

ASX Announcement

15 September 2021

1-for-4 non-renounceable Entitlement Offer opens today

The 1-for-4 non-renounceable Entitlement Offer opens today. Eligible Shareholders will receive the Entitlement Offer Booklet and their personalised Entitlement Acceptance Form. A copy of the Entitlement Offer Booklet is attached to this announcement.

The Offer allows Eligible Shareholders to acquire 1 new SNC share at a fixed price of \$1.01 per share for every 4 shares owned on the Record Date of 10 September 2021. The Issue Price represents an attractive 15.2% discount to the 31 August 2021 pre-tax NTA of \$1.1915.

How to participate:

- **Email:** Shareholders who have elected to receive electronic communications will receive an email today with instructions on how to download the Entitlement Offer Booklet and their personalised Entitlement Acceptance Form.
- **Post:** The Entitlement Offer Booklet and personalised Entitlement Acceptance Form will be despatched today by post to those shareholders who have elected to receive communications by post.

All shareholders can:

1. Visit sandoncapital.com.au and click on the 'Entitlement Offer - Apply here' button.
2. Enter your shareholder validation information (refer below).
3. Download and carefully read a copy of the Offer Booklet and your personalised Entitlement and Acceptance Form, which includes BPAY® payment details.
4. Make payment before the Offer closing date.

The Offer will close at 5:00pm (Sydney time) on 24 September 2021 and payment must be received by that time. The board of directors of Sandon Capital Investments Limited may, at its discretion, close the Offer earlier or extend the closing date.

You will be required to provide the following shareholder validation information to download your personalised Entitlement and Acceptance Form:

- Securityholder Reference Number (SRN) or Holder Identification Number (HIN);
- Surname/Company Name;
- Country; and
- Postcode (if applicable).

If payment is being made through BPAY®, you do not need to return your personalised Entitlement and Acceptance Form.

If you have any questions about the Offer or the Company, please contact Sandon Capital Investments Limited by phoning 02 8014 1188, if calling within Australia, or +61 2 8014 1188, if calling from outside Australia, or by emailing info@sandoncapital.com.au.

Offer Summary

The Offer price represents attractive value for SNC shareholders, being a 15.2% discount to the 31 August 2021 reported pre-tax NTA of \$1.1915.

New Shares will receive 3.75 cents per share of fully franked dividends by 20 December 2021¹

New Shares issued under the Entitlement Offer will receive 3.75 cents per share in fully franked dividends, comprising the 2.75 cents per share fully franked final dividend and the 1.0 cent per share fully franked special dividend to be paid in November and December 2021.¹ Further, the Board has indicated that it intends to pay a fully franked dividend of 2.75 cents per share for the period ended 31 December 2021. This amounts to a total of 6.5 cents per share in fully franked dividends to be paid before 30 June 2022, representing a yield of 6.4% (or 8.6% including the value of franking credits).

Top-Up and Shortfall Facilities

Eligible Shareholders who exercise their Entitlements in full will be able to apply for additional shares in the Top-Up Facility at the Offer Price. If there remains any shortfall of New Shares taken up by Eligible Shareholders (including after New Shares are issued under the Top-up facility) the Directors reserve the right (in their absolute discretion) to issue all or any of the shortfall through a placement to eligible professional and sophisticated investors at the same price and on the same terms as the Entitlement Offer.

Directors and any entities in which they have a relevant interest intend to exercise all of their entitlements. Directors are not eligible to participate in the Shortfall Facility.

New Shares issued under the Top-up and Shortfall Facilities will receive the fully franked 2.75 cents per share final dividend and the fully franked 1.00 cent per share special dividend.²

If you are an eligible professional or sophisticated investor and have any questions about the Shortfall Facility, please contact Mr Hamish Nairn at Taylor Collison (Tel: 08 8217 3908, Email: hnairn@taylorcollison.com.au)

Opportunity to acquire SNC shares with no brokerage costs

The Entitlement Offer allows Eligible Shareholders to acquire 1 new SNC share for every 4 SNC Shares they own without having to pay any brokerage costs.

Fully franked dividends of 3.75 cents per share to be paid before 31 December 2021

SNC will pay fully franked dividends totalling 3.75 cents per share before 31 December 2021, comprising the final dividend of 2.75 cents per share and the special dividend of 1.00 cent per share. The Board currently expects to pay a fully franked interim dividend of 2.75 cents per share in respect of the half year ending 31 December 2021, provided the Company has sufficient profit reserves, franking credits and it is within prudent business practice.

If all Entitlements are exercised, and after payment of the final and special dividends, SNC will have profit reserves of 25.2 cents per share and 6.4 cents per share in its franking account (before any tax that might be paid on FY21 profits). The reserves equate to more than 4 years of dividends at the expected dividend rate.

¹ Provided New Shares acquired are held on both record dates of 20 October 2021 and 1 December 2021.

² Provided New Shares acquired are held on both record dates of 20 October 2021 and 1 December 2021

Key Dates

Event	Date
Announcement of Entitlement Offer	Tuesday, 7 September 2021
Ex-date for Entitlement Offer	Thursday, 9 September 2021
Record Date for Entitlement Offer	Friday, 10 September 2021
Announcement of SNC August NTA (on or before)	Monday, 13 September 2021
Entitlement Offer opens	Wednesday, 15 September 2021
Offer Closes (Closing Date)	Friday, 24 September 2021
Sandon announces trading halt and intention to conduct placement	Monday, 27 September 2021
Notification of shortfall and commitments under Shortfall Facility	Wednesday, 29 September 2021
Issue of New Shares under Entitlement Offer	Friday, 1 October 2021
Issue of securities under the Shortfall Facility	Wednesday, 6 October 2021
Ex-dividend date (2.75cps final dividend)	Tuesday, 19 October 2021
Dividend payment date (2.75cps final dividend)	Friday, 5 November 2021
Ex-dividend date (1.0cps final dividend)	Tuesday, 30 November 2021
Dividend payment date (1.0cps final dividend)	Monday, 20 December 2021

Note: these dates are indicative and may change.

Further information:

Sandon Capital Investments Limited

Tel: 02 8014 1188

Fax: 02 8084 9918

Website: www.sandoncapital.com.au

Share registry:

Link Market Services

Tel: 1300 554 474 (toll free within Australia)

Email: registrars@linkmarketservices.com.au

SANDON CAPITAL

SANDON CAPITAL INVESTMENTS LTD
ACN 107 772 467

ENTITLEMENT OFFER

1 for 4 pro rata non-renounceable entitlement offer of Sandon Shares at an Offer Price of \$1.01 per New Share

The Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 24 September 2021

Important Information

This Offer Booklet is issued by Sandon Capital Investments Limited (ACN 107 772 467) (**Sandon** or the **Company**) and is dated 15 September 2021.

Details of the Entitlement Offer were announced by the Company in an ASX Announcement dated 7 September 2021 attached as Annexure A to this Offer Booklet.

This Offer Booklet and the accompanying Entitlement and Acceptance Form are important documents and should be read in their entirety before deciding whether to participate in the Entitlement Offer. If, after reading the Offer Booklet you have any questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

Any information or representation not contained in this Offer Booklet may not be relied on as being authorised by the Company in connection with the Entitlement Offer.

The Entitlement Offer to which this Offer Booklet relates complies with the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form is a prospectus for the purposes of the Corporations Act and do not collectively contain all of the information that a prospective investor may require to make an investment decision. They do not, and are not required to, contain all of the information which would otherwise be required to be disclosed in a prospectus. They are not required to be, and will not be, lodged with ASIC.

This Offer Booklet should be read in conjunction with the Company's other periodic and continuous disclosure announcements to ASX available at www.asx.com.au.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY in accordance with the instructions on the Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agreed to the terms of the Entitlement Offer detailed in this Offer Booklet. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits and risks involved.

No overseas offering

This Offer Booklet does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer or the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia or New Zealand.

Accordingly, this Entitlement Offer is not being extended to, and no New Shares will be issued to,

Shareholders having registered addresses outside Australia or New Zealand (unless the Company, at its discretion, determines that an offer can be made outside those jurisdictions in compliance with all applicable securities laws). This Offer Booklet is not being sent to those Shareholders.

See Section 3.3 of this Offer Booklet for more details.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Securities Act 1978, Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Other jurisdictions

The New Shares may not be offered or sold in any jurisdiction except to persons to whom such offer or sale is permitted under applicable law.

Future performance and forward-looking statements

Neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made under this Offer Booklet.

Some statements in this Offer Booklet are in the nature of forward-looking statements. Forward-looking statements may be identified by words such as "aim", "intend", "should", "expect", "estimate" and similar expressions. Such statements are not statements of fact and are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward-looking statements, opinions and estimates are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors, many of which are beyond the control of the Company, the Directors and the Manager which may cause actual results to differ materially from those expressed or implied in such statements.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, gives any representation, warranty,

assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Offer Booklet in light of those disclosures.

The forward-looking statements are based on information available to the Company as at the date of this Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), the Company is under no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Past performance

Investors should note that past performance, including the past share price performance of the Company, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of the Company including its future share price.

Financial amounts

All numbers in this Offer Booklet are in Australian dollars and any financial data is presented as at the date stated in this Offer Booklet.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All times and dates refer to Sydney time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Offer non-renounceable

The rights to subscribe for New Shares pursuant to this Entitlement Offer are non-renounceable. Therefore you cannot trade entitlements on ASX and you cannot transfer or otherwise dispose of them.

If you are in any doubt as to these matters you

should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

Refer to Section 4.1 for a summary of your options as a Shareholder.

Authorised Intermediary

The Issuer of this Offer Booklet is the Company. Offers of New Shares under this Offer Booklet will be made under an arrangement between the Company and Taylor Collison Limited (AFSL 247083) (**Taylor Collison** or the **Authorised Intermediary**) as a holder of an Australian Financial Services Licence, under section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of the New Shares under this Offer Booklet and the Company will only issue the New Shares in accordance with the offers and no others. Each Eligible Shareholder appoints the Company as its agent to receive on its behalf any Financial Services Guide or other notices (including any updates of those documents) (if any) that the Authorised Intermediary is required to give to the Eligible Shareholder under the Corporations Act in connection with the Entitlement Offer.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company. To the maximum extent permitted by law, Sandon and each of its respective affiliates disclaims any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, Sandon disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and the information in this Offer Booklet being inaccurate or due to information being omitted from this Offer Booklet, whether by way of negligence or otherwise, and makes no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Offer Booklet.

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1 Chairman's letter

Dear Shareholder

On behalf of the Board of Directors of Sandon Capital Investments Limited (**Sandon** or the **Company**) I am pleased to invite you to participate in a 1 for 4 pro-rata non-renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$1.01 (**Offer Price**) per New Share (**Entitlement Offer**). The Offer Price represents attractive value for eligible shareholders, being a 2.9% discount to the market price immediately prior to the announcement of the Entitlement Offer and a 15.2% discount to the 31 August 2021 reported pre-tax NTA of \$1.1915.

New Shares will receive 3.75 cents per share of fully franked dividends by 20 December 2021

Shareholders who participate in the Entitlement Offer will not incur any brokerage costs and will receive fully franked dividends totalling 3.75 cents per share before 31 December 2021 (comprising the ordinary final dividend of 2.75 cents per share and the 1 cent per share special dividend).¹ Further, the Board has indicated that it intends to pay a fully franked dividend of 2.75 cents per share for the period ended 31 December 2021. This amounts to a total of 6.5 cents per share in fully franked dividends to be paid before 30 June 2022, representing a yield of 6.5% (or 8.7% including the value of franking credits) at the Offer Price.

Exceptional investment performance with further opportunities identified

The gross performance of Sandon's investment portfolio has been exceptional over the past 12 months and has significantly outperformed broader share market indices since inception (see table below).²

Portfolio Returns to 31 August 2021	1 Month	1 yr	2 yr (p.a.)	3 yr (p.a.)	Since inception (p.a.)
SANDON	6.0%	61.8%	27.4%	17.2%	13.4%
All Ordinaries Accumulation Index	2.6%	29.0%	11.6%	10.6%	10.0%
Outperformance	3.4%	32.8%	15.8%	6.7%	3.4%

The Offer allows Eligible Shareholders to increase their exposure to Sandon Capital's proven investment approach, which has delivered significant outperformance.²

Use of Proceeds

The proceeds raised from the Entitlement Offer will go towards growing the Company's capital base, improving liquidity and the Company's relevance in a growing LIC market, as well as reducing its fixed expense ratio. Most of the new capital will be deployed by the Manager in accordance with its proven and successful investment approach.

¹ On the basis Shareholders continue to hold Shares at the record date in respect of the ordinary dividend on Wednesday, 20 October 2021 and in respect of the special dividend on Wednesday, 1 December 2021.

² Gross performance is after investment management fees and brokerage but before performance fees, corporate expenses and taxes and is adjusted for dividends paid. Past performance should not be taken as an indication of future performance.

The costs of the Entitlement Offer will be initially paid for by the Company and then reimbursed by the Manager by way of a Manager Loan to be repaid by the Manager (see Section 3.2 of this Offer Booklet for more details).

Top-Up Facility

Eligible Shareholders who take up their Entitlement Offer in full may also apply for additional new shares in excess of their Entitlement (**Additional New Shares**) under a top-up facility (**Top-Up Facility**). Any New Shares not applied for by Eligible Shareholders will be included in the Top-Up Facility. Applications for Additional New Shares under the Top-Up Facility will be allocated at the absolute discretion of Sandon's Board of Directors and will be subject to scale back (where applicable). There is no guarantee that an Eligible Shareholder who applies for Additional New Shares will receive all or any of the Additional New Shares that they applied for. Eligible Shareholders who participate in the Top-Up Facility will do so without incurring any brokerage costs. Additional New Shares issued under the Top-Up Facility will rank equally with existing Shares on issue.

Shortfall Facility

If there remains any shortfall of Shares taken up by Eligible Shareholders (including after the application of the Top-Up Facility), the Board reserves the right to issue all or any of the New Shares under the Shortfall Facility at their absolute discretion (**Shortfall Facility**). The New Shares issued under the Shortfall Facility will be offered through a placement to eligible professional and sophisticated investors at the same price and under the same terms as the Entitlement Offer. Investors who participate in the Shortfall Facility will do so without incurring any brokerage costs. New Shares issued under the Shortfall Facility will rank equally with existing Shares on issue.

Further information and Application instructions

The number of New Shares for which you are entitled to subscribe under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Offer Booklet.

The rights to the New Shares are non-renounceable. Therefore, you cannot trade your Entitlement on ASX and you cannot transfer or otherwise dispose of them.

The Board encourages you to read this Offer Booklet carefully (in particular, the "Risks" section set out in section 5.7, which contains a number of key risks associated with an investment in the Company). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether to participate in the Entitlement Offer.

The Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 24 September 2021 (Closing Date).

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support of Sandon.

Gabriel Radzyninski
Chairman
Sandon Capital Investments Ltd

2 Offer details and key dates

Summary of the Entitlement Offer	
Ratio	1 New Share for every 4 Shares held by Eligible Shareholders on the Record Date
Offer Price	\$1.01 per New Share
Total number of New Shares expected to be issued under the Entitlement Offer (including the Top-Up Facility and Shortfall Facility) (subject to rounding)	Up to 27,722,222 New Shares
Amount expected to be raised under the Entitlement Offer before costs (subject to rounding)	Up to \$27.9 million
Capital structure	
Subject to rounding of fractional Entitlements, the capital structure of Sandon following the issue of New Shares under the Entitlement Offer is expected to be as follows:	
Shares on issue (as at the date of announcement of the Entitlement Offer)	110,888,889 Shares
New Shares expected to be issued under the Entitlement Offer (including the Top-Up Facility) and the Shortfall Facility	Up to 27,722,222 Shares
Total Shares on issue (expected) following completion of the Entitlement Offer (including the Top-Up Facility) and the Shortfall Facility	Up to 138,611,111 Shares

Key dates

Event	Date*
Announcement of Entitlement Offer	Tuesday, 7 September 2021
Ex-date for Entitlement Offer	Thursday, 9 September 2021
Record Date for Entitlement Offer	7.00pm on Friday, 10 September 2021
Announcement of Sandon August 2021 NTA	Monday, 13 September 2021
Entitlement Offer opens	Wednesday, 15 September 2021
Entitlement Offer closes (Closing Date)	5.00pm on Friday, 24 September 2021

Announcement of trading halt and intention to conduct placement	Monday, 27 September 2021
Announcement of shortfall and commitments under Shortfall Facility (if any)	Wednesday, 29 September 2021
Issue and allotment of New Shares under Entitlement Offer	Friday, 1 October 2021
Issue and allotment of New Shares under the Shortfall Facility	Wednesday, 6 October 2021
Commencement of trading of New Shares (on a normal basis)	Monday, 4 October 2021

****This timetable is indicative only and subject to change. The Company may vary these dates subject to the ASX Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right to withdraw or not proceed with the Entitlement Offer at any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.***

The commencement of quotation of New Shares is subject to the discretion of ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been lodged or paid.

Is this Offer Booklet relevant to you?

This Offer Booklet is relevant to you if you are an Eligible Shareholder.

The meaning of "Eligible Shareholder" is described at section 3.3 of this booklet.

In this Offer Booklet, references to "you" are references to Eligible Shareholders and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement and Acceptance Form of Eligible Shareholders.

Enquiries

For further information (including if you would like a replacement Entitlement and Acceptance Form), please contact the Company on info@sandoncapital.com.au. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

3 Details of the Entitlement Offer

3.1 Overview

The Company is making a pro rata non-renounceable offer of 1 New Share for every 4 Shares held by Eligible Shareholders registered on the Record Date, being 7.00pm (Sydney time) on Friday, 10 September 2021, with a registered address in Australia or New Zealand at the Offer Price of \$1.01 per New Share.

The Offer Price is \$1.01 per New Share. The Offer Price represents the following discounts:

- 2.9% to the last closing price of Shares on ASX immediately prior to the announcement of the offer on 7 September 2021, being \$1.045; and
- 15.2% to the 31 August 2021 reported pre-tax NTA of \$1.1915.

The Entitlement Offer will result in the issue of up to 27,722,222 million New Shares and raise up to \$27.9 million.

The Entitlement Offer comprises:

- **Entitlement Offer** – Eligible Shareholders will be entitled to subscribe for 1 New Share for every 4 Shares currently held. As the offer is non-renounceable, entitlements can be taken up in whole or in part, but cannot be traded on ASX (or transferred directly to another person). Eligible Shareholders are however invited to take up Additional New Shares, beyond their Entitlement, under the Top-Up Facility discussed below.
- **Top-Up Facility** – Any New Shares not applied for by Eligible Shareholders will be included in a Top-up Facility. Eligible Shareholders can apply for Additional New Shares in excess of their pro rata Entitlement under the Top-Up Facility. The issue of Additional New Shares under the Top-Up Facility will be dependent on there being a shortfall under the Entitlement Offer. Eligible Shareholders who wish to apply for Additional New Shares under the Top-Up Facility can do so by specifying the number of Additional New Shares for which they wish to apply in the space provided on their Entitlement and Acceptance Form.
- **Shortfall Facility** – If there remains any shortfall of Shares taken up by Eligible Shareholders (including after the application of the Top-Up Facility), the Sandon Board of Directors reserves the right to issue all or any of the New Shares under the Shortfall Facility at their discretion. The New Shares issued under the Shortfall Facility will be offered through a placement to eligible professional and sophisticated investors at the same price and under the same terms as the Entitlement Offer.

The Entitlement Offer (including the Top-Up Facility) and Shortfall Facility will not be underwritten.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Offer Booklet. Eligible Shareholders may subscribe for all or part of their Entitlement by specifying the number of Shares for which they wish to apply in the space provided on their Entitlement and Acceptance Form.

All of the New Shares issued under the Entitlement Offer (including any New Shares issued under the Top-Up Facility and Shortfall Facility) will rank equally with the Shares on issue at the date of this Offer Booklet.

All of the New Shares issued under the Entitlement Offer (including any New Shares issued under the Top-Up Facility) and Shortfall Facility will be entitled to receive the 2.75 cents per share fully franked final dividend and the 1.00 cent per share fully franked special dividend, provided the New Shares are held at the relevant record dates.³

The choices available to Eligible Shareholders in respect of the Entitlement Offer are described in Section 4. The Entitlement Offer is scheduled to close at 5.00pm (Sydney time) on Friday, 24 September 2021.

Eligible Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in section 5.7.

3.2 Purpose of Entitlement Offer

The Entitlement Offer will raise approximately \$27.9 million.

The Company intends to apply the funds raised to grow its capital base, improve liquidity and its relevance in the LIC market and reduce its fixed expense ratio.

The Company has entered into a loan agreement with the Manager dated 15 September 2021 (**Manager Loan**) in respect of paying the costs of the Entitlement Offer. The Manager has agreed to be responsible for the payment of the actual offer costs incurred that the Company would normally be liable for. These costs will be paid upfront by the Company; however, the Manager will repay the offer costs to the Company in accordance with the Manager Loan.

The term of the Manager Loan is the earlier of 30 months from the date of issuance of Shares or such other time as the Company and the Manager agree. The Manager Loan must be repaid in full, regardless of whether the Manager is the investment manager of the Company. The Manager is required to repay the Manager Loan in monthly instalments over the 30-month term of the Manager Loan. Each monthly instalment should be equal to at least 1/30th of the total loan amount. The Manager may repay some or all of the Manager Loan early in its absolute discretion.

3.3 Eligibility to participate in the Entitlement Offer

The Entitlement Offer is being made to all Eligible Shareholders (as defined in the Glossary in section 6 and explained below). The number of New Shares to which each Eligible Shareholder is entitled is shown in the accompanying Entitlement and Acceptance Form.

Directors and other related parties who are Eligible Shareholders may participate in the Entitlement Offer but not in the Top Up Facility or Shortfall Facility.

"Eligible Shareholders" are those persons who:

- (a) are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Friday, 10 September 2021;
- (b) have a registered address on the Company's Share Registry in Australia or New Zealand, or are Shareholders who the Company has otherwise determined to be eligible to participate in the Entitlement Offer;

³ On the basis Shareholders continue to hold Shares at the record date in respect of the ordinary dividend on Wednesday, 20 October 2021 and in respect of the special dividend on Wednesday, 1 December 2021.

- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- (d) are eligible under all applicable securities laws to receive and participate in the Entitlement Offer.

By returning a completed Entitlement and Acceptance Form or making a payment via BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice on how to proceed.

Determination of the eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements, logistical and registry constraints, and the discretion of the Company. Sandon disclaim any liability in respect of the exercise or otherwise of that determination and discretion, to the maximum extent permitted by law.

3.4 Entitlements and acceptance

Details of how to apply under the Entitlement Offer are set out in section 4 of this Offer Booklet.

The eligibility of Shareholders to participate in the Entitlement Offer will be determined on the Record Date and is set out on the Entitlement and Acceptance Form accompanying this Offer Booklet. Eligible Shareholders will be permitted to apply for Additional New Shares in excess of their Entitlement by specifying the number of Additional New Shares for which they wish to apply in the space provided on their Entitlement and Acceptance Form. If Eligible Shareholders submit Applications for Additional New Shares, any allocation of Additional New Shares among those Applicants, will be allocated in accordance with the allocation policy in section 3.6 below.

The Directors reserve the right to reject any Application that they believe comes from a person who is not an Eligible Shareholder.

3.5 Non-renounceable

The rights to the New Shares are non-renounceable. Therefore, you cannot trade Entitlements on ASX and you cannot transfer or otherwise dispose of them.

3.6 Top-Up Facility

The Entitlement Offer incorporates a Top-Up Facility under which Eligible Shareholders can apply for Additional New Shares in excess of their pro rata Entitlement. The issue of Additional New Shares will be dependent on Shareholders not taking up their full pro rata Entitlements under the Entitlement Offer.

Eligible Shareholders who wish to apply for Additional New Shares under the Top-Up Facility can do so by specifying the number of Additional New Shares for which they wish to apply in the space provided on their Entitlement and Acceptance Form.

Allocation of Additional New Shares among Applicants under the Top-Up Facility

If Eligible Shareholders submit Applications under the Top-Up Facility, any allocation of Additional New Shares among those Applicants will be allocated by the Board in its absolute discretion.

The Company reserves the right to scale back any Applications for Additional New Shares in its absolute discretion.

No certainty regarding allocations

As a consequence of the arrangements described above, there can be no guarantee as to the number of Additional New Shares available to Eligible Shareholders under the Top-Up Facility.

Eligible Shareholders who apply for Additional New Shares under the Top-Up Facility will be bound to accept any lesser number of Additional New Shares allocated to them in accordance with the allocation procedure described above.

Takeover law requirements

It is the responsibility of each Eligible Shareholder to ensure that they will not breach the takeovers provisions under the Corporations Act by applying for Additional New Shares under the Top-Up Facility. These provisions are set out in section 606 of the Corporations Act. No Eligible Shareholder will be permitted to acquire Additional New Shares under the Top-Up Facility to the extent that the Company considers (acting reasonably) that doing so would result in a contravention of the takeovers limits in section 606 of the Corporations Act.

3.7 Shortfall Facility

If there remains any shortfall of Shares taken up by Eligible Shareholders (including after the application of the Top-Up Facility), the Company may decide, in its absolute discretion, to issue all or any of the New Shares under a shortfall facility (**Shortfall Facility**). The Shortfall Facility Shares will be offered through a placement to eligible professional and sophisticated investors at the same price and under the same terms as the Entitlement Offer. Shareholders who participate in the Shortfall Facility will do so without incurring any brokerage costs. Shortfall Facility Shares will rank equally with existing Shares on issue.

3.8 Not Underwritten

The Entitlement Offer (including the Top-Up Facility and Shortfall Facility) will not be underwritten.

3.9 Nominee for Ineligible Shareholder

Taylor Collison has agreed to act as nominee (subject to ASIC approval) for the purposes of section 615 of the *Corporations Act* to take up the Entitlements which would otherwise have been offered to Ineligible Shareholders. Taylor Collison will sell the Shares issued to it on taking up those Entitlements. All sales will be at prices and otherwise in the manner determined by Taylor Collison in its absolute discretion.

The Company, the Manager and Taylor Collison will not be liable for any failure to sell the Shares at any particular price. The proceeds of the sale, net of expenses, (if any) will be distributed to each of the Ineligible Shareholders in proportion to their Entitlement.

3.10 Taylor Collison

No fee is payable by the Company to Taylor Collison in its role as authorised intermediary in connection with the Entitlement Offer or the Top-Up Facility. Taylor Collison will be entitled to a 1.5% (inclusive of GST) placement fee, on any Shortfall Facility Shares issued in its role as authorised intermediary.

Taylor Collison will also be paid a \$75,000 fixed management fee.

3.11 Market prices for Shares on ASX

The lowest and highest market prices of Shares on ASX during the 3 months immediately preceding the announcement of the Entitlement Offer on Tuesday, 7 September 2021 were \$0.91 and \$1.075 per share respectively. The Offer Price represents a 2.9% discount to the closing share price on 6 September 2021 share price of \$1.045 per share and 15.2% discount to the Company's pre-tax NTA of \$1.1915 per share as at 31 August 2021.

3.12 Capital structure following the Entitlement Offer

The capital structure of the Company following completion of the Entitlement Offer is set out below:

Share capital structure	
Shares on issue prior to launch of the Entitlement Offer	110,888,889
Shares expected to be issued under the Entitlement Offer, Top-Up Facility and Shortfall Facility	27,722,222
Total Shares expected to be on issue after completion of the Entitlement Offer (including the Top-Up Facility and Shortfall Facility)	138,611,111

3.13 Directors' intentions in respect of the Entitlement Offer

- Entities that Gabriel Radzynski controls and is a beneficiary of intend to take up their full allocation under the Entitlement Offer.
- Entities holding shares in which Peter Velez has a relevant interest intend to take up their full allocation under the Entitlement Offer.
- Melinda Snowden has advised that she intends to take up her full allocation under the Entitlement Offer.

3.14 Potential effect of the Entitlement Offer on control of the Company

The potential effect that the Entitlement Offer, including the Top-Up Facility and Shortfall Facility, will have on the control of Sandon, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings.

Given the structure of the Entitlement Offer as a pro-rata issue, the likely effect that the issue of the New Shares will have on the control of the Company can be summarised as follows:

- (a) if all Eligible Shareholders take up their Entitlement for the New Shares under the Entitlement Offer, the Entitlement Offer will have no material effect on the control of the Company;
- (b) to the extent that any Eligible Shareholder does not take up their Entitlement for the New Shares under the Entitlement Offer, that Eligible Shareholder's percentage holding in the Company will be diluted; and

- (c) to the extent that an Eligible Shareholder takes up their full Entitlement for New Shares and acquires Additional New Shares, that Eligible Shareholder's percentage holding in the Company will increase.

In the event that no Entitlements are taken up under the Entitlement Offer, eligible sophisticated and professional investors will be able to apply for up to 27,722,222 Shares under the Shortfall Facility (should the Company decide, in its absolute discretion, to issue Shares under the Shortfall Facility).

3.15 Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing Shares. The rights and liabilities attaching to the New Shares are set out in Sandon's constitution, a copy of which is available on www.asx.com.au.

3.16 Quotation and allotment

Application will be made to the ASX for quotation of the New Shares.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Allotment of New Shares under the Entitlement Offer will only be made after permission for their quotation on the ASX has been granted.

Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies in the event that monies are refunded.

3.17 Issue

The issue of New Shares offered by this Offer Booklet is expected to occur on the date specified in the 'Offer details and key dates' section of this Offer Booklet – being Friday, 1 October 2021.

Eligible Shareholders who have elected to receive communications from the Company by email will be emailed the Offer Booklet at their nominated email address.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements do so at their own risk.

3.18 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Booklet. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.19 Further information

Eligible Shareholders can obtain a copy of this Offer Booklet from the ASX website at www.asx.com.au or by contacting the Company on info@sandoncapital.com.au during the Entitlement Offer period.

Persons who access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. The electronic version of this Offer Booklet will not include an Entitlement Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by contacting the Company on info@sandoncapital.com.au.

4 How to apply

4.1 What Eligible Shareholders may do

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

You may:

- (a) take up all of your Entitlement and Eligible Shareholders may apply for Additional New Shares under the Top-Up Facility (refer to Section 4.2); or
- (b) take up part or all of your Entitlement (refer to Section 4.4); or
- (c) do nothing and let your Entitlement lapse (refer to Section 4.5).

Details on how to pay for your Entitlements are set out in Section 4.3.

4.2 Taking up all of your Entitlement and participating in the Top-Up Facility

If you wish to take up all of your Entitlement in full, please either:

- (a) pay your Application Monies via BPAY® by following the instructions set out in your personalised Entitlement and Acceptance Form; or
- (b) complete and return the personalised Entitlement and Acceptance Form that is enclosed with the paper copy of this Offer Booklet with the requisite Application Monies,

in each case so that Application Monies are received by the Share Registry by no later than 5.00pm (Sydney time) on Friday, 24 September 2021.

Sandon will treat you as applying for such number of New Shares as are covered in full by your Application Monies. Amounts received by Sandon in excess of your Entitlement will be treated as an Application to apply for as many Additional New Shares as the excess amount will pay for in full.

It is anticipated that New Shares will be issued on Friday, 1 October 2021, and normal trading of New Shares will commence on ASX on Monday, 4 October 2021.

4.3 Payment methods

If you are an Eligible Shareholder with a registered address in Australia or New Zealand, this Offer Booklet will be accompanied by a personalised Entitlement and Acceptance Form with instructions on how to make payment in Australian dollars.

Eligible Shareholders must subscribe for New Shares under the Entitlement Offer in Australian dollars irrespective of their place of residence. Please contact the Share Registry to request a further personalised Entitlement and Acceptance Form.

Payment by BPAY® (in Australian dollars)

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

Please make sure to use the specific Biller Code and unique Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Reference Number specific to the Entitlement on that form.

If you inadvertently use the same Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which that Reference Number applies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00 pm (Sydney time) on Friday, 24 September 2021 (subject to any variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. You should ensure your daily payment limits will allow the payment of your Application Monies. Please refer to your Entitlement and Acceptance Form for detailed instructions on making your payments.

Any Application Monies received for more than your final allocation of New Shares (including Additional New Shares) will be refunded to you as soon as practicable (where the amount is \$2.00 or greater). No interest will be paid to Applicants on any Application Monies received or refunded.

Payment by cheque, bank draft or money order

You should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order for the amount of the Application Monies, payable to "Sandon Capital Investments Limited" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to \$1.01 multiplied by the number of New Shares (including Additional New Shares) for which you are applying; and
- in Australian currency drawn on an Australian or New Zealand branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares for which you have applied in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as are covered in full by your cleared Application Monies (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Application may not be accepted. Please note that cheques will be banked on the day of receipt and post-dated cheques may not be accepted.

Any Application Monies received for more than your final allocation of New Shares (including Additional New Shares) will be refunded as soon as practicable (only where the amount is \$2.00 or greater). No interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

To participate in the Entitlement Offer (including the Top-Up Facility), your payment must be received by the Share Registry no later than the close of the Entitlement Offer, at 5:00 pm (Sydney time) on Friday, 24 September 2021 (subject to any variation). Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies in Australian dollars to:

Sandon Capital Investments Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

A reply-paid envelope is enclosed for the convenience of Eligible Shareholders based in Australia. Eligible Shareholders outside Australia will need to affix the appropriate postage.

4.4 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required under Section 4.3.

4.5 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

4.6 Potential control implications

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, any New Shares to which you would have otherwise been entitled under the Entitlement Offer may be acquired by other Eligible Shareholders under the Top-Up Facility or placed by Sandon after the close of the Entitlement Offer.

Chapter 6 of the Corporations Act prevents a person from acquiring a relevant interest in a company's shares in excess of 20% (or more) except in limited circumstances. One such circumstance allows any shareholder to rely on the "rights issue" exception in Chapter 6 of the *Corporations Act* provided a nominee is appointed for the purposes of section 615 of the *Corporations Act*. The Company has requested ASIC's consent to the appointment of Taylor Collison as nominee for the purposes of section 615 of the *Corporations Act*. This consent may be required to allow the Entitlement Offer to proceed. The Company is not aware of any reason why the consent may not be granted.

In addition, the Company will not issue shares to any person under the Top-Up Facility or the Shortfall Facility which would cause a Shareholder to be in breach of Chapter 6 of the *Corporations Act*.

4.7 Eligible Shareholder declarations

A completed Application, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form, is final.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will be deemed to have acknowledged, represented and warranted for the benefit of the Company, on behalf of each person on whose account you are acting that you are an Eligible Shareholder and:

- (a) you have received, read and understood this Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms and conditions of the Entitlement Offer, the provisions of this Offer Booklet and the accompanying Entitlement and Acceptance Form, and the Company's constitution;
- (c) you authorise the Company to register you as the holder(s) of New Shares allotted to you;
- (d) all details and statements in the Entitlement and Acceptance Form are complete and accurate and up to date;
- (e) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement and Acceptance Form;
- (f) you accept that there is no cooling off period under the Entitlement Offer and that once the Company receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, at the Offer Price per New Share;
- (h) you authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (i) you acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the institutional requirement of the Shortfall Facility is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Sandon; and
 - (ii) Sandon, and each of its respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) you declare that you

- (i) are the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you; and
 - (ii) you will not be in contravention of section 606 of the *Corporations Act 2001* should you be issued with the amount of New Shares that you applied for;
- (k) the information contained in this Offer Booklet and your Entitlement and Acceptance Form is neither investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (m) you acknowledge the statement of risks in the "Risk factors" section (section 5.7), and that investments in the Company are subject to risks, not all of which are disclosed in this Offer Booklet;
- (n) you acknowledge that none of the Company or its respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (o) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (p) you authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (q) for the benefit of the Company and its respective related bodies corporate and affiliates, you are not an Ineligible Shareholder and you are eligible to participate in the Entitlement Offer;
- (r) the law of any place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (s) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (t) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold, directly or indirectly, in the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (u) you have not and will not send any materials relating to the Entitlement Offer to any person (including nominees or custodians) where to do so would breach applicable laws;

- (v) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to suspect, that the sale is illegal; and
- (w) you make all other representations and warranties set out in this Offer Booklet.

4.8 Nominees, trustees and custodians

The Entitlement Offer is being made to all Eligible Shareholders. Nominees with registered addresses in the eligible jurisdictions may also be able to participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Entitlement Offer is not available to, and they must not purport to accept the Entitlement Offer in respect of:

- (a) beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for an Eligible Shareholder; or
- (b) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

In particular, persons acting as nominees for other persons may not exercise Entitlements on behalf of, or send any documents relating to the Entitlement Offer to, any person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States are not permitted to participate in the Entitlement Offer.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

The Company is not required to determine whether any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares or Entitlements. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Sandon is not able to advise on foreign laws.

4.9 Withdrawal of the Entitlement Offer

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Sandon will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Sandon.

4.10 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer (including the Top-Up Facility).

4.11 Information availability

Eligible Shareholders can obtain a copy of this Offer Booklet from the ASX website at www.asx.com.au, or by emailing the Company at info@sandoncapital.com.au until the Closing Date. Shareholders who access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. The Entitlement and Acceptance Form attached to the electronic version of this Offer Booklet must be used within Australia or New Zealand. An Entitlement and Acceptance Form cannot be downloaded without also downloading this Offer Booklet.

5 Important information

5.1 Information and Representations

This Offer Booklet (including the enclosed Entitlement and Acceptance Form) has been prepared by the Company.

There may be additional announcements made by the Company after the date of this Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by the Company (by visiting the ASX website at www.asx.com.au) before submitting your Application.

No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by the Company or any of their respective related bodies corporate, in connection with the Entitlement Offer.

5.2 Not a prospectus

Neither this Offer Booklet nor the Entitlement and Acceptance Form is a prospectus for the purposes of the Corporations Act and neither have been lodged with ASIC. These documents do not contain the type of information which would be required to be included in a prospectus.

Accordingly, the level of disclosure contained in this Offer Booklet is significantly less than that required under a prospectus and Eligible Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and all disclosures made to ASX and should consult their professional advisors before deciding to accept all or part of the Entitlement Offer.

5.3 Trading of New Shares

It is expected that trading on the ASX of New Shares to be issued under the Entitlement Offer will commence at 10.00am (Sydney time) on Monday, 4 October 2021 on a normal settlement basis.

5.4 Foreign jurisdictions – restrictions and limitations

This Offer Booklet has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country outside Australia.

New Zealand Shareholders

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered address in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act 1978, Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand) or the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or

prospectus or product disclosure statement under New Zealand law and is not required to and may not, contain all the information that an information statement or prospectus or product disclosure statement under New Zealand law is required to contain.

United States Shareholders

This Entitlement Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the New Shares in the United States of America.

5.5 Ineligible Shareholders

Shareholders who are not Eligible Shareholders are Ineligible Shareholders. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

The Company has determined, in reliance of ASX Listing Rule 7.7.1, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders, having regard to:

- (a) the small number of Ineligible Shareholders as a proportion of the total number of Shareholders;
- (b) the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- (c) the cost of complying with the legal and regulatory requirements in the overseas jurisdictions.

Accordingly, the Entitlement Offer is not being extended to any Shareholders outside Australia or New Zealand unless those Shareholders would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Entitlement Offer without lodgement, filing or registration of the Entitlement Offer or any document issued in connection with the Entitlement Offer with any regulatory authority.

Where this Offer Booklet has been dispatched to an Ineligible Shareholder and where that jurisdiction's law, code or legislation prohibits or restricts in any way the making of the Entitlement Offer, this Offer Booklet is provided for information purposes only.

5.6 Summary of arrangement with Taylor Collison

Offers of New Shares under this Offer Booklet will be made under an arrangement between the Company and Taylor Collison (as the Authorised Intermediary) as a holder of an Australian Financial Services Licence. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of the New Shares under this Offer Booklet and the Company will only issue the New Shares in accordance with the offers and no others. Each Eligible Shareholder appoints the Company as its agent to receive on its behalf any Financial Services Guide or other notices (including any updates of those

documents) (if any) that the Authorised Intermediary is required to give to the Eligible Shareholder under the Corporations Act in connection with the Entitlement Offer.

5.7 Risks

Set out below are important factors and risks that could affect the financial and operating performance of the Company. You should consider these risks in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

- (a) Reliance on the Manager - the success and profitability of the Company will largely depend upon the ability of the Manager to invest in securities and other permitted instruments which have the ability to generate a return for the Company. The Company is exposed to the risk that the Manager may cease to manage the Portfolio. It follows also that the Company is exposed to the risk the Manager may fail to make investments that generate a return or indeed may make investments that lose money.
- (b) Key man risk - Gabriel Radzynski is the Managing Director of the Manager and the Chairman of the Company. Gabriel is responsible for the Manager devising and implementing the Company's investment strategy. The Company is exposed to the risk that Gabriel Radzynski will cease to be involved with the Manager and cease to manage the Company's Portfolio.
- (c) Strategy risk - the performance of the Company is reliant on the success of the activist strategy developed by the Manager. There is no guarantee that any aspect of such a strategy will be successful.
- (d) Legal risk - the Company will pursue an active strategy of engaging with investees and other stakeholders to improve value. There is a possibility this action may lead to litigation or other enforcement action.
- (e) Limited diversification - the Portfolio may be less diversified than other listed investment companies. The Company has flexibility to take significant positions in individual investments. This may reduce the diversity of the Portfolio and would increase the exposure to abnormal falls in the market price of any single investment.
- (f) Dilution risk - the Entitlement Offer is a pro rata offer to all Eligible Shareholders. Shareholders who do not exercise their full pro rata Entitlement face the risk their proportionate share of the Company will be diluted to the extent other Eligible Shareholders exercise their Entitlements and to the extent the Directors issue any New Shares under the Top-Up Facility and Shortfall Facility.
- (g) NTA Dilution risk - the Offer Price of the New Shares to be issued under the Entitlement Offer is \$1.01, which is a 15.2% discount to the 31 August 2021 pre-tax NTA. This means that New Shares issued under the Entitlement Offer will, all other things being equal, dilute the NTA per share. As the Entitlement Offer is a pro rata offer to all Eligible Shareholders, those Shareholders who exercise all of their Entitlements will incur no dilution of value on their entire shareholding. Conversely, Eligible Shareholders who do not exercise their Entitlements in full will incur a dilution of value on a per share basis.
- (h) Liquidity risk - the ability to sell Shares will be a function of the liquidity of the Shares at the time of sale. Liquidity itself is a function of the size of the Company and also the cumulative investment intentions of all current and possible investors

in the Company at any one point in time. In addition, there is no guarantee that the Company's investments will be liquid.

- (i) Economic risk - investment returns are influenced by market factors, including changes in the economic conditions (e.g. changes in interest rates and economic activity), changes to legislative and political environment, as well as changes in investor sentiment. In addition, exogenous shocks, natural disasters, acts of terrorism and financial market turmoil (such as the global financial crisis) can (and sometimes do) add to equity market volatility as well as impact directly on individual entities.
- (j) COVID-19 risk - the global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has had, and is likely to continue to have, a significant impact on global capital markets. The long-term impacts from the COVID-19 pandemic on general economic conditions are uncertain and may adversely impact the financial performance of the Company. The continually changing situation is bringing unprecedented challenges to global financial markets and the global economy, with significant volatility and movements seen in equities prices and valuations.
- (k) Market risk - there is a risk that investments that form part of the Company's Portfolio may fall in price, value or both over short or extended periods of time. Shareholders in the Company are exposed to market risk both through their holding in Shares as well as through the Company's Portfolio of investments.
- (l) Forex/foreign investment risk - Sandon may invest in foreign Securities. Any investment in foreign securities may expose Sandon to adverse fluctuations of foreign exchange (or currency) risk. Sandon may or may not seek to hedge against such risks. If it does seek to hedge such risks, the hedging strategies Sandon may employ may not be successful. Foreign investments held by Sandon may be subject to restrictions on the ability of foreign-domiciled companies to make payments of principal, dividends or interest to investors located outside the country, due to blockage of foreign currency exchanges, changes to tax laws, changes to local regulations or otherwise which could cause Sandon to lose money on these investments.
- (m) Derivatives risk - risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the Company or the Manager may not be able to meet payment obligations as they arise, regulatory risk and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract).
- (n) Short selling risk - the Company may use short selling as a strategy to try to improve returns and to manage risk. The short sale of a Security can involve much greater risk than buying a Security, as losses on the Securities purchased are restricted at most to the amount invested, whereas losses on a short position can be much greater than the initial value of the Security, as they can be unlimited. Additionally, there can be no guarantee that the Securities necessary to cover a short position will be available for purchase. Short selling will also incur interest and other costs on the Securities borrowed by the Company for sale. For a short sale to be profitable the return from the strategy must exceed these costs and, where losses are incurred on the strategy, these costs may increase the losses.
- (o) Credit/counterparty risk - the strategies of Sandon rely on the successful performance of contracts with external counterparties, including securities brokers and issuers of Securities to which the Company may have investment exposure.

There is a risk that these counterparties may not meet their responsibilities, including as a result of the insolvency, financial distress or liquidation of the counterparty.

5.8 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been lodged or paid.

5.9 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

5.10 No guarantees of future performance

The Company and its representatives or any other person, do not warrant or guarantee the future performance of the Company or any return on any investment made under this Entitlement Offer.

5.11 No investment advice

This Entitlement Offer is being made pursuant to the provisions of the Corporations Act which allow pro rata entitlement offers to be made without a prospectus. This Offer Booklet does not constitute financial product advice and has been prepared without taking into account Eligible Shareholders' investment objectives, financial circumstances or particular needs. The Offer Booklet does not purport to contain all the information that Eligible Shareholders may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares. Before deciding whether to apply for New Shares, each Eligible Shareholder should consider whether the Company is a suitable investment for them in light of their own investment objectives and financial circumstances and should consider seeking professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

5.12 Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. The potential tax effects of participating in the Entitlement Offer will vary between investors and accordingly each investor is responsible for obtaining their own tax advice. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

5.13 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms or payment via BPAY are governed by the laws applicable in New South Wales, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5.14 Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

Shareholders can access, correct and update the personal information that is held about them, by contacting the Share Registry.

Collection, maintenance and disclosure of certain personal information is governed by legislation, including the *Privacy Act 1988* (Cth) and the Corporations Act. You should note that if all information required on the Entitlement and Acceptance Form is not provided, the Company may not be able to accept or process your Application.

5.15 Continuous disclosure

The Company is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

The Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Sandon has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Sandon Shares. That information is available to the public from ASX.

6 Glossary

Term	Meaning
\$	Australian dollars.
Additional New Shares	The New Shares subscribed for and issued to an Eligible Shareholder beyond their Entitlement through the Top-Up Facility.
Applicant	A person who has applied to subscribe for New Shares under the Entitlement Offer.
Application	A completed Entitlement and Acceptance Form submitted by an Eligible Shareholder.
Application Monies	The aggregate money payable for New Shares (including where applicable, Additional New Shares) applied for by an Applicant.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by it.
ASX Listing Rules	The official listing rules of the ASX, as amended from time to time.
Authorised Intermediary	Taylor Collison Limited ACN 008 172 450.
Board	The Board of Directors of the Company unless the context indicates otherwise.
CHESS	The clearing house electronic sub register system, an automated transfer and electronic settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	The closing date of the Entitlement Offer being Friday, 24 September 2021 (at 5.00pm), unless extended.
Company or Sandon	Sandon Capital Investments Ltd ACN 107 772 467.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Shareholder	A Shareholder that has the meaning given in Section 3.3 of this Offer Booklet.
Entitlement	The number of New Shares for which an Eligible Shareholder is entitled to apply under the Entitlement Offer (on the basis of 1 New Share for every 4 Shares held on the Record Date).
Entitlement and Acceptance Form	The personalised Entitlement and Acceptance Form accompanying this Offer Booklet.
Entitlement Offer	The 1 for 4 non-renounceable pro-rata entitlement offer to subscribe for New Shares at the Offer Price, as announced by the Company on Tuesday, 7 September 2021 (including the Top-Up Facility).

Term	Meaning
GST	Goods and Services Tax (imposed under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)).
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder.
Manager	Sandon Capital Pty Ltd.
New Share	A new Share to be issued under the Entitlement Offer.
Offer Booklet	This information booklet in relation to the Entitlement Offer, dated 15 September 2021.
Offer Price	\$1.01 (one dollar and one cent) per New Share subscribed for.
Opening Date	The opening date of the Entitlement Offer being Wednesday, 15 September 2021 (at 9.00am), unless varied.
Portfolio	The portfolio of investments of the Company from time to time.
Record Date	7.00pm (Sydney time) on Friday, 10 September 2021.
Securities	Has the meaning given in Section 92 of the <i>Corporations Act 2001</i> (Cth).
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of a Share.
Share Registry	Link Market Services Limited.
Shortfall Facility	The mechanism by which the Company may allocate or place Shortfall Facility Shares as described in Section 3.7.
Shortfall Facility Shares	New Shares which comprise the shortfall (after the application of New Shares under the Entitlement Offer (including the Top-Up Facility) and are available under the Shortfall Facility, which may be placed by the Directors to new or existing professional and sophisticated investors within 3 months of the close of the Entitlement Offer.
Top-Up Facility	The mechanism by which Shareholders who take up their Entitlement Offer in full may also apply for Additional New Shares as described in Section 3.6.
U.S. Person	As defined in Regulation S under the U.S. Securities Act.
U.S. Securities Act	U.S. Securities Act of 1933 (as amended).

7 Corporate directory

Sandon Capital Investments Ltd (ASX:SNC)

Directors

Mr Gabriel Radzynski (Chairman)
Mr Peter Velez
Ms Melinda Snowden

Company Secretary

Mr Mark Licciardo

Registered Office

Level 5
139 Macquarie Street
Sydney NSW, 2000
info@sandoncapital.com.au
www.sandoncapital.com.au

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW, 2000
Telephone: 1300 554 474
www.linkmarketservices.com.au

Australian legal advisers

Mont Lawyers Pty Ltd
Suite 18, 50 Stanley Street
Darlinghurst NSW, 2010

Annexure A – ASX Announcement

ASX Announcement

7 September 2021

SNC announces 1-for-4 non-renounceable Entitlement Offer for shareholders

- **Issue price of \$1.01 per share represents attractive value for Shareholders**
- **New Shares will receive 3.75 cents per share in fully franked dividends by 20 December 2021¹**
- **Exceptional investment performance with further opportunities identified**
- **An equitable, pro-rata way to grow the Company**
- **Investment manager to reimburse all costs of the Offer**

The Directors of Sandon Capital Investments Ltd (SNC or the Company) are pleased to announce a 1-for-4 non-renounceable entitlement offer at an issue price of \$1.01 per share to raise up to \$27.9 million (**Entitlement Offer**). The Offer price represents attractive value for SNC shareholders, being a 2.9% discount to the market price immediately prior to the announcement of the Offer and an 11.3% discount to the 31 July 2021 reported pre-tax NTA of \$1.1390.

The Entitlement Offer will allow the Company to grow its capital base, improving liquidity and its relevance in a growing LIC market, as well as reducing its fixed expense ratio. The new capital will be deployed by the Investment Manager in accordance with its proven and successful investment approach.

New Shares will receive 3.75 cents per share of fully franked dividends by 20 December 2021¹

New Shares issued under the Entitlement Offer will receive 3.75 cents per share in fully franked dividends, comprising the 2.75 cents per share fully franked final dividend and the 1.0 cent per share fully franked special dividend to be paid in November and December 2021.¹ Further, the Board has indicated that it intends to pay a fully franked dividend of 2.75 cents per share for the period ended 31 December 2021. This amounts to a total of 6.5 cents per share in fully franked dividends to be paid before 30 June 2022, representing a yield of 6.4% (or 8.6% including the value of franking credits).

Exceptional investment performance with further opportunities identified

The performance of SNC's investment portfolio has been exceptional over the past 12 months and has significantly outperformed broader share market indices since inception. The Investment Manager has indicated that it has identified a number of investment opportunities with attractive return prospects into which it can deploy the new capital.

An equitable, pro-rata way to grow the Company

The Board of SNC has been examining a number of methods to grow the capital base to take advantage of the attractive investment opportunities on offer. The Entitlement Offer was determined to be the most equitable method for existing shareholders. Increasing the size of the Company is expected to help increase the liquidity of its shares and will also reduce the fixed expense ratio, to the benefit of all shareholders. It is also expected to increase SNC's relevance in the LIC sector.

In addition, the Investment Manager has agreed to reimburse the costs of the Entitlement Offer (including the Shortfall Facility), which will help maximise the amount of capital that is available to deploy for investment opportunities. These costs will be paid upfront by the Company and the Investment Manager will repay the offer costs to the Company in accordance with a manager loan. Further details of the manager

¹ Provided New Shares acquired are held on both record dates of 20 October 2021 and 1 December 2021.

loan will be disclosed in the offer booklet. The Investment Manager may repay some or all of the manager loan early in its absolute discretion.

Top-Up and Shortfall Facilities

Eligible Shareholders who exercise their Entitlements in full will be able to apply for additional shares in the Top-Up Facility at the Offer Price. If there remains any shortfall of New Shares taken up by Eligible Shareholders (including after New Shares are issued under the Top-up facility) the Directors reserve the right (in their absolute discretion) to issue all or any of the shortfall through a placement to eligible professional and sophisticated investors at the same price and on the same terms as the Entitlement Offer.

Directors and any entities in which they have a relevant interest intend to exercise all of their entitlements. Directors are not eligible to participate in the Shortfall Facility.

New Shares issued under the Top-up and Shortfall Facilities will receive the fully franked 2.75 cents per share final dividend and the fully franked 1.00 cent per share special dividend.²

If you are an eligible professional or sophisticated investor and have any questions about the Shortfall Facility, please contact Mr Hamish Nairn at Taylor Collison (Tel: 08 8217 3908, Email: hnairn@taylorcollison.com.au)

Investment Performance

SNC's investment portfolio return has significantly outperformed the broader share-market indices since inception.

Portfolio Returns to 31 July 2021 ³	1 Month	1 yr	2 yr (p.a.)	3 yr (p.a)	Since inception (p.a)
SNC	2.3%	68.1%	23.6%	15.8%	12.7%
All Ordinaries Accumulation Index	1.1%	30.4%	8.9%	10.2%	9.8%
Outperformance	1.3%	37.7%	14.7%	5.6%	2.9%

The Offer allows Eligible Shareholders to increase their exposure to Sandon Capital's proven investment approach, which has delivered significant outperformance.⁴

Opportunity to acquire SNC shares with no brokerage costs

The Entitlement Offer allows Eligible Shareholders to acquire 1 new SNC share for every 4 SNC Shares they own without having to pay any brokerage costs.

How to exercise your Entitlements

An Entitlement Offer Booklet will contain all necessary information, including the final timetable and instructions on how shareholders can exercise their Entitlements. Eligible Shareholders will receive a copy of the Entitlement Offer Booklet and a personalised Entitlement Acceptance Form.

² Provided New Shares acquired are held on both record dates of 20 October 2021 and 1 December 2021

³ Gross performance is calculated after investment management fees (1.25% p.a. plus GST less RITC) but before performance fees, corporate expenses and taxes. Performance figures are unaudited.

⁴ Past performance should not be taken as an indication of future performance.

Fully franked dividends of 3.75 cents per share to be paid before 31 December 2021

SNC will pay fully franked dividends totalling 3.75 cents per share before 31 December 2021, comprising the final dividend of 2.75 cents per share and the special dividend of 1.00 cent per share. The Board currently expects to pay a fully franked interim dividend of 2.75 cents per share in respect of the half year ending 31 December 2021, provided the Company has sufficient profit reserves, franking credits and it is within prudent business practice.

If all Entitlements are exercised, and after payment of the final and special dividends, SNC will have profit reserves of 21.9 cents per share and 6.4 cents per share in its franking account (before any tax that might be paid on FY21 profits). The reserves equate to nearly 4 years of dividends at the expected dividend rate.

Key Dates

Event	Date
Announcement of Entitlement Offer	Tuesday, 7 September 2021
Ex-date for Entitlement Offer	Thursday, 9 September 2021
Record Date for Entitlement Offer	Friday, 10 September 2021
Announcement of SNC August NTA (on or before)	Monday, 13 September 2021
Entitlement Offer opens	Monday, 13 September 2021
Offer Closes (Closing Date)	Friday, 24 September 2021
Sandon announces trading halt and intention to conduct placement	Monday, 27 September 2021
Notification of shortfall and commitments under Shortfall Facility	Wednesday, 29 September 2021
Issue of New Shares under Entitlement Offer	Friday, 1 October 2021
Issue of securities under the Shortfall Facility	Wednesday, 6 October 2021
Ex-dividend date (2.75cps final dividend)	Tuesday, 19 October 2021
Dividend payment date (2.75cps final dividend)	Friday, 5 November 2021
Ex-dividend date (1.0cps final dividend)	Tuesday, 30 November 2021
Dividend payment date (1.0cps final dividend)	Monday, 20 December 2021

Note: these dates are indicative and may change.

This Announcement has been authorised by the Board.

Further information:

Sandon Capital Investments Limited
Tel: 02 8014 1188
Fax: 02 8084 9918
Website: www.sandoncapital.com.au

Share registry:
Link Market Services
Tel: 1300 554 474 (toll free within Australia)
Email: registrars@linkmarketservices.com.au

SANDON CAPITAL

Sandon Capital Investments Limited
ACN 107 772 467

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
ASX Code: SNC
Website: www.linkmarketservices.com.au

IID:

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (Sydney time)
on 10 September 2021:

Entitlement to New Shares
(on a 1 New Share for 4 basis):

Amount payable on full acceptance
at A\$1.01 per Share:

Offer Closes
5:00pm (Sydney time): 24 September 2021

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 4 Existing Shares that you hold on the Record Date, at an Offer Price of A\$1.01 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Offer Booklet dated 15 September 2021. The Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet.

If you do not have a paper copy of the Offer Booklet, you can obtain a paper copy at no charge, by calling 1300 554 474 (within Australia) or +61 1300 554 474 (from outside Australia).

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for Additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (Sydney time) on 24 September 2021. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (Sydney time) on 24 September 2021.



Biller Code: 357467
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

SANDON CAPITAL

Sandon Capital Investments Limited
ACN 107 772 467

Please detach and enclose with payment



IID:

SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of Additional New Shares

C Total number of New Shares accepted (add Boxes A and B)

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Sandon Capital Investments Limited” and crossed “Not Negotiable”.

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

A\$

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

SANDON CAPITAL INVESTMENTS LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Sandon Capital Investments Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$1.01.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding. You can make multiple payments using the same Reference Number to make up the desired application amount if your bank account has a daily limit imposed.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **Additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for Additional New Shares may not be successful (wholly or partially). The decision of Sandon Capital Investments Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Sandon Capital Investments Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Sandon Capital Investments Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Sandon Capital Investments Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Make sure you send your acceptance slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on 24 September 2021. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Sandon Capital Investments Limited reserves the right not to process any acceptance slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact Sandon Capital Investments Limited by phoning 02 8014 1188, if calling within Australia, or +61 2 8014 1188, if calling from outside Australia, or by emailing info@sandoncapital.com.au.