other Securities issued under the Management Equity Plan (but only with respect only to their holding of such Management Shares or Securities) that is:

- (a) a Manager;
- (b) an Affiliate of a Manager; or
- (c) a person that the Board agrees in writing to treat as a "Management Shareholder",

and who is or becomes a party to this Deed as a "Management Shareholder" by executing an Accession Deed.

**Management Share** means a security issued to a Management Shareholder under the terms of a Management Equity Plan adopted by the Company.

**Manager** means a person that is:

- (a) invited by the Board to participate in a Management Equity Plan; and
- (b) an employee, executive director or non-executive director of any Group Company at the time the Manager (or any Affiliate of the Manager) becomes a Management Shareholder,

and who is or becomes a party to this Deed as a "Relevant Individual" of a Management Shareholder by executing an Accession Deed Poll.

**Managing Entity** means the manager, trustee, responsible entity, general partner or operator of a Fund.

**Market Value** means the market value as determined by the Board in good faith, having regard to the most recent internal valuation prepared by the Investor Shareholders for the purpose of providing periodic financial updates to their respective investors or limited partners, or if the Board is unable to determine a market value, the Fair Value.

**Maximum Tag Threshold** has the meaning given in clause 14.2(a)(ii).

**MQG** means Macquarie Group Limited (ABN 94 122 169 279).

**New Shareholder** has the meaning given in clause 25.1.

**Nominee** means an independent third party trustee company appointed by the Company under clause 18 to hold Securities and Class C Shares on bare trust pursuant to the terms of the Nominee Deed and clause 18.

**Nominee Deed** means the nominee deed to be entered between the Company and the Nominee, substantially in the form set out in Schedule 4 (subject to any changes reasonably required by the Nominee in accordance with its usual business practices and accepted by the Company).

**Non-contributing Shareholder** has the meaning given in clause 10.2(c).

**Non-Investor Shareholder** means a Shareholder in the Company that is not an Investor Shareholder or a Management Shareholder.

**Option Exercise Price** means \$1.980 per Option Security, comprising \$1.089 for each Class B Share and \$0.891 for each Preference Share.

**Option Grantee** means the MAIF3 Shareholder.

**Option Grantor** means a Class B Shareholder immediately after Implementation.

**Option Notice** means the notice referred to in clause 11.6 which will be in the form set out in Schedule 8.

**Option Period** means period commencing on Implementation and ending on the date that is 3 months after the Implementation Date.

**Option Securities** means, in respect of an Option Grantor, up to 16.67% of the Securities it held as at Implementation (comprising equivalent numbers of Class B Shares and Preference Shares). For the avoidance of doubt, the Option Securities do not include the Class C Shares.

**Parallel Vehicle** means in respect of an Investor Shareholder, any investment vehicle established by an Investor Shareholder or an Affiliate of the Investor Shareholder which:

- (a) has the same Managing Entity as the Investor Shareholder (or, where the Investor Shareholder is the MAIF3 Shareholder, a Managing Entity of MAIF3 Fund), or a Managing Entity that is an Affiliate of the Managing Entity of the Investor Shareholder (or, where the Investor Shareholder is the MAIF3 Shareholder, a Managing Entity that is an Affiliate of the Managing Entity of MAIF3 Fund); and
- (b) which invests alongside the Investor Shareholder on a side-by-side basis in the Company.

**Permitted Transferee** of a Shareholder means:

- (a) an Affiliate of the Shareholder; and
- (b) in relation to a Shareholder who is a trustee, custodian, responsible entity or general partner of a trust or partnership, also includes any person who is a replacement trustee, custodian, responsible entity or general partner of the same trust or partnership,

and, for the avoidance of doubt, where an 'Affiliate' of the Shareholder is a Family Trust, the manager, trustee, responsible entity, general partner or operator of that trust and the beneficiaries of the Family Trust will also be deemed a Permitted Transferee provided the applicable Securities are 100% beneficially held by the Family Trust.

**Post-Shareholding Restraint** has the meaning given in clause 17.1(b).

**Post-Shareholding Restraint Period** means, other than if an IPO has been implemented, in respect of a Restrained Party that is not an Investor Shareholder, the period commencing on the date on which that Shareholder and its Permitted Transferees cease to hold any Securities and ending on:

- (a) the date that is 36 months after the date on which the relevant Restrained Party and its Permitted Transferees cease to hold any Securities, if that Restrained Party and/or its Permitted Transferees have agreed a restraint that is the same or longer duration with a purchaser of its Securities (including, for the avoidance of doubt, any restraint that a Restrained Party is required to give under clause 13.3(d)(iv) or 14.4(d)(iv));

## Annexure 4: RollCo Shareholders' Deed

- (b) if the period in (a) above is held to be unenforceable, the date that is 18 months after the date on which the relevant Restrained Party and its Permitted Transferees cease to hold any Securities; or
- (c) if the period in (b) above is held to be unenforceable, the date that is 12 months after the date on which the relevant Restrained Party and its Permitted Transferees cease to hold any Securities,

or such shorter period as determined by the Board with Special Investor Approval. For the avoidance of doubt there is no Post-Shareholding Restraint Period:

- (d) if an IPO has been implemented; and
- (e) for an Investor Shareholder.

**Preference Share** means a share in the capital of the Company which is designated as a Preference Share and has the rights set out Schedule 5.

**Qualifying Interest** has the meaning given in clause 3.2(b).

**Qualifying Shareholder** means a Shareholder with a Qualifying Interest.

**Recipient** has the meaning given in clause 20(b).

**Related Body Corporate** has the meaning given in the Corporations Act, interpreted so that 'subsidiary' has the meaning given to that term in this deed.

**Related Party** has the meaning given in the Corporations Act.

**Related Party Transaction** means an agreement or arrangement between the Company or another Group Company and:

- (a) a Director or their Affiliate; or
- (b) a Shareholder or its Affiliate,

but excluding:

- (c) a deed of indemnity, insurance and access (or similar document) on customary terms and conditions between a Director and the Company or another Group Company; and
- (d) any agreement or arrangement in relation to the Disposal of Securities in accordance with the terms of this deed.

**Relatives** means a spouse, former spouse, mother, father, brother, sister or child.

**Relevant Individual** means:

- (a) in relation to a Non-Investor Shareholder who holds 5% or more of all the Securities on issue as at Implementation, the person agreed by the Company and the relevant Non-Investor as their Relevant Individual on or before the date that the relevant Non-Investor Shareholder begins to hold Securities;
- (b) in relation to a Management Shareholder who is issued Securities pursuant to a Management Equity Plan, the person nominated by the Company at the date of the issue of Management Shares as their Relevant Individual; and

- (c) in relation to a Management Shareholder who acquires Securities as a Permitted Transferee of the Management Shareholder transferring Management Shares, the person who is the Relevant Individual of the transferor.

**Relevant Proportion** means when used in relation to:

- (a) all Shareholders, the proportions which their respective Shareholdings bear to all of the issued Securities; and
- (b) less than all the Shareholders, the proportions which their respective Shareholdings bear to their aggregate holdings of issued Securities,

provided that for each Preference Share and Class C Share will be disregarded.

**Representative** means, in relation to an entity, an employee, officer, director or adviser of that entity.

**Representative Member** has the same meaning as in the GST Law.

**Restrained Affiliate** means:

- (a) in respect of an Investor Shareholder other than MAIF3 Shareholder or MAIT Shareholder, each Affiliate of that Investor Shareholder but expressly excluding any Affiliate which is ultimately owned by one or more Funds or Managed Persons that does not have an economic exposure to or beneficial interest in any Investor Shareholder; and
- (b) in respect of an Investor Shareholder that is the MAIF3 Shareholder or the MAIT Shareholder:
- (i) the MAIF3 Fund (where the Investor Shareholder is the MAIF3 Shareholder) and the MAIT2 Fund (where the Investor Shareholder is the MAIT Shareholder), but expressly excluding any entity which is a portfolio company of MAIF3 Fund or MAIT2 Fund provided that:
- (A) the portfolio company is not deliberately established or utilised to circumvent the restraints in clause 17; and
- (B) MAIF3 Fund and MAIT2 Fund must not be involved as an equity or debt financier for the purposes of any relevant action taken by such portfolio company unless such relevant action will result in MAIF3 Fund holding less than a 30% indirect interest (on a look through basis) in an entity that is involved in any business or activity specified in clause 17.1(a),
- (Qualifying Current Portfolio Company); and**
- (ii) any closed-ended commingled Fund with an investment mandate to invest in the same, or substantially the same, infrastructure assets as the MAIF3 Fund (where the Investor Shareholder is the MAIF3 Shareholder) or the MAIT2 Fund (where the Investor Shareholder is the MAIT Shareholder) in the Asia-Pacific region established by and managed on a discretionary basis by, the same Managing Entity or an Affiliate of the same Managing Entity as, the MAIF3 Fund (where the Investor Shareholder is the MAIF3 Shareholder) or the MAIT2 Fund (where the Investor Shareholder is the MAIT Shareholder), but expressly excluding any entity which is either:

## Annexure 4: RollCo Shareholders' Deed

(A) a portfolio company of an entity referred to in paragraph (ii) above, other than a portfolio company deliberately established or utilised to circumvent the restraints in clause 17, and for the avoidance of doubt, the entity referred to in paragraph (ii) above is not restricted from being involved as an equity or debt financier for the purposes of the relevant action by the portfolio company (**Qualifying Future Portfolio Company**);

(B) a Fund:

- with a mandate that allows it to invest in agriculture, real estate or private credit; or
- that, as part of its mandate, is required to consider the social impact of its investments, including Macquarie Progress Partners Infrastructure (a global impact Fund that is currently being raised at the date of this document) and any Fund with a substantially similar mandate to Macquarie Progress Partners Infrastructure,

or a portfolio company of a Fund referred to in paragraph (b)(ii)(B) of this definition, other than a portfolio company or Fund deliberately established or utilised to circumvent the restraints in clause 17 (**Qualifying Fund**); or

(C) not a wholly-owned Subsidiary of MQG that is within the Macquarie Specified Division or any fund, limited partnership or other investment vehicle that is used to pool the resources of multiple underlying investors and that is managed on a discretionary basis by a wholly owned Subsidiary of MQG within the Macquarie Specified Division.

For the avoidance of doubt, the MAIF3 Shareholder or the MAIT Shareholder are not involved in any action taken by a Qualifying Current Portfolio Company, Qualifying Future Portfolio Company or Qualifying Fund without inducement by the MAIF3 Shareholder or the MAIT Shareholder; and

(c) in respect of a Non-Investor Shareholder that is a Restrained Party:

- (i) each Affiliate of that Non-Investor Shareholder; and
- (ii) each Affiliate of the Relevant Individual of that Non-Investor Shareholder.

**Restrained Party** means:

- (a) each Investor Shareholder;
- (b) each Non-Investor Shareholder which (together with Non-Investor Shareholders who qualify as its Permitted Transferees) holds a Qualifying Interest; and
- (c) each Relevant Individual of an entity in paragraph (b) above.

**Restraint Area** means:

- (a) Australia;
- (b) if the area in (a) above is held to be unenforceable, New South Wales, Victoria and Queensland;

- (c) if the area in (b) above is held to be unenforceable, New South Wales and Victoria; and
- (d) if the area in (c) above is held to be unenforceable, New South Wales.

**Scaleback Arrangements** is defined in the Scheme.

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act under which a Group Company acquires 100% of the issued shares in the Target.

**Scheme Related Issuances** has the meaning given to that term in clause 9.3(b).

**Securities Exchange** means the Australian Securities Exchange or any other securities or stock exchange approved by the Board.

**Security** has the meaning in section 92(3) of the Corporations Act and includes Class A Shares, Class B Shares and Management Shares and/ or any other securities issued by the Company from time to time, but expressly excludes Class C Shares.

**Share Sale** means a sale of all of the Securities in the Company to a Third Party.

**Shareholder** means a holder of Securities in the Company.

**Shareholding Restraint Period** means, in relation to a Shareholder, the period commencing on the Implementation Date (or the date of execution and delivery of the Accession Deed Poll, in the case of a Restrained Party that is not a party as at the date of this deed) and ending on the earlier of:

- (a) the date an IPO is implemented;
- (b) the date on which all Class B Shares cease to be held by Class B Shareholders as at the date of this deed or their Permitted Transferee; and
- (c) the date on which that Shareholder and its Permitted Transferees cease to hold any Securities.

**Shareholding** means a Shareholder's holding of Securities.

**SID** means the scheme implementation deed between the Company, Recycling and Resource Operations Pty Ltd (ACN 649 357 442) and the Target dated 27 April 2021.

**Simple Majority Resolution** means:

- (a) in the case of a resolution of members, Shareholders that together hold more than 50% of the total votes of all Shareholders present (in person or by proxy) at the meeting of Shareholders and who are entitled to vote on the resolution concerned; and
- (b) in the case of a resolution of Directors, the affirmative vote of more than 50% of all Directors who attend the relevant Board meeting or sign the relevant written resolution (as the case may be) and who are entitled to vote on the resolution concerned.

**Small Holding** means a shareholding in the Company of \$10,000 or less (based on the value of a Security (other than a Class C Share) implied on the Implementation Date) and, in relation to a Beneficial Holder holding through the Nominee, includes those



## Annexure 4: RollCo Shareholders' Deed

Beneficial Holders who hold \$10,000 or less (based on the value of a Security (other than a Class C Share) implied on the Implementation Date).

**Small Holding Disposal Notice** has the meaning given to that term in clause 16.2.

**Small Holding Securities** means the securities that constitute a Small Holding, which for the avoidance of doubt, excludes Class C Shares.

**Small Shareholder** means a Shareholder which holds a Small Holding.

**Special Director Approval** means Simple Majority Resolution of the Board, including approval by at least one Class B Director (for so long as there is at least one Class B Director) and the approval of Class A Directors that together hold at least 75% of the total voting rights of all Class A Directors.

**Special Investor Approval** means Simple Majority Resolution of the Shareholders, including approval by Class A Shareholders holding more than 87.5% of Class A Shares.

**Special Majority Approval** means Simple Majority Resolution of the Board, including approval of Class A Directors that together hold at least 75% of the total voting rights of all Class A Directors.

**Subsidiary** means each subsidiary of the Company, as that term is defined in Part 1.2 Division 6 of the Corporations Act.

**Supplier** has the meaning given in clause 20(b).

**Supply** has the same meaning as in the GST Law.

**Tag Option** has the meaning given in clause 14.2(a)(v).

**Tag Price** has the meaning given in clause 14.2(a)(ii).

**Tag Proportion** has the meaning given in clause 14.2(a)(ii).

**Tag Terms** has the meaning given in clause 14.2(a)(ii).

**Tagged Shares** has the meaning given in clause 14.2(a)(v).

**Tagged Shareholder** has the meaning given in clause 14.1.

**Tagging Shareholder** has the meaning given in clause 14.1.

**Target** means Bingo Industries Limited (ACN 617 748 231).

**Taxes** means taxes, levies, imposts, charges and duties imposed by any authority (including stamp and transaction duties) together with any related interest, penalties, fines and expenses in connection with them.

**Third Party** means a party other than the Shareholder (or their Permitted Transferee) or an Affiliate of the Shareholder (or their Permitted Transferee).

**Third Party Buyer** means a buyer (or a proposed buyer) of Securities who is a Third Party in relation to the seller (or proposed seller) of those Securities.

**Trade Sale** means the sale of:

- (a) all or substantially all of the operating Group Companies; or
- (b) the whole or substantially all of the Business,

in each case to a Third Party.

**Transaction Documents** means:

- (a) this deed;
- (b) the Constitution; and
- (c) any other agreement or document that the parties agree is a Transaction Document.

**Trust** has the meaning given to that term in clause 23.

**Trustee** has the meaning given to that term in clause 23.

**Voting Share** means Class A Shares and a Class B Shares.

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## 2 Interpretation

In this deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
  - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
  - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
  - (iii) a party includes its successors and permitted assigns;
  - (iv) a document includes all amendments or supplements to, or replacements or novations of, that document;
  - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this deed;
  - (vi) this deed includes all schedules and attachments to it;

## Annexure 4: RollCo Shareholders' Deed

- (vii) dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia;
  - (viii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced; and
  - (ix) an agreement other than this deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing.
- (g) an agreement on the part of two or more persons binds them severally;
  - (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
  - (i) in determining the time of day, where relevant to this deed, the relevant time of day is:
    - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
    - (ii) for any other purpose under this deed, the time of day in the place where the party required to perform an obligation is located;
  - (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it;
  - (k) if there is any conflict between the body of this deed and its schedules or attachments the terms of the main body of this deed will prevail; and
  - (l) a reference to a person or Fund that is 'managed or advised' by another person (**Second Person**) means, in relation to the Second Person, a person who manages the assets of that person or Fund pursuant to a bona fide written management or advisory agreement (as applicable).

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## Schedule 2 Board Reserved Matters

### PART A – Special Majority Matters

- 1 **(Business Plan)** adopt a new 5-year business plan, or subsequently amend an approved 5-year business plan in a material respect;
- 2 **(Budget)** approve each annual budget;
- 3 **(Material Costs)** incur any capital or operational commitments or expenditures in excess of \$5 million, other than those included in the then-current annual Budget;
- 4 **(C-Suite)** appoint or remove the CEO, CFO and other first line management, or materially change the terms of engagement, role or responsibilities of those positions;
- 5 **(Senior Management)** amend the senior management appointment policy;
- 6 **(M&A)** enter into or agree to any material merger, acquisition or disposal;
- 7 **(Borrowing)** enter into any new material borrowing (other than intra-group borrowing) in excess of \$10 million that is not contemplated in the then current Business Plan or provide any security over the Company or its assets;
- 8 **(Financing Agreements)** make any material changes to or request any waiver under the Group's senior financing agreements;
- 9 **(Debt Payments)** make any non-scheduled payments of debt in excess of \$10 million, other than as expressly contemplated by the then-current annual Budget;
- 10 **(IPO)** take any step to effect an IPO, including appointing any underwriter, lead manager or other financial, legal or accounting adviser in relation to an IPO;
- 11 **(Asset Sale)** entering into any agreement in relation to a sale of all or substantially all of the assets of the Business;
- 12 **(Distribution Policy)** making any change to any dividend or distribution policy implemented by the Board from time to time;
- 13 **(Change in the nature of the Business)** material change in the nature of the Business that is not contemplated in the then current Business Plan;
- 14 **(Related Party Transactions)** enter into, vary or terminate any agreement between a Group Company and any Shareholder, Affiliate of a Shareholder or any Related Party of the Company or any of its Subsidiaries, in each case that are not on arm's length terms;
- 15 **(Accounting Rules)** make any material change to accounting policies;
- 16 **(Independent Director)** appoint or remove any Independent Director;
- 17 **(Independent Chairman)** appoint or remove any independent Chairperson;
- 18 **(Remuneration)** increase or decrease any remuneration payable to a Director;
- 19 **(Auditor)** remove, change or terminate of the auditor of the Company;
- 20 **(Board Delegation)** delegate any powers to any committee of the Board;

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- 21 **(Insurance)** materially amend or reduce the insurance cover over the Company's or any of its Subsidiaries' assets or the Business or any 'key man' insurance policy;
- 22 **(Financial Assistance)** give a loan or other financial assistance to a Director or an associate of a Director or vary the terms of a loan or other financial assistance previously given to a Director or an associate of a Director;
- 23 **(Contracts)** enter into, terminate, amend or vary a contract outside the ordinary course of business, other than as expressly contemplated by the then-current annual Budget;
- 24 **(Employee incentive plans)** adopt or vary the terms of any Management Equity Plan; and
- 25 **(Encumbrances)** create any mortgage, charge, pledge or other encumbrance over any asset of the Company or its Subsidiaries that is outside the ordinary course of business of the Company, other than as expressly contemplated by the then-current annual Budget.

## PART B – Special Director Matters

- 1 **(Liquidation)** liquidation or winding up of the Business or any material Subsidiary;
- 2 **(M&A)** material mergers, acquisitions and disposals of securities, land, property or other assets involving consideration in excess of A\$75 million (whether in one transaction or a series of related transactions);
- 3 **(Business Scope)** prior to 30 June 2024, making any significant change to the scope of the Business as it is conducted prior to the Implementation Date (other than changes contemplated or anticipated by the business plan disclosed to the Investor Shareholders prior to the date of the SID, including but not limited to the Ecology Park development, expansion of the B&D business and capital expenditure relating to the C&I business) **(Business Scope)**;
- 4 **(Securities)** changes in rights attached to or associated with any Securities or the Class C Shares;
- 5 **(Governing Documents)** material amendments to the constituent documents or equivalent governing documents of the Company;
- 6 **(Tax Status)** making any election to change the tax status, method of tax accounting, or taking any action which could result in a material change to the tax posture of the business;
- 7 **(Capital Structure)** any reorganisation, reclassification, reconstruction, consolidation or subdivision of the capital of the Company (including any buyback, cancellation or redemption of shares, or the creation of any different class of marketable securities in the capital of the Company) which would have an adverse impact on Non-Investor Shareholders, other than:
  - (a) in accordance with the terms of the Management Equity Plan; or
  - (b) as permitted under this Shareholders' Deed; and
- 8 **(Related Party Transactions)** enter into, vary or terminate any agreement between a Group Company and any Shareholder, Affiliate of a Shareholder or any Related Party of the Company or any of its Subsidiaries, in each case that are not on arm's length terms.

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## Annexure 4: RollCo Shareholders' Deed

### Part C – Special Investor Matters

- 1 **(Liquidation)** liquidation or winding up of the Business or any material Subsidiary;
- 2 **(Change in nature of the Business)** any material change in the nature of the Business that is not contemplated in the then current Business Plan;
- 3 **(Securities)** changes in rights attached to or associated with any Securities or the Class C Shares;
- 4 **(Governing Documents)** material amendments to the constituent documents or equivalent governing documents of the Company;
- 5 **(Tax Status)** making any election to change the tax status, method of tax accounting, or taking any action which could result in a material change to the tax posture of the business;
- 6 **(Distribution Policy)** making any change to any dividend or distribution policy implemented by the Board from time to time;
- 7 **(Borrowing)** enter into any new material borrowing (other than intra-group borrowing) in excess of \$10 million that is not contemplated in the then current Business Plan or provide any security over the Company or its assets; and
- 8 **(Material Costs)** capital or operational commitments or expenditures in excess of A\$50 million, which are not included in the annual budget or approved business plan.

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## Schedule 3 Class A Share Terms

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### 1 Issue of Class A Shares

#### 1.1 Terms of issue

These terms of issue set out the rights and restrictions of Class A Shares which may be issued by the Company.

#### 1.2 Separate class

The Class A Shares are a separate class of shares in the Company.

#### 1.3 Constitution

The terms of the Constitution of the Company apply to the Class A Shares.

#### 1.4 Issue price

Each Class A Share will be issued at the same issue price as a Class B Share.

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### 2 Rights and restrictions

#### 2.1 Ranking and exit

Each Class A Share ranks equally with each other Class A Share and each Class B Share, and entitles its holder to participate *pari passu* with each other Class A Share and each Class B Share on completion of an Exit Event.

#### 2.2 Voting rights

- (a) Each Class A Share entitles its holder to attend and vote at any general meeting of the Company.
- (b) Each Class A Share carries one vote.

#### 2.3 Right to participate in dividends, distributions

Each Class A Share has the right to participate *pari passu* with each other Class A Share and each Class B Shares in any dividends or distributions declared and paid by the Company in respect of Class A Shares or Class B Shares.

#### 2.4 Right to participate in capital return

Each Class A Share has the right to participate *pari passu* with each other Class A Share and each Class B Share in any capital return on Class A Shares or Class B Shares.

#### 2.5 Right to participate in a winding up

Each Class A Share confers on its holder, in a winding up the right to participate *pari passu* with each other Class A Share and each Class B Share.



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## Schedule 4 Class B Share Terms

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### 1 Issue of Class B Shares

#### 1.1 Terms of issue

These terms of issue set out the rights and restrictions of Class B Shares which may be issued by the Company.

#### 1.2 Separate class

The Class B Shares are a separate class of shares in the Company.

#### 1.3 Constitution

The terms of the Constitution of the Company apply to the Class B Shares.

#### 1.4 Issue price

Each Class B Share will be issued at the same issue price as a Class A Share.

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### 2 Rights and restrictions

#### 2.1 Ranking and exit

Each Class B Share ranks equally with each other Class B Share and each Class A Share, and entitles its holder to participate *pari passu* with each other Class B Share and each Class A Share on completion of an Exit Event.

#### 2.2 Voting rights

- (a) Each Class B Share entitles its holder to attend and vote at any general meeting of the Company.
- (b) Each Class B Share carries one vote.

#### 2.3 Right to participate in dividends, distributions

Each Class B Share has the right to participate *pari passu* with each other Class B Share and each Class A Share in any dividends or distributions declared and paid by the Company in respect of Class A Shares or Class B Shares.

#### 2.4 Right to participate in capital return

Each Class B Share has the right to participate *pari passu* with each other Class B Share and each Class A Share in any capital return on Class A Shares or Class B Shares.

#### 2.5 Right to participate in a winding up

Each Class B Share confers on its holder, in a winding up the right to participate *pari passu* with each other Class B Share and each Class A Share.

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## Schedule 5 Preference Share Terms

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### 1 Issue of Preference Shares

#### 1.1 Terms of issue

These terms set out the rights and restrictions of Preference Shares which may be issued by the Company.

#### 1.2 Separate class

The Preference Shares are a separate class of Securities in the Company and are accounted for separately.

#### 1.3 Issue of Preference Shares

The Company may issue further Preference Shares at any time and from time to time in accordance with the Shareholders' Deed.

#### 1.4 Constitution

The terms of the Constitution of the Company apply to the Preference Shares.

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### 2 Issue

Each Preference Share will be issued as fully paid at an issue price of \$0.891 (the **Issue Price**).

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### 3 Interest

The Preference Shares will not accrue interest.

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### 4 Dividend

- (a) The Holders of Preference Shares are entitled to the Preference Share Dividend.
- (b) Subject to clause 4(c), the Board may resolve to pay to the Holders the amount of any Preference Share Dividend at any time.
- (c) The payment of the Preference Share Dividend is subject to any restrictions and limitations contained in this Shareholders' Deed and the Corporations Act.
- (d) Subject to clause 4(c), the Company must declare a cash dividend on the Preference Shares each year of an amount equal to 10% of the Preference Share Dividend, unless otherwise agreed by:
  - (i) Holders of at least 75% of the Preference Shares on issue; and
  - (ii) where one or more Class B Directors are appointed at that time, at least one Class B Director.

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## 5 Conversion

### 5.1 Election

- (a) If not Redeemed pursuant to clause 6, immediately prior to completion of an Exit Event any Holder of Preference Shares may elect to convert some, or all, of its Preference Shares.
- (b) If Holders elect (in aggregate) to convert at least 90% of the Preference Shares on issue pursuant to clause 5.1, then all Holders are deemed to have elected to convert all of their Preference Shares.

### 5.2 Conversion ratio

- (a) Each Preference Share converts into a number of Class B Shares calculated as:
  - (i) the Redemption Amount of that Preference Share; *divided by*
  - (ii) the value of one Class B Share in that Exit Event.

### 5.3 Conversion Notice

- (a) If any election is made under clause 5.1, the Company must give a notice to each Holder of Preference Shares that are to be converted (each, a **Conversion Notice**) before the proposed Conversion Date.
- (b) Each Conversion Notice must state the date on which the conversion is proposed to occur, the number of Preference Shares to be converted and the number of Class B Shares (a **Conversion Date**).

### 5.4 Ranking

- (a) Each Class A Share issued on conversion of Preference Shares ranks from the date of issue equally with all other Class A Shares.
- (b) Each Class B Share issued on conversion of Preference Shares ranks from the date of issue equally with all other Class B Shares.

### 5.5 Partial conversion

If some but not all Preference Shares are converted, the Company must endeavour to treat each Holder on an approximately proportionate basis.

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## 6 Redemption

### 6.1 Voluntary redemption

Unless previously converted in accordance with clause 5 of these Preference Share Terms, the Board may elect in its discretion to Redeem some or all of the Preference Shares by giving the Holders a Redemption Notice in accordance with this clause 6 of these Preference Share Terms.

## 6.2 Mandatory redemption

Each Preference Share must be Redeemed on the earlier to occur of:

- (a) the Maturity Date; and
- (b) the occurrence of an Exit Event.

## 6.3 Notice of Redemption

- (a) The Company must give notice of any Redemption in respect of some or all of the Preference Shares under clause 6.2 of these Preference Share Terms by giving a notice (each, a **Redemption Notice**) before the proposed Redemption Date.
- (b) Each Redemption Notice must state:
  - (i) the date on which the Redemption is proposed to occur (a **Redemption Date**);
  - (ii) if fewer than all of the Preference Shares are being Redeemed, the proportion of those Preference Shares being Redeemed;
  - (iii) whether the Redemption Amount is proposed to be effected by way of redemption or by way of buy-back, reduction of capital, or any combination thereof; and
  - (iv) the place or places where the certificates (if any) for the Preference Shares may be submitted and the method of payment of the Redemption Amount to Holders.

## 6.4 Effect of Redemption

- (a) If a Holder has not received a Conversion Notice in accordance with clause 5.3(a) of these Preference Share Terms before the Redemption Date, on the Redemption Date:
  - (i) each Preference Share that is the subject of Redemption under clause 6 of these Preference Share Terms will be Redeemed by the Company for payment to the Holder of the Redemption Amount; and
  - (ii) upon payment of the Redemption Amount, all other rights conferred or restrictions imposed by those Preference Shares under these Preference Share Terms will no longer have effect.
- (b) For the purposes of clause 6.4(a)(i) of these Preference Share Terms, if the Redemption involves a buy-back of Preference Shares, the Redemption Notice will constitute a buy-back offer for the Redemption Amount payable on the Redemption Date and each Holder will be deemed to have accepted that buy-back offer for the Preference Shares held by the Holder to which the Redemption Notice relates on the date the Redemption Notice is given and will be deemed to have sold those Preference Shares to the Company on the Redemption Date for a price per Preference Share equal to the Redemption Amount.

## 6.5 Partial Redemptions

If some but not all Preference Shares are Redeemed, the Company must endeavour to treat each Holder on an approximately proportionate basis.

## Annexure 4: RollCo Shareholders' Deed

---

### 7 Payments

#### 7.1 Manner of payment to Holders

Any money payable in cash in respect of any Preference Share (including a Redemption Amount), must be paid in Australian Dollars and may be paid by electronic funds transfer to the account nominated by the Holder or any method requested by the Holder and approved by the Company.

#### 7.2 Deductions

If the Company is required by law to deduct or withhold Taxes from a payment to a Holder in respect of a Preference Share (including a Redemption Amount), the Company must make that deduction or withholding.

---

### 8 Ranking

#### 8.1 Ranking for payment

Subject to paragraph 8.4, each Preference Share ranks in respect of payment of dividends and payment of any Outstanding Amount:

- (a) pari passu amongst all other Preference Shares; and
- (b) in priority to all Securities of any other class of Securities, other than Class C Shares.

#### 8.2 Priority in liquidation

The Preference Shares have the right on the liquidation of the Company to payment of the Outstanding Amount in accordance with the ranking stated in paragraph 8.1 above.

#### 8.3 No further right to participate in profits

The Preference Shares have no rights to participate in any further or other distribution of profits or assets of the Company.

#### 8.4 Priority payments

Notwithstanding clause 8.1, the Company is entitled to pay dividends or return capital in priority to Preference Shares on:

- (a) Class C Shares in accordance with their terms; and
- (b) other classes of Securities, with the consent of Holders of at least 75% of the Preference Shares on issue.

---

### 9 Meetings and voting rights

Subject to the requirements of the Corporations Act, a Preference Share does not entitle its Holder to vote at a general meeting of the Company except:

- (a) on any resolution for the winding up of the Company; and

- (b) on any resolution to vary the rights attaching to the Preference Shares,  
in which case a Holder has the same rights as to manner of attendance and as to voting  
in respect of each Preference Share as those conferred on:
- (c) the holders of Class B Shares in respect of each Class B Share; and
- (d) the holders of Class A Shares in respect of each Class A Share.

---

## 10 Amendment

- (a) The Company may, without the authority, assent or approval of any Holders, amend or add to these Preference Share Terms where the amendment or addition is, in the reasonable opinion of the Company:
- (i) of a formal, minor or technical nature;
  - (ii) made to correct any manifest error; or
  - (iii) necessary to comply with the provisions of any statute or the requirements of any statutory authority,
  - (iv) and, in any case, is not materially detrimental to the Holders of Preference Shares.
- (b) An amendment not falling within clause 10(a) of these Preference Share Terms may only be made if it has been approved by Holders of at least 75% of the Preference Shares on issue at a meeting held in accordance with the requirements of this Shareholders' Deed and the Corporations Act.

---

## 11 Definitions

In these Preference Share Terms:

**Conversion Date** means each date on which the Company elects to convert all, or some, of a Holder's Preference Shares.

**Conversion Notice** has the meaning in clause 5.3(a) of these Preference Share Terms.

**Coupon Rate** means the interest rate payable under the senior financing facilities of the Group from time to time, plus an amount of 0.5% per annum.

**Issue Date** means the date of issue of the relevant Preference Share.

**Maturity Date** means the date that is 9 years and 11 months after the Issue Date.

**Outstanding Amount** means in relation to a Preference Share, means:

- (a) the Issue Price of that Preference Share; *plus*
- (b) the amount of the accrued but unpaid Preference Share Dividend on that Preference Share; *less*
- (c) any amount paid by the Company in respect of the Preference Share from time to time.

---

## Annexure 4: RollCo Shareholders' Deed

**Preference Share Dividend** means an entitlement to receive a dividend calculated at the Coupon Rate on the Issue Price of that Preference Share, compounded on a monthly basis.

**Redeem** means redeem, or buy-back, reduce capital, cancel, or any combination of such activities, in connection with the Preference Shares, and **Redeemed, Redeemable and Redemption** have the corresponding meanings.

**Redemption Amount** means the amount equal to the Outstanding Amount.

**Redemption Date** has the meaning given in clause 6.3 of these Preference Share Terms.

**Redemption Notice** has the meaning in clause 6.3 of these Preference Share Terms.

---

## Schedule 6 Class C Share Terms

---

### 1 Issue of Class C Shares

#### 1.1 Terms of issue

These terms set out the rights and restrictions of Class C Shares which may be issued by the Company.

#### 1.2 Separate class

The Class C Shares are a separate class of Securities in the Company and are accounted for separately.

#### 1.3 Issue of Class C Shares

Following the Implementation Date, the Company may not issue further Class C Shares at any time.

#### 1.4 Constitution

The terms of the Constitution of the Company apply to the Class C Shares.

---

### 2 Distribution and dividend rights

#### 2.1 Right to participate in dividends, distributions or capital returns

- (a) Other than set out in clause 2.1(b) of this Schedule 6, Class C Shares carry no right to participate in any dividends, distributions, capital returns or any other distribution of profits or assets of the Company.
- (b) Each Class C Share is entitled to receive a dividend equal to the Earn-Out Amount as determined pursuant to clause 2.2 of Schedule 7 (**Earn-Out Dividend**).
- (c) The payment of the Earn-Out Dividend is subject to any restrictions and limitations contained in this Shareholders' Deed, the Corporations Act and any other document to which the Company is a party or which is binding on the Company.

#### 2.2 Franking

- (a) To the maximum extent possible, the Earn-Out Dividend must be fully franked.
- (b) If for any reason the Company is not able to pay the full Earn-Out Dividend on a fully franked basis, the Company must declare and pay the maximum fully franked dividend possible on each Class C Share.
- (c) Following the payment of the fully franked dividend contemplated in clause 2.2(b) of this Schedule 6, each Class C Share shall continue to be entitled to a dividend equal to:
  - (i) the Earn-Out Amount as determined pursuant to clause 2.2 of Schedule 7;  
*less*
  - (ii) any dividend paid pursuant to clause 2.2(b) of this Schedule 6,



## Annexure 4: RollCo Shareholders' Deed

(being the **Residual Amount**). The Company must procure the payment of the Residual Amount as a fully franked dividend as soon as it is able to do so (after doing everything within its control to ensure the payment of such dividend at the earliest time possible).

- (d) The Company may with:
- (i) unanimous approval of the Class B Directors, if one or more Class B Directors are appointed; or
  - (ii) the consent of holders of 50% of Class C Shares, if no Class B Director is appointed,

pay some or all of the Residual Amount on an unfranked basis at any time.

- (e) The Company may at any time pay by way of dividend on each Class C Share all of the then-outstanding Residual Amount on a partly and/or entirely unfranked basis, provided that such dividend is increased by such additional amounts as may be necessary so that the Class C Shareholder receives, in aggregate, the amount they would have received had that dividend been fully franked. For the avoidance of doubt, if a dividend payable under this clause 2.2(e) was paid as at the date of this agreement, assuming a corporate tax rate of 30%, it would be calculated as follows:

Dividend payable = A + B

Where:

A = Residual Amount x 30/70

B = Residual Amount

- (f) Following the payment of the fully franked dividend contemplated in clause 2.2(b) of this Schedule 6 and for so long as there is any Residual Amount outstanding:
- (i) the Residual Amount shall increase at the Residual Coupon, compounded on a monthly basis; and
  - (ii) whenever it is permitted to do so the Company must pay a fully franked dividend on each Class C Share of an amount up to the Residual Amount then outstanding.

### 2.3 No right to participate in a winding up

Class C Shares confer no right to participate in a winding up of the Company.

---

## 3 Redemption

### 3.1 Voluntary redemption

If at any time:

- (a) the Earn-Out Amount for the Earn-Out Period (as defined in Schedule 7) has been finally determined to be nil; or

- (b) the Earn-Out Amount has been finally determined and has been fully distributed or paid on each Class C Share pursuant to clauses 2.1(b) and (if applicable) 2.2 of this Schedule 6,

the Board may elect in its discretion to Redeem all of the Class C Shares by giving the Holders a Redemption Notice in accordance with this clause 3 of this Schedule 6.

### **3.2 Mandatory redemption**

Each Class C Share must be Redeemed on the occurrence of an Exit Event.

### **3.3 Notice of Redemption**

- (a) The Company must give notice of any Redemption in respect of the Class C Shares under clause 3.1 or 3.2 of this Schedule 6 by giving a notice (each, a **Redemption Notice**) before the proposed Redemption Date.
- (b) Each Redemption Notice must state:
  - (i) the date on which the Redemption is proposed to occur (a **Redemption Date**);
  - (ii) whether the Redemption Amount is proposed to be effected by way of redemption or by way of buy-back, reduction of capital, or any combination thereof; and
  - (iii) the method of payment of the Redemption Amount to Holders.

### **3.4 Effect of Redemption**

- (a) On the Redemption Date:
  - (i) each Class C Share that is the subject of Redemption under clause 3 of this Schedule 6 will be Redeemed by the Company for payment to the Holder of the Redemption Amount; and
  - (ii) upon payment of the Redemption Amount, all other rights conferred or restrictions imposed by those Class C Shares under this Schedule 6 will no longer have effect.
- (b) For the purposes of this Schedule 6, if the Redemption involves a buy-back of Class C Shares, the Redemption Notice will constitute a buy-back offer for the Redemption Amount payable on the Redemption Date and each Holder will be deemed to have accepted that buy-back offer for the Class C Shares held by the Holder to which the Redemption Notice relates on the date the Redemption Notice is given and will be deemed to have sold those Class C Shares to the Company on the Redemption Date for a price per Class C Share equal to the Redemption Amount.

---

## **4 Payments**

### **4.1 Manner of payment to Holders**

Any money payable in cash in respect of any Class C Share (including an Earn-Out Dividend), must be paid in Australian Dollars and may be paid by electronic funds transfer

## Annexure 4: RollCo Shareholders' Deed

to the account nominated by the Holder or any method requested by the Holder and approved by the Company.

### 4.2 Deductions

If the Company is required by law to deduct or withhold Taxes from a payment to a Holder in respect of a Class C Share (including an Earn-Out Dividend), the Company must make that deduction or withholding.

---

## 5 Meetings and voting rights

Subject to the requirements of the Corporations Act, a Class C Share does not entitle its Holder to vote at a general meeting of the Company except on any resolution to vary the rights attaching to the Class C Shares, in which case a Holder has the same rights as to manner of attendance and as to voting in respect of each Class C Share as those conferred on the holders of Class B Shares in respect of each Class B Share.

---

## 6 Amendment

- (a) The Company may, without the authority, assent or approval of any Holders, amend or add to of this Schedule 6 where the amendment or addition is, in the reasonable opinion of the Company:
- (i) of a formal, minor or technical nature;
  - (ii) made to correct any manifest error; or
  - (iii) necessary to comply with the provisions of any statute or the requirements of any statutory authority,
- and, in any case, is not materially detrimental to the Class C Shareholders.
- (b) An amendment not falling within clause 6(a) of this Schedule 6 may only be made if it has been approved by Holders of at least 75% of the Class C Shares on issue at a meeting held in accordance with the requirements of this Shareholders' Deed and the Corporations Act.

---

## 7 Definitions

In this Schedule 6:

**Earn-Out Amount** means the amount determined by reference to paragraph 2.2 of Schedule 7.

**Redeem** means redeem, or buy-back, reduce capital, cancel, or any combination of such activities, in connection with the Class C Shares, and **Redeemed**, **Redeemable** and **Redemption** have the corresponding meanings.

**Redemption Amount** means the higher of:

- (a) if the Redemption is pursuant to clause 3.1, nil; or
- (b) if the Redemption is pursuant to clause 3.2, \$0.80 less (if applicable) any amount paid on the Class C Share pursuant to clause 2.1(b) of this Schedule 6.

---

**Redemption Date** has the meaning given in clause 3.3 of this Schedule 6.

**Redemption Notice** has the meaning in clause 3.3 of this Schedule 6.

**Residual Coupon** means:

- (a) from the payment of the fully franked dividend contemplated in clause 2.2(b) until the second anniversary of that dividend, 8.0% per annum; and
- (b) after the second anniversary of the payment of the fully franked dividend contemplated in clause 2.2(b), 10.0% per annum.

# Annexure 4: RollCo Shareholders' Deed

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## Schedule 7 Earn-Out

---

### 1 Definitions

Unless the contrary intention appears, in this Schedule:

**Adjusted EBITDA** means the Unadjusted EBITDA, after adjusting in accordance with the Earn-Out Normalisation Principles.

**Audited Accounts** means the statutory audited financial accounts of the Group for each Early Release Period and the Earn-Out Period (as applicable).

**Due Date** has the meaning given in clause 5.1.

**Early Release Period** means each of the following:

- (a) the financial year ending 30 June 2022; and
- (b) the financial year ending 30 June 2023.

**Earn-Out Accounts** means the Audited Accounts, with the amendments and adjustments contemplated in clause 3.2.

**Earn-Out Amount** means an amount calculated in accordance with clause 2.2.

**Earn-Out Normalisation Principles** means the principles set out in clause 5.

**Earn-Out Period** means the financial year ending 30 June 2024.

**Earn-Out Statement** means a statement setting out the Adjusted EBITDA prepared in accordance with this Schedule.

**Existing Policy** means the 'Adjustments to Underlying Earnings Policy' attached as Attachment B.

**Unadjusted EBITDA** means the consolidated operating profit after tax of the Group for the Early Release Period or Earn-Out Period (as applicable) from ordinary trading activities as shown in the Early Release Accounts or Earn-Out Accounts (as applicable), after adding back (to the extent deducted, and in each case without double counting):

- (a) interest expense and anything in the nature of interest expense;
- (b) any Tax expense or other Taxes paid or payable on income or gains;
- (c) depreciation; and
- (d) amortisation.

**Working Papers** means the working papers and calculations supporting the preparation of the draft Earn-Out Statement.

---

## 2 Earn-Out Amount

### 2.1 Payment of Earn-Out

Subject to Implementation occurring, the Company must pay the Earn-Out Amount to the Class C Shareholders in accordance with clause 4.

### 2.2 Calculation of Earn-Out Amount

- (a) Subject to clause 2.2(c), the Earn-Out Amount in respect of any Early Release Period is:
  - (i) if the Adjusted EBITDA is less than \$240,000,000, nil; and
  - (ii) if the Adjusted EBITDA is equal to or greater than \$240,000,000, an amount of \$0.80 per Class C Share.
- (b) Subject to clause 2.2(c), the Earn-Out Amount in respect of the Earn-out Period is:
  - (i) if the Adjusted EBITDA is less than \$220,000,000, nil;
  - (ii) if the Adjusted EBITDA is at least \$220,000,000 but less than \$240,000,000, an amount calculated on a straight line pro rata basis from nil to \$0.80 per Class C Share; and
  - (iii) if the Adjusted EBITDA is equal to or greater than \$240,000,000, an amount of \$0.80 per Class C Share.
- (c) If the Earn-Out Amount for any Early Release Period is determined to be \$0.80 per Class C Share in accordance with clause 2.2(a)(ii), the Earn-Out Amount for each other Early Release Period and the Earn-Out Amount is nil.

---

## 3 Earn-Out Accounts

### 3.1 Preparation of Earn-Out Accounts

- (a) Within 20 Business Days after the Audited Accounts are finalised, the Company must prepare the Earn-Out Accounts.
- (b) The Company must prepare Audited Accounts for the relevant financial year within 4 months after the end of the relevant financial year.

### 3.2 Basis of preparation of Earn-Out Accounts

The Earn-Out Accounts must be prepared in accordance with (and in the following order of priority in the event of a conflict):

- (c) the Earn-Out Normalisation Principles;
- (d) the Existing Policy;
- (e) unless inconsistent with the Earn-Out Normalisation Principles or the Existing Policy, in accordance with the Accounting Standards.

## Annexure 4: RollCo Shareholders' Deed

### 3.3 Early Release Periods

- (a) In respect of the Earn-Out Accounts for each Early Release Period:
  - (i) if the Board (acting reasonably and in good faith) determines that the Adjusted EBITDA derived from the Earn-Out Accounts will result in an Adjusted EBITDA of less than \$240,000,000; and
  - (ii) no Class B Director requests that the Company finalise the Earn-Out Accounts for that Early Release Period in accordance with clause 3.6,then the Earn-Out Amount for that Early Release Period shall be nil.
- (b) Otherwise, the Earn-Out Amount for that Early Release Period shall be determined in accordance with clauses 3.4 to 3.9.

### 3.4 Earn-Out Accounts and draft Earn-Out Statement

Within 10 Business Days of the finalisation of the Earn-Out Accounts, the Company will:

- (a) appoint one of KPMG, Deloitte, PwC or Ernst & Young as an independent expert (or, where each of those firms are unable to act as the independent expert in relation to the Earn-Out Accounts, another person nominated by the Resolution Institute (previously known as LEADR & IAMA) in accordance with the Institute of Arbitrator's & Mediators Australia (IAMA) Expert Determination Rules) (**Independent Expert**);
- (b) provide the Independent Expert with:
  - (i) the Audited Accounts;
  - (ii) the Earn-Out Accounts;
  - (iii) a draft Earn-Out Statement prepared in accordance with the requirements of this Schedule; and
  - (iv) the Working Papers.

### 3.5 Procedures for determination by Independent Expert

The Independent Expert must be directed by the Company to review and finalise the Earn-Out Statement within 30 Business Days of its appointment by:

- (a) applying the Earn-Out Normalisation Principles;
- (b) making any enquiries or inspections as the Independent Expert considers in its absolute discretion to be necessary or desirable; and
- (c) determining whether the draft Earn-Out Statement is correct in whole or in part.

### 3.6 Independent Expert's report

The Independent Expert must be instructed to provide a written report to the Company containing its determination and a copy of the draft Earn-Out Statement amended, if necessary, to reflect its review (together with reasons for each amendment, if any) and the amended draft Earn-Out Statement will constitute the final Earn-Out Statement.

### **3.7 Independent Expert's decision final and binding**

The determination of the Independent Expert is conclusive and binding on the Company in the absence of manifest error, in which case the relevant part of the Independent Expert's determination will be void and the matter will be remitted to the Independent Expert for correction.

### **3.8 Status of Independent Expert**

The Independent Expert is appointed as an independent expert and not as an arbitrator.

### **3.9 Assistance by Group**

The Company must procure that each Group Company must, upon request, provide the Independent Expert with all assistance reasonably required by the Independent Expert to allow the Independent Expert to make its determination in accordance with this clause 3.

### **3.10 No avoidance and conduct of business**

The Company must not take, and the Investor Shareholders must procure that the Company does not take, any action which has the sole or dominant purpose of reducing the Adjusted EBITDA or Unadjusted EBITDA (and therefore the Earn-Out Amount) where, in the ordinary course of the business of Group, the Unadjusted EBITDA would not have been so reduced, unless:

- (a) the Board determines (in good faith and acting reasonably) that the action is required to comply with applicable law or ensure that the Group does not become insolvent; or
- (b) the Class B Directors consent in writing.

---

## **4 Payment of Earn-Out Amount**

### **4.1 Earn-Out Amount due**

The Earn-Out Amount (if any) will become due and payable on the 20<sup>th</sup> Business Day following the date on which the Earn-Out Amount is determined pursuant to clause 3.3 or clause 3.6 (**Due Date**).

### **4.2 Earn-Out Amount payable**

The Earn-Out Amount (if any) shall be payable to Class C Shareholders in accordance with Schedule 6 on the Due Date.

---

## **5 Earn-Out Normalisation Principles**

### **5.1 General principles**

For the purposes of calculating Adjusted EBITDA and the preparation of the draft Earn-Out Statement, the following principles are to be applied in good faith on a reasonable basis:



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## Annexure 4: RollCo Shareholders' Deed

- (a) Adjusted EBITDA will be calculated by excluding from the Unadjusted EBITDA the financial impacts on the Group of:
- (i) Underlying Earnings Adjustments as defined in the Existing Policy (being adjustments that are related to events and transactions that are considered to be outside the scope of usual operational business activity);
  - (ii) loss of earnings due to redevelopment or closure of a site or plant;
  - (iii) start-up costs, including costs relating to any new development project or new site or location;
  - (iv) material movement in price or volume that is outside the ordinary course of business that results from a material change in strategy;
  - (v) costs directly associated with Board or Investor Shareholders (including director fees);
  - (vi) legal expenses unrelated to core operations;
  - (vii) costs associated with the occurrence of, and response to, natural disasters and/or pandemics; and
  - (viii) changes in the Accounting Standards (compared to the Accounting Standards as at the Implementation Date).
- (b) Unless this Schedule expressly states otherwise when calculating Adjusted EBITDA, if an item of revenue is taken into account, any related expense must also be taken into account, and vice versa.

---

## Schedule 8 Option Notice

### Notice of exercise of Option

TO: **Recycle and Resource Holdings Limited ACN 649 347 302**  
Level 8, 50 Martin Place, Sydney NSW 2000, Australia  
(the **Company**)

[*insert Option Grantee details*] (**Option Grantee**) hereby exercises the Option granted in the document entitled "*Shareholders' Deed – Recycle and Resource Holdings Limited ACN 649 347 302*" between the Option Grantors and the Option Grantee dated [\*] 2021 (**Shareholders Deed**), on the terms and conditions of the Option, in respect of [[100]% / [\*]%] of the Option Shares held by the Option Grantors.

[The Option Grantee hereby nominates the following entity as its nominee for the purposes of clause 11.6 of the Shareholders Deed:

[*insert nominee details*]

(the **Nominee**)]

[Completion of the Option exercised under this Option Notice is conditional on the following Clearances:

• [*insert Clearances*]

[The Option Grantee hereby gives notice that it requires each Option Grantor to execute such documentation as is necessary to give effect to a novation of all of the Option Grantee's rights and obligations under the agreement in clause 11.6(e) of the Shareholders Deed from the Option Grantee to the Nominee.]

Capitalised terms not otherwise defined in this notice have the same meaning as in the Shareholders Deed.

Dated:

[*insert execution block*]

## Annexure 4: RollCo Shareholders' Deed

### Execution page

Executed as a deed

Signed, sealed and delivered by **MAIF 3 R2 Pty Limited ACN 649 269 778 as trustee for MAIF3 R2 Trust** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:



Signature of director

**Kieran Zubrinich**

Name of director (print)



Signature of director/secretary

**ILIAS BENJELLOUN**

Name of director/secretary (print)

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Signed, sealed and delivered by **Macquarie  
Australian Infrastructure Management 2 Ltd  
ACN 131 476 910 as trustee for MAIT2  
Recycling Trust** by its duly appointed attorneys  
under power of attorney dated 1 July 2019 who  
stated they have received no revocation of the  
power of attorney:



Signature of attorney

**Kieran Zubrinich**

Name of attorney (print)



Signature of attorney

**ILIAS BENJELLOUN**

Name of attorney (print)

## Annexure 4: RollCo Shareholders' Deed

Signed, sealed and delivered by **Recycle and Resource Holdings Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:



Signature of director

**Kieran Zubrinich**

Name of director (print)



Signature of director/secretary

**ILIAS BENJELLOUN**

Name of director/secretary (print)

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## Attachment A Accession Deed Poll

Date:

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### Parties

- 1 **[Insert name of acceding party] of [insert address] (Acceding Party)**
- 2 **[Insert name of acceding party] of [insert address] (Relevant Individual)]**
- 3 **[Insert name of discontinuing party] of [insert address] (Discontinuing Party)]**

**The parties agree** in favour of and for the benefit of each and all of the following:

- (A) the parties to the shareholders' deed (**Shareholders' Deed**) dated on or around [insert] 2021 made among Recycle and Resource Holdings Limited (ACN 649 347 302) (**Company**) and the Investor Shareholders (as defined in the Shareholders' Deed); and
  - (B) all persons who are or subsequently become shareholders of the Company, (collectively, the **Continuing Parties**).
- 

## 1 Defined terms and interpretation

### 1.1 Defined terms

Words and expressions used in this deed poll have the same meaning as those used in the Shareholders' Deed (as amended, varied, novated or supplemented from time to time), unless the context otherwise requires.

### 1.2 Interpretation

Clauses 1 and 2 of Schedule 2 of the Shareholders' Deed apply in the interpretation of this deed poll.

---

## 2 Accession

- (a) Subject to the terms of this deed poll, the Acceding Party accedes to the Shareholders' Deed as if it were an original party to the Shareholders' Deed as a [a/n] [Investor Shareholder / Non-Investor Shareholder / Management Shareholder / Nominee] on and from the date that the Acceding Party is registered as a holder of Securities (**Accession Date**).
- (b) The Acceding Party acknowledges that they have received a copy of the Shareholders' Deed together with all other information they require in connection with this deed and the Shareholders' Deed.
- (c) [Subject to the terms of this deed poll, the Relevant Individual accedes to the Shareholders' Deed as if it were an original party to the Shareholders' Deed as a Relevant Individual of the Acceding Party on and from the Accession Date.]
- (d) [Subject to clauses 3 and 4, the Discontinuing Party ceases to be a party to the Shareholders' Deed on and from the Accession Date.]

## Annexure 4: RollCo Shareholders' Deed

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### 3 Parties to be bound

- (a) [Each of t/T]he Acceding Party [and the Relevant Individual] undertake[s] to be bound by all the terms of the Shareholders' Deed from the Accession Date as if the definition of "[Investor Shareholder / Non-Investor Shareholder / Management Shareholder]" included the Acceding Party and the definition of "Relevant Individual" included the Relevant Individual.
- (b) [Without limiting clause 3(a), the Acceding Party is bound by all the terms of the Shareholders' Deed from the Accession Date as if each reference to the Discontinuing Party in the Shareholders' Deed were a reference to the Acceding Party and not to the Discontinuing Party.]

---

### 4 [Acceding party not subject to pre-accession liabilities]

[The Discontinuing Party indemnifies the Acceding Party for any liabilities of the Discontinuing Party arising from or in connection with the Shareholders' Deed which accrued prior to the Accession Date or which relate to any act or omission prior to the Accession Date.]

---

### 5 [No further rights and release from obligations]

[With effect from the Accession Date, the Discontinuing Party:

- (a) agrees and acknowledges that it has no further rights against any of the Continuing Parties under the Shareholders' Deed other than rights that arise before the Accession Date; and
- (b) releases each Continuing Party from all obligations and liabilities under the Shareholders' Deed other than obligations and liabilities that arise before the Accession Date.]

---

### 6 Representations and warranties

- (a) The Acceding Party [and the Discontinuing Party each] represent[s] and warrant[s] the following to each other party and to each Continuing Party:
  - (i) **registration:** if a body corporate, it is duly registered and validly existing under the laws of the country of its registration;
  - (ii) **power and authority:** it has the power and authority to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by the Shareholders' Deed;
  - (iii) **action:** it has taken all necessary action to authorise the entry into and performance of, this deed poll and to carry out the transactions contemplated by the Shareholders' Deed;
  - (iv) **binding obligation:** this deed poll constitutes legal, valid and binding obligations on it; and

- (v) **no contravention:** neither the execution and performance by it of this deed poll nor any transaction contemplated under the Shareholders' Deed will violate in any respect any provision of:
  - (A) its constituent documents; or
  - (B) any other applicable law, document, agreement or other arrangement binding upon it or its assets.
- (b) The Relevant Individual represents and warrants the following to each other party and to each Continuing Party:
  - (i) **power and authority:** it has the power and authority to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by the Shareholders' Deed;
  - (ii) **action:** it has taken all necessary action to authorise the entry into and performance of, this deed poll and to carry out the transactions contemplated by the Shareholders' Deed;
  - (iii) **binding obligation:** this deed poll constitutes legal, valid and binding obligations on it; and
  - (iv) **no contravention:** neither the execution and performance by it of this deed poll nor any transaction contemplated under the Shareholders' Deed will violate in any respect any provision of any applicable law, document, agreement or other arrangement binding upon it or its assets.

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## 7 General

### 7.1 Address of Acceding Party for notices

For the purposes of the Shareholders' Deed the address of the Acceding Party to which all notices must be delivered in accordance with clause 26 of the Shareholders' Deed is:

***Acceding Party***

***[insert Acceding party's name]***

Address: ***[insert address]***

Email: ***[insert email address]***

Attention: ***[insert name]***

***[Relevant Individual]***

For the purposes of the Shareholders' Deed the address of the Relevant Individual to which all notices must be delivered in accordance with clause 26 of the Shareholders' Deed is:

***[insert Relevant Individual's name]***

Address: ***[insert address]***

Email: ***[insert email address]***



## Annexure 4: RollCo Shareholders' Deed

### 7.2 Governing law

This deed poll is governed by the law in force in New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

### 7.3 Further steps

Each party agrees, at its own expense, to do anything reasonably requested by another party or any Continuing Party to give effect to the provisions of this deed poll and the transactions contemplated by it.

### 7.4 Waiver of rights

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right or as an estoppel precluding enforcement of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

### 7.5 Counterparts

This deed poll may consist of a number of copies, each signed by one or more parties to the deed poll. If so, the signed copies are treated as making up the one document and the date on which the last counterpart is executed is the date of the deed poll.

### 7.6 Liability for expenses

Each party must pay its own expenses incurred in negotiating, executing, stamping and registering this deed poll.

### 7.7 Amendment

This deed poll can only be amended or replaced by another document executed by the parties and each Continuing Party.

### 7.8 Service of process

***[This section to be inserted if the Acceding Party is not incorporated in Australia.]***

***[insert Acceding party's name]*** irrevocably appoints ***[insert local agent]*** as its agent for the service of process in Australia in relation to any matter arising out of this deed poll and the Shareholders' Deed. If ***[insert name of local agent]*** ceases to be able to act as such or have an address in Australia, ***[insert Acceding party's name]*** agrees to appoint a new process agent in Australia and deliver to the other parties within 20 Business Days a copy of a written acceptance of appointment by the process agent, upon receipt of which the new appointment becomes effective for the purpose of this deed poll and the Shareholders' Deed. ***[insert Acceding party's name]*** must inform the other parties in

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writing of any change in the address of its process agent within 20 Business Days of the change.

**7.9 [Relevant Individual]**

For the purposes of the Shareholders' Deed, the Acceding Party's Relevant Individual is *[insert name]*. If the Acceding Party ceases to be an Affiliate of the Relevant Individual, the Acceding Party must immediately transfer all of the Securities held by it to an Affiliate of the Relevant Individual.]

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## Annexure 4: RollCo Shareholders' Deed

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### Attachment B Existing Policy

*[separately attached].*

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# Adjustments to Underlying Earnings Policy

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## PURPOSE

The BINGO Industries Adjustments to Underlying Policy (**Policy**) documents the process and criteria for assessment of, and approval for, transactions and events to be disclosed in the financial reports each reporting period as Adjustments to Underlying Earnings. The disclosures highlight for the users of our financial statements the operational or maintainable earnings of the business. This Policy is consistent with the agreed methodology applied in the period since the BINGO Industries IPO and has been formalised within this document as of 15 July 2020.

## BACKGROUND

Underlying EBITDA is presented in the Directors Reports' Operating and Financial Review (OFR) as the primary alternative performance measure used by each Segment and the Group and is defined as:

*'Underlying Earnings Adjustments are related to events and transactions that Management and the Board consider to be outside the scope of usual operational business activity. These are excluded to give a clearer reflection of operational or maintainable earnings from one period to the next.'*

Since IPO, the Group has applied a materiality threshold of circa \$250,000. The materiality threshold has been increased for future periods and will apply at both an individual item and aggregate level.

## REGULATORY GUIDELINES

Disclosure of adjustments to underlying earnings is not covered by accounting standards as it is a non-IFRS disclosure.

ASIC addresses the use of non-IFRS financial information in Regulatory Guide 230: Disclosing non-IFRS information, which was issued in December 2011. The guide states that non-IFRS information can be necessary or useful to investors and other users of financial information as it allows them to better understand aspects of the performance of the entity.

The key principles of the guide include:

- IFRS financial information should be presented with equal or greater prominence compared to non-IFRS information;
- IFRS and non-IFRS information should be reconciled, clearly disclosed and explained;
- consistency and transparency in the calculation period to period; and
- be unbiased and not used to remove "bad news".

## Annexure 4: RollCo Shareholders' Deed

The process and criteria below summarises how underlying adjustments will be assessed and classified in the Policy:

Table 1: Classification Criteria

| Step | Criteria Test   | Response Yes   | Response No  |
|------|---|--|--|
| 1    | <p><b>Materiality test</b></p> <p>Is the item individually greater than the materiality threshold of the lesser of:</p> <ul style="list-style-type: none"> <li>\$750,000; or,</li> <li>1% of statutory EBIT.</li> </ul> <p>Or is it greater than \$1.0m in aggregate for like items?</p> <p>Individual events include positive and negative financial impact.</p> <p>Individual Tax items must be \$525,000 or more.</p> <p>Refer <b>Appendix 1</b> for the rationale to support materiality based on the benchmark of Australian listed entities.</p> <p>Previous adjustments (including reversals) are reported within underlying earnings adjustments.</p> | Go to step 2   | Item is not significant and not separately disclosed |
| 2    | <p><b>Incident test</b></p> <p>Is the item one-off or infrequent in nature?</p> <p>If the event is one-off, infrequent or not considered part of Business as Usual ("BAU") operations, the absence of disclosure may lead to shareholders forming an incorrect view of the underlying performance of the business.</p>  | Item disclosed as an <b>underlying adjustment</b>                        | Go to Step 3   |
| 3    | <p><b>Nature test</b></p> <p>Is the item related to the current year trading result?</p> <p>Transactions that are not relevant to the current year trading or events that are outside the scope of usual day to day business can distort the business result and impact user's ability to understand the underlying business performance.</p>   | Item is not an <b>underlying adjustment</b> and not separately disclosed | Item disclosed as an <b>underlying adjustment</b>    |

In applying the above criteria, the type of items expected to be disclosed as adjustments to underlying earnings:

| Category   | Explanations  |
|--|---|
| Costs associated with acquisitions                 | <p>The nature is non-recurring and outside the ordinary course of trading operations.</p> <p>Financial impact is assessed collectively for the overall impact and acquisition costs that do not meet the materiality threshold will be reported within statutory EBIT.</p> <p>This includes the cost of integrating the acquired business into the Group.</p>   |
| Asset impairments                                  | Irregular, often large and typically non-cash.  |
| Restructuring                                      | <p>Will only be disclosed outside of 'Underlying' where costs exceed \$750,000 and are part of a restructuring program (i.e. not a consolidation of various unrelated restructuring costs).</p> <p>Restructuring costs that will be incurred across more than one reporting period may qualify as outside of 'Underlying' if the total costs exceed \$750,000 and the restructuring costs are part of a planned, documented and approved restructuring program.</p> <p>A material restructure may distort the underlying trading result and are not reflective of underlying performance as these generally occur infrequently.</p> |
| Legal claims and settlements                       | Generally relate to legacy issues and therefore are not relevant to the current trading performance.  |
| Divestment of sites – Gain or loss on sale/closure | <p>Individual site divestment is considered part of ordinary course of day to day operations for the Group.</p> <p>Site closures involving the sale of a part of the business, or resulting directly from a business acquisition, that are considered infrequent and result from a strategic and/or structural change, are not considered in the ordinary course of day to day operations.</p>  |
| Natural disasters                                  | <p>The nature is non-recurring and outside the ordinary course of the trading result.</p> <p>Financial Impact assessed collectively for the overall impact for write-downs and associated provisions.</p>   |

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## Annexure 4: RollCo Shareholders' Deed

### **REVIEW**

Each reporting period, management will prepare a detailed paper on proposed Adjustments to Underlying Earnings for review by the Audit and Risk Committee. The assessment will summarise the application of this Policy criteria for each proposed item.

### **APPROVAL**

Adjustments to Underlying Earnings will be approved by the Board following an endorsement from the Audit and Risk Committee.

### **POLICY REVIEW**

This Policy will be reviewed every two years by the Audit and Risk Committee and is subject to approval by the Board.

### **APPENDICES**

Appendix 1 follows.

## APPENDIX 1

Benchmarking of Australian Listed Companies is and was performed based on the results from the last annual report. The analysis indicates:

- The majority of companies reviewed report some measure of underlying adjustments
- The nature of the items reported is broadly consistent with the items proposed in Bingo Industries Adjustments to Underlying Policy;
- The value of adjustments items reported varied widely across companies with some companies reporting a few larger items, while other companies reported more items. Excluding the outlier, the review indicated an average minimum of 0.7% of EBIT. Based on an expected post-DADI EBIT for FY20 of over \$100m, a materiality threshold of non-tax events at \$750,000 or 1% of EBIT is in line with these benchmark companies.

| Company    | Items separately reported | Last annual report date | Underlying EBIT or similar profit measure | \$m  | Minimum amount reported | % of EBIT | # items reported | Nature of item consistent with Bingo Policy |
|------------|---------------------------|-------------------------|---|------|-------------------------|-----------|------------------|---|
|            |                           |                         |   |      | \$m                     | \$m       |                  |   |
| AGL Energy | Yes                       | 30/06/2019              | 1,040                                     | 10   | 5                       | 0.5%      | 3                | Yes   |
| Bluescope  | Yes                       | 30/06/2019              | 966                                       | 8    | 5                       | 0.5%      | 6                | Yes   |
| Boral      | Yes                       | 30/06/2019              | 397                                       | 193  | 1                       | 0.3%      | 5                | Yes   |
| Brambles   | Yes                       | 30/06/2019              | 804                                       | 63   | 8                       | 1.0%      | 4                | Yes   |
| Cleanaway  | Yes                       | 30/06/2019              | 193                                       | 23   | 2                       | 1.0%      | 4                | Yes   |
| Downer EDI | Yes                       | 30/06/2019              | 490                                       | 75   | 17                      | 3.5%      | 3                | Yes   |
| Lend Lease | No                        | 30/06/2019              |   |      |                         |           |                  | Note 1                                      |
| Qantas     | Yes                       | 30/06/2019              | 1,302                                     | 37   | 10                      | 0.8%      | 5                | Yes   |
| Viva       | Yes                       | 31/12/2019              | 448                                       | 12   | 4                       | 0.9%      | 2                | Note 2                                      |
| Woolworths | Yes                       | 30/06/2019              | 1,752                                     | 259  | 16                      | 0.9%      | 2                | Yes   |
| Average    |                           |                         |   |      | 8                       | 1.04%     |                  |   |
| Bingo      | Yes                       | 30/06/2019              | 70.3                                      | 34.7 | 0.3                     | 0.4%      | 5                |   |

Note 1. Reports core and non-core businesses in segment reporting

Note 2. Asset Retirement obligation re-estimate provision \$4m and one-off tax consolidation impact



## Annexure 4: RollCo Shareholders' Deed

### BINGO HISTORY OF UNDERLYING ADJUSTMENTS

Below is the history of underlying adjustments to NPATA disclosed dating back to 2017.

| Underlying Adjustments<br>(\$m)    | 2017 | 2018 | 2019 | HY20  |
|------------------------------------|------|------|------|-------|
| Gain on sale of Banksmeadow        |      |      |      | -22.4 |
| Write down on insurance receivable |      |      |      | 1.6   |
| Acquisition Costs                  | 0.1  | 2.3  | 7.5  |       |
| Acquisition Costs - Stamp Duty     |      |      | 14.8 |       |
| Integration Costs                  |      | 6.5  | 11.4 | 6.6   |
| Public Company Costs               | -2.1 |      |      |       |
| Capital Raising Costs              | 13.6 | 0.8  | 0.7  |       |
| Prepayment amortisation            | 0.4  | 0.3  | 0.3  | 0.1   |
| Intangibles amortisation           | 1.7  | 3.7  | 8.1  | 4.1   |
| Rent reversal on IPO Properties    | 5.6  |      |      |       |
| Depreciation on IPO Properties     | -0.4 |      |      |       |
| Interest on Debt                   | -0.3 |      |      |       |
| Tax adjustment                     | -5.1 | -3.4 | -6.2 | 3.0   |
|                                    | 13.5 | 10.2 | 36.6 | -7.0  |

Note: Underlying adjustments include adjustments to amortisation and its tax effect.

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# **Annexure 5:**

## **Notice of Scheme Meeting**

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## Annexure 5: Notice of Scheme Meeting

BINGO Industries Limited ACN 617 748 231 (**BINGO**)

Notice is hereby given that, by an order of the Supreme Court of New South Wales made on Wednesday, 9 June 2021, pursuant to subsection 411(1) of the Corporations Act, a meeting of BINGO Shareholders will be held at 10.00am (Sydney time) on Tuesday, 13 July 2021 (**Scheme Meeting**).

Having regard to the uncertainty and potential health risks associated with large gatherings during the COVID-19 pandemic, BINGO Shareholders will not be able to attend the Scheme Meeting in person. BINGO Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the Scheme Meeting online at [www.bingoscheme.com.au](http://www.bingoscheme.com.au). BINGO Shareholders who participate in the Scheme Meeting via the online platform will be able to listen to the Scheme Meeting, cast an online vote and ask questions online.

Further details on how to participate in the Scheme Meeting via the online platform are set out in the explanatory notes that accompany and form part of this Notice of Scheme Meeting and in the Scheme Meeting Online Guide.

### Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which BINGO and MIRA BidCo agree) proposed to be made between BINGO and BINGO Shareholders (the **Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part. Additional information about the Scheme Meeting is set out in the explanatory notes that accompany and form part of this notice. Capitalised terms used but not defined in this notice have the defined meanings set out in section 10.1 of the Scheme Booklet, unless the context otherwise requires.

### Scheme Resolution

The Scheme Meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution (**Scheme Resolution**):

‘That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between BINGO Industries Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of New South Wales to which BINGO Industries Limited and Recycle and Resource Operations Pty Limited agree.’

### Scheme Meeting format

BINGO Shareholders and their authorised proxies, attorneys and corporate representatives may participate in the Scheme Meeting via the online platform at [www.bingoscheme.com.au](http://www.bingoscheme.com.au).

Further details on how to participate in the Scheme Meeting are set out in the explanatory notes that accompany and form part of this Notice of Scheme Meeting and in the Scheme Meeting Online Guide which has been released to the ASX and will be available at [www.bingoscheme.com.au](http://www.bingoscheme.com.au).

BINGO Shareholders who are unable to, or do not wish to, participate in the Scheme Meeting, or will not have access to a device or the internet, are encouraged to submit a directed proxy vote as early as possible and in any event by 10.00am (Sydney time) on Sunday, 11 July 2021 by completing and submitting the proxy form in accordance with the instructions on that form.

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## Webcasting

In addition to the above, an archived recording of the webcast will also be available to BINGO Shareholders after the Scheme Meeting at [www.bingoindustries.com.au/investor-relations](http://www.bingoindustries.com.au/investor-relations).

Dated 9 June 2021

By order of the Court and the BINGO IBC.



*sign here*

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Company Secretary

*print name*

Stephen Schmidhofer

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# Annexure 5: Notice of Scheme Meeting

## Explanatory notes

### 1 General

These explanatory notes relate to the Scheme and should be read in conjunction with the Scheme Booklet dated 9 June 2021 and the Notice of Scheme Meeting. These explanatory notes and the Scheme Booklet form part of the Notice of Scheme Meeting. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Annexure 2 of the Scheme Booklet.

Capitalised terms used but not defined in the Notice of Scheme Meeting have the defined meanings set out in section 10.1 of the Scheme Booklet, unless the context otherwise requires.

### 2 Chairperson

The Court has directed that Elizabeth Crouch AM is to act as chairperson of the Scheme Meeting and that if Elizabeth Crouch AM is unable or willing to act, Barry Buffier AM is to act as chairperson of the Scheme Meeting.

### 3 Required Voting Majority

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of BINGO Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate BINGO Shareholders, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution at the Scheme Meeting by BINGO Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate BINGO Shareholders, body corporate representative).

### 4 Court approval

Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to the approval of the Court. If the Scheme Resolution is passed by the Requisite Majorities and the other conditions to the Scheme (other than approval by the Court) are satisfied or waived (if capable of waiver) by the time required under the Scheme, BINGO intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

### 5 Entitlement to vote

The BINGO IBC has determined that the time for determining eligibility to vote at the Scheme Meeting is 7.00pm (Sydney time) on Sunday, 11 July 2021. Only those BINGO Shareholders entered on the BINGO Share Register at that time will be entitled to participate in and vote at the meeting, either online, by proxy or attorney, or in the case of a corporate BINGO Shareholder, by a body corporate representative. Share transfers registered after that time will be disregarded in determining voting entitlements at the Scheme Meeting. The remaining comments in these explanatory notes are addressed to BINGO Shareholders entitled to participate in and vote at the meeting.

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## 6 Participation in the Scheme Meeting

BINGO Shareholders and their authorised proxies, attorneys and corporate representatives can participate in and vote at the Scheme Meeting via the online platform at [www.bingoscheme.com.au](http://www.bingoscheme.com.au).

The online platform may be accessed via a computer or mobile or tablet device with internet access. The online platform will allow BINGO Shareholders and their authorised proxies, attorneys and corporate representatives to listen to the Scheme Meeting, cast an online vote and ask questions online.

To participate and vote online, BINGO Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of their holding statement or proxy form), and their postcode (or country code if outside Australia). The BINGO Share Registry will email proxyholders their login details 24 hours prior to the Scheme Meeting. Attorneys and corporate representatives can log in to the online platform using the SRN/HIN of the relevant BINGO Shareholder.

It is recommended that BINGO Shareholders login to the online platform at least 15 minutes prior to the scheduled start time for the Scheme Meeting. The Scheme Meeting Online Guide provides details about how to ensure your browser is compatible with the online platform as well as a step-by-step guide to successfully log in and navigate the site. The Scheme Meeting Online Guide has been released to the ASX and will be available at [www.bingoscheme.com.au](http://www.bingoscheme.com.au).

Please monitor BINGO's website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Scheme Meeting.

## 7 How to vote

Voting at the Scheme Meeting will be conducted by poll.

If you are a BINGO Shareholder entitled to vote at the meeting, you may vote:

- **online**, by participating and voting via the online platform at [www.bingoscheme.com.au](http://www.bingoscheme.com.au);
- **by proxy**, by completing and submitting the proxy form in accordance with the instructions on that form. To be effective, your proxy appointment must be received by the BINGO Share Registry by 10.00am (Sydney time) on Sunday, 11 July 2021;
- **by attorney**, by appointing an attorney to participate in and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the BINGO Share Registry by 10.00am (Sydney time) on Sunday, 11 July 2021; or
- **by corporate representative**, in the case of a body corporate, appointing a body corporate representative to participate in and vote at the Scheme Meeting on your behalf, and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to the Scheme Meeting in accordance with section 9.4 below.

## 8 Jointly held securities

If you hold BINGO Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote at the meeting, only the vote of the holder whose name appears first on the BINGO Share Register will be counted.

See also the comments in section 9.2 below regarding the appointment of a proxy by persons who jointly hold BINGO Shares.

## 9 Voting

### 9.1 Voting online

To vote online, you must participate in the Scheme Meeting via the online platform at [www.bingoscheme.com.au](http://www.bingoscheme.com.au).

Online voting will be open between the start of the Scheme Meeting and the closing of voting as announced by the chairperson during the Scheme Meeting.

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## Annexure 5: Notice of Scheme Meeting

### 9.2 Voting by proxy

A BINGO Shareholder entitled to participate in and vote at the Scheme Meeting may appoint a person to participate in and vote at the Scheme Meeting as their proxy. To do so, either they should mark the box 'Appoint a Proxy' in step 1 of the proxy form to appoint the chairperson of the Scheme Meeting as their proxy, or insert the name and email address of their alternative proxy in the space provided. Please refer to section 9.5 of this Notice of Scheme Meeting below for further details in relation to how to submit a proxy form.

The following applies to proxy appointments:

- a proxy need not be another BINGO Shareholder, and may be an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative in accordance with sections 250D and 253B of the Corporations Act to exercise its powers as proxy at the Scheme Meeting;
- a BINGO Shareholder who is entitled to cast two or more votes at the Scheme Meeting may appoint one or two proxies. If you wish to appoint a second proxy, a second hard copy proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. Both proxy forms should be returned together in the same envelope. If you wish to appoint two proxies using hard copy proxy forms, you will need to obtain a second proxy form. Please contact the BINGO Share Registry on +61 1300 554 474 to obtain an additional proxy form. You cannot appoint a second proxy using the online platform. Where two proxies are appointed, each proxy should be appointed to represent a specified proportion of the BINGO Shareholder's voting rights. If a BINGO Shareholder appoints two proxies and the appointment does not specify the proportion or number of the BINGO Shareholder's votes, each proxy may exercise half of that BINGO Shareholder's votes with any fractions of votes disregarded;
- if you hold BINGO Shares jointly with one or more other persons, in order for your proxy appointment to be valid, either BINGO Shareholder may sign the proxy form; and
- each proxy will have the right to vote on the poll and also to ask questions at the meeting.

A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority.

If you have appointed a proxy and participate in and vote at the Scheme Meeting, the authority of your proxy to participate and vote, on your behalf, is automatically suspended. However, if you view a live webcast of the Scheme Meeting as a 'visitor', you will not revoke your proxy appointment.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the BINGO Share Registry before the start of the meeting (or, if the meeting is adjourned or postponed, before the resumption of the meeting in relation to the resumed part of the meeting) in any of the ways in section 9.5 below.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on the Scheme Resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the chairperson of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not participate in the meeting, the chairperson of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The chairperson of the meeting intends to vote all available undirected proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.

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### 9.3 Voting by attorney

You may appoint an attorney to participate in and vote at the meeting on your behalf. Your attorney need not be another BINGO Shareholder. Each attorney will have the right to vote on the poll and also to speak at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the meeting must be duly executed by you and specify your name, the company (that is, BINGO), and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be received by the BINGO Registry before 10.00am (Sydney time) on Sunday, 11 July 2021 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of ways specified for proxy forms in section 9.5 below, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device.

A validly appointed attorney wishing to participate in and vote at the Scheme Meeting via the online platform will require the appointing BINGO Shareholder's name and postcode and the SRN/HIN of the shareholding in order to access the online platform.

### 9.4 Voting by corporate representative

A body corporate that is a BINGO Shareholder, or that has been appointed as a proxy, must appoint an individual to act as its representative at the Scheme Meeting. The appointment must comply with the requirements of section 250D and 253B of the Corporations Act. A form of certificate may be downloaded via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or obtained from the BINGO Share Registry by calling +61 1300 554 474 between 9.00am to 5.00pm (Sydney time). The certificate of appointment may set out restrictions on the representative's powers.

The certificate must be received the BINGO Share Registry prior to the Scheme Meeting. BINGO Shareholders may submit the certificate:

- via email, by sending it to [vote@linkmarketservices.com.au](mailto:vote@linkmarketservices.com.au); or
- in any of the ways specified for proxy forms in section 9.5 of this Notice of Scheme Meeting, except that a certificate of appointment of corporate representative cannot be lodged online or by mobile device.

If a certificate is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been received by the BINGO Share Registry.

A validly appointed corporate representative wishing to participate in and vote at the Scheme Meeting via the online platform will require the appointing BINGO Shareholder's name and postcode and the SRN/HIN of the holding in order to access the online platform.

### 9.5 How to submit a proxy form

To appoint a proxy, you should complete and submit the proxy form in accordance with the instructions on that form.

To be effective, proxy appointments must be received by way of completed proxy forms by the BINGO Share Registry by 10.00am (Sydney time) on Sunday, 11 July 2021 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- **online:** at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and follow the prompts.

- **by mobile device:**

If you have a smart phone, you can now lodge your vote via the Link website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by scanning the QR code on the proxy form. To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

Log-in using the SRN/HIN and postcode for your shareholding.

- **by post in the provided reply paid envelope to the BINGO Registry at the following address:**

Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



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## Annexure 5: Notice of Scheme Meeting

- **by hand delivery (during normal business hours) to the BINGO Share Registry at the following address:**

Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

or

Level 12, 680 George Street  
Sydney NSW 2000

- **by fax to the BINGO Share Registry on:**

+61 2 9287 0309

Proxy forms received after this time will be invalid.

If a proxy form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been received by the BINGO Share Registry.

For more information concerning the appointment of proxies and ways to lodge the proxy form, please refer to the proxy form.

### 10 Questions

BINGO Shareholders will have a reasonable opportunity to ask questions during the Scheme Meeting via the online platform.

BINGO Shareholders who prefer to register questions in advance of the Scheme Meeting are also invited to do so by submitting questions online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

The chairperson of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised. Please note that individual responses will not be sent to BINGO Shareholders.

Questions must be submitted to the BINGO Share Registry by **5.00pm (Sydney time) on Tuesday, 6 July 2021**.

### 11 Technical difficulties

Technical difficulties may arise during the course of the Scheme Meeting. The chairperson has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chairperson will have regard to the number of BINGO Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where the chairperson considers it appropriate, the chairperson may continue to hold the Scheme Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

### 12 Advertisement

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone from ASX's website ([www2.asx.com.au](http://www2.asx.com.au)) or from BINGO's transaction website ([www.bingoscheme.com.au](http://www.bingoscheme.com.au)) or by contacting the BINGO Share Registry.

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# Corporate directory

## **BINGO Industries Limited**

305 Parramatta Road  
Auburn NSW 2144

## **Financial adviser**

UBS AG, Australia Branch  
Level 16, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000

## **Legal adviser**

Herbert Smith Freehills  
Level 33, ANZ Tower  
161 Castlereagh Street  
Sydney NSW 2000

## **Tax adviser**

Deloitte Touche Tohmatsu Australia  
Level 9, 225 George Street  
Sydney NSW 2000

## **Independent Expert**

Lonergan Edwards & Associates Limited  
Level 7, 64 Castlereagh Street  
Sydney NSW 2000

## **BINGO Share Registry**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

**BINGO**  
INDUSTRIES

This proxy form should be read in conjunction with the scheme booklet dated 9 June 2021 issued by BINGO Industries Limited (**Scheme Booklet**). Words and expressions used in this proxy form have the same meaning given to them in the Scheme Booklet, unless the context requires otherwise.

**LODGE YOUR VOTE**

**ONLINE**  
www.linkmarketservices.com.au

**BY MAIL**  
Bingo Industries Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**  
Telephone: +61 1300 361 735



**X999999999999**

**PROXY FORM**

I/We being a member(s) of BINGO Industries Limited (the **Company**) and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the chairperson of the Scheme Meeting (mark box)**

**OR** if you are **NOT** appointing the chairperson of the Scheme Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy.

Name

or failing the person or body corporate named, or if no person or body corporate is named, the chairperson of the Scheme Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **10:00am on Tuesday, 13 July 2021** and at any postponement or adjournment of the Scheme Meeting.

BINGO Shareholders and their authorised proxies, attorneys and corporate representatives can participate and vote online at **www.bingoscheme.com.au** (refer to details in the Notice of Scheme Meeting).

**The chairperson of the Scheme Meeting intends to vote all available undirected proxies in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.**

**VOTING DIRECTIONS**

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Scheme Meeting.

Please read the voting instructions overleaf before marking any boxes with an

**Scheme Resolution**

**1** 'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between BINGO Industries Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of New South Wales to which BINGO Industries Limited and Recycle and Resource Operations Pty Limited agree.'

**For Against Abstain\***



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

Contact Name

Contact Day Telephone

Date

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the chairperson of the Scheme Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the chairperson of the Scheme Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. If you leave this section blank, the chairperson of the Scheme Meeting will be your proxy. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRPERSON OF THE SCHEME MEETING

Any directed proxies that are not voted on a poll at the Scheme Meeting will default to the chairperson of the Scheme Meeting, who is required to vote those proxies as directed. The chairperson of the Scheme Meeting intends to vote all available undirected proxies in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable and in the best interests of BINGO Shareholders.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the Scheme Resolution. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Scheme Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Scheme Resolution, your proxy may vote as he or she chooses. If you mark more than one box on an item you vote on the Scheme Resolution will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Scheme Meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first proxy form and the second proxy form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint holding:** where the holding is in more than one name, either shareholder may sign.

**Power of attorney:** to sign under power of attorney, you must lodge the power of attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the power of attorney to this form when you return it.

**Companies:** where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a company secretary, a sole director can also sign alone.

Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in and vote at the Scheme Meeting via the online platform, the appropriate "Certificate of Appointment of Corporate Representative" must be received at [vote@linkmarketservices.com.au](mailto:vote@linkmarketservices.com.au) prior to admission in accordance with the Notice of Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This proxy form (and any power of attorney under which it is signed) must be received at an address given below by **10.00am on Sunday, 11 July 2021**, being no later than 48 hours before the commencement of the Scheme Meeting. Any proxy form received after that time will not be valid for the scheduled Scheme Meeting.

Proxy forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

BINGO Industries Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**Need help?****Contact** BINGO Shareholder  
Information Line**Phone** +61 1300 361 735**A Your name**

SAMPLE NAME 1  
SAMPLE NAME 2  
<SAMPLE A/C>  
SAMPLE ADDRESS 1  
SAMPLE ADDRESS 2

**Your holding**

SRN/HIN: 112345678910

BINGO Industries Limited Shares held 99,999,999

If your holding has changed from the number shown above, then write your current holding here. Your Election will be granted over your updated holding.

This is an important document. If you are in doubt as to how to complete this Election Form, please consult your financial or other professional adviser immediately.

Terms used but not defined in this document have the meaning given to them in the scheme booklet dated 9 June 2021 issued by BINGO Industries Limited (**Scheme Booklet**).

If you are a Scheme Shareholder (other than an Ineligible Foreign Shareholder), you may make an Election to receive either the All Cash Consideration or the Mixed Consideration by:

- (a) submitting an Election online at [www.bingoscheme.com.au](http://www.bingoscheme.com.au); or  
(b) completing and returning this Election Form to the address overleaf.

For your Election to be valid, it must be submitted online or returned to the BINGO Share Registry by no later than the Election Deadline (being 7.00pm (Sydney time) on Friday, 2 July 2021).

**Election Form**

This is a personalised form for the sole use of the holder and holding recorded above.

**B Notice of Election**

Please make your Election to receive either the All Cash Consideration or the Mixed Consideration in respect of all your Scheme Shares, on the terms and conditions contained in the Scheme Booklet.

I elect to receive:

**All Cash Consideration****Mixed Consideration**

I understand that if I do not make the Election above, or make an invalid Election, I will be deemed to have elected to receive the All Cash Consideration in respect of all my Scheme Shares.

**C Sign and return this form**

Shareholder 1 (Individual)

Sole Director &amp; Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Contact Name

Contact Day Telephone

Date

**Please refer overleaf for further important instructions**

REGISTRY USE ONLY



SRN/HIN



Holding

BIN SOA001



## Further Important Instructions

For your Election to be valid, you must complete and return this Election Form in accordance with the instructions below and set out in the Scheme Booklet.

Words and expressions used in this Election Form have the same meaning given to them in the Scheme Booklet, unless the context requires otherwise.

### Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by the BINGO Share Registry.
- **Please note** your consideration will be issued in the names as they appear on the BINGO Share Register.
- D** • **Please sign this Election Form in the places for signature(s) set out on the front page and in accordance with the following instructions:**
  - **Joint shareholders:** If your BINGO Shares are held in the names of more than one person, all of those persons must sign this Election Form.
  - **Corporations:** This Election Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
  - **Powers of attorney:** If this Election Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Election Form when you return it. If this Election Form is signed under power of attorney, the attorney declares that he/she has no notice of revocation of the power of attorney.
  - **Deceased estates:** All the executors and administrators must sign this Election Form. When you return this Election Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

**Personal Information Collection Notification Statement:** Personal information about you is held on the public register in accordance with Chapter 2C of the Corporations Act 2001. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

**Election of the Mixed Consideration:** By electing to receive the Mixed Consideration, you provide authorisation to become a holder of Recycle and Resource Holdings Limited shares and agree to be bound by the constitution of Recycle and Resource Holdings Limited and the Shareholders' Deed.

### Lodgement instructions

- Mail completed Election Form(s) and any other documents required by the above instructions to:  
**Mail to:**  
BINGO Industries Limited  
C/- Link Market Services Limited Locked Bag A14  
SYDNEY SOUTH NSW 1235
- A green strip reply paid envelope is enclosed for use within Australia.

**Your Election Form must be received by no later than the Election Deadline,  
which is 7:00pm (Sydney time) on Friday, 2 July 2021.**

**If you have any questions about the terms of the Scheme and your Election, please call the  
BINGO Shareholder Information Line on +61 1300 361 735 between 8.30am and 5.30pm  
(Sydney time), Monday to Friday (excluding public holidays).**

# Scheme Meeting Online Guide

## Before you begin

Ensure your browser is compatible. Check your current browser by going to the website: **[whatismybrowser.com](http://whatismybrowser.com)**

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Supported browsers are:

- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 & OS X v10.10 and after
- Internet Explorer 9 and up

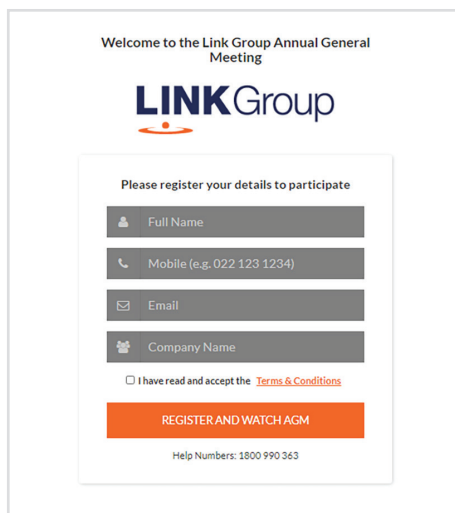
**To participate and vote online, you must have your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode.**

Appointed Proxy: Your proxy number will be provided by Link before the meeting.

**Please make sure you have this information before proceeding.**



# Scheme Meeting Online Guide



Welcome to the Link Group Annual General Meeting

**LINK**Group

Please register your details to participate

Full Name

Mobile (e.g. 022 123 1234)

Email

Company Name

I have read and accept the [Terms & Conditions](#)

**REGISTER AND WATCH AGM**

Help Numbers: 1800 990 363

## Step 1

Open your web browser and go to <https://agmlive.link/BINEGM21>

## Step 2

Log in to the portal using your full name, mobile number, email address, and company name (if applicable).

Please read and accept the terms and conditions before clicking on the blue **'Register and Watch Meeting'** button.

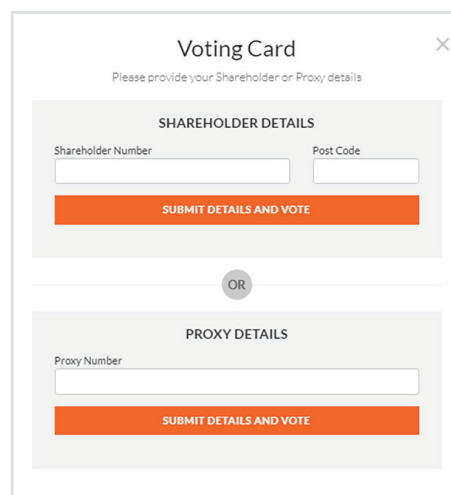
- On the left – a live audio webcast of the Scheme Meeting
- On the right – the presentation slides that will be addressed during the Scheme Meeting
- At the bottom – buttons for 'Get a Voting Card', 'Ask a Question' and the Scheme Booklet (which includes the Notice of Scheme Meeting) to download

**Note:** If you close your browser, your session will expire and you will need to re-register. If using the same email address, you can request a link to be emailed to you to log back in.

## 1. Get a Voting Card

To register to vote – click on the 'Get a Voting Card' button.

This will bring up a box which looks like this.



Voting Card

Please provide your Shareholder or Proxy details

**SHAREHOLDER DETAILS**

Shareholder Number

Post Code

**SUBMIT DETAILS AND VOTE**

OR

**PROXY DETAILS**

Proxy Number

**SUBMIT DETAILS AND VOTE**

If you are an individual or joint BINGO shareholder you will need to register and provide validation by entering your shareholder number (SRN/HIN) and postcode.

If you are an appointed Proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click the **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with the resolution to be voted on by BINGO shareholders at the Scheme Meeting (as set out in the Notice of Scheme Meeting).

BINGO shareholders and proxies can either submit a Full Vote or Partial Vote.

# Scheme Meeting Online Guide continued

LINK Group

HELP NUMBERS  
1800 990 363

Ask a Question

Get a Voting Card

Exit Meeting

Link Group 2021  
Annual General Meeting

LINK Group

+

Get a Voting Card

?

Ask a Question

Downloads

Notice of meeting

Annual report

BINGO INDUSTRIES LIMITED X12345689

### Voting Card

Please complete your vote by selecting the required voting instruction (For, Against or Abstain) for the Scheme Resolution. If you would like complete a partial vote, please specify the number of votes for the Scheme Resolution in the Partial Vote section. Proxy holder votes will only be applied to discretionary (undirected) votes. Directed votes will be applied as per the shareholder's voting instructions.

Full Vote Partial Vote

Resolution For Against Abstain

SCHEME RESOLUTION

SUBMIT VOTE

## Full Votes

To submit a full vote on the resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

## Partial Votes

To submit a partial vote on the resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes you would like to vote for the resolution. The total amount of votes that you are entitled to vote for will be listed under the resolution. When you enter the number of votes it will automatically tally how many votes you have left.

**Note:** If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the resolution scroll down to the bottom of the box and click on the **'Submit Vote'** or **'Submit Partial Vote'** button.

**Note:** You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

The voting will close when announced by the chairperson during the Scheme Meeting.

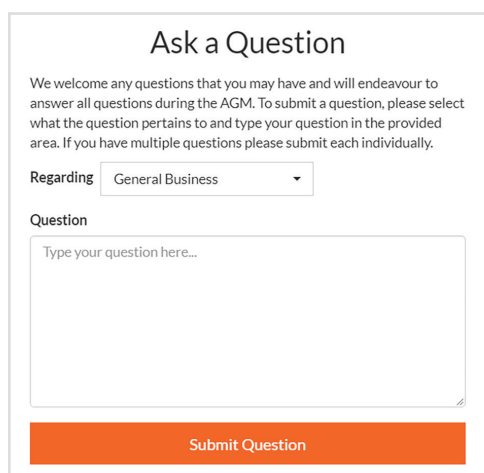
Once voting has been closed all submitted voting cards cannot be changed.

## 2. How to ask a question

**Note:** Only BINGO shareholders are eligible to ask questions.

If you have yet to obtain a voting card, you will be prompted to enter your shareholder number (SRN or HIN) or proxy details before you can ask a question. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

The 'Ask a Question' box will then pop up with two sections for completion.



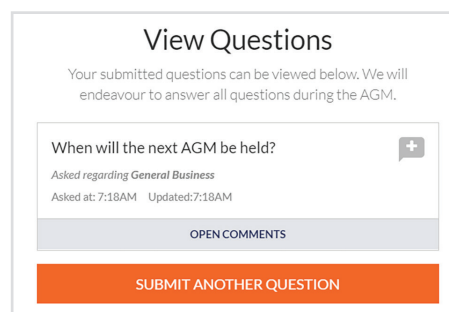
In the 'Regarding' section click on the drop down arrow and select the category for your question.

Click in the 'Question' section and type your question and click on 'Submit'.

A 'View Questions' box will appear where you can view your questions at any point. Only you can see the questions you have asked.

If your question has been answered and you would like to submit another question, please click 'Submit Another Question'.

The chairperson of the Scheme Meeting will endeavor to address as many of the more frequently raised relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised.



## 3. Downloads

If you would like to see the Scheme Booklet (which includes the Notice of Scheme Meeting), you can do so in the Downloads section.

## Voting closing

Voting will close when announced by the chairperson during the Scheme Meeting.

At the close of the meeting any votes you have placed will automatically be submitted.

## Contact us

### Australia

T 1300 554 474

E info@linkmarketservices.com.au

### New Zealand

T +64 9 375 5998

E enquiries@linkmarketservices.co.nz