

**Form 604****Corporations Act 2001  
Section 671B****Notice of change of interests of substantial holder**

To Company Name/Scheme      The Environmental Group Limited

ACN/ARSN      000 013 427

**1. Details of substantial holder (1)**

Name      Ellis Richardson

ACN/ARSN (if applicable)      \_\_\_\_\_

There was a change in the interests of the substantial holder on      11/09/2017

The previous notice was given to the company on      14/09/2016

The previous notice was dated      14/09/2016

**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
ORD	104,074,929	48.20%	104,074,929	48.20%

**3. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a related interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
11/09/2017	Ellis Richardson	Assignment of option rights to acquire shares in off-market transaction provided for in the attached deed marked "A"	\$0.00	6,189,059 ORD	6,189,059

**4. Present relevant interests**

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Denise Richardson	Denise Richardson	Denise Richardson	Acting in concert with associate	45,293,334 ORD shares	45,293,334
Baltec Inlet & Exhaust Systems Pty Limited	Saim Sinan Boratav	Saim Sinan Boratav	Call option	6,189,059 ORD	6,189,059
Ellis Richardson	Ellis Richardson	Ellis Richardson	Registered holder	45,293,334 ORD shares	45,293,334
Ellis Richardson	Baltec Inlet & Exhaust Systems Pty Limited	Baltec Inlet & Exhaust Systems Pty Limited	Ellis Richardson controls Baltec Inlet & Exhaust Systems Pty Limited	3,727,773 ORD shares	3,727,773
Lynn Richardson	Richmarsh Investments Pty Ltd	Richmarsh Investments Pty Ltd	Acting in concert with associate – Lynn Richardson controls Richmarsh Investments Pty Ltd	3,571,429 ORD shares	3,571,429

**5. Changes in association**

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

**6. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Denise Richardson	28 Hunter Street, Monbulk, Victoria 3793
Ellis Richardson	28 Hunter Street, Monbulk, Victoria 3793
Lynn Richardson	10/2-3 Gracie Avenue, Edithvale, Victoria 3196
Saim Sinan Boratav	1/19 Sunray Avenue, Cheltenham, Victoria 3192
Baltec Inlet & Exhaust Systems Pty Limited	'Accountants at Latitude 17', 199 Bruce Highway, Edmonton, Queensland 4869
Richmarsh Investments Pty Ltd	10/2-3 Gracie Avenue, Edithvale, Victoria 3196

**Signature**

print name Ellis Richardson Capacity

sign here



date 11/09/2017

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

This is annexure "A" of 9 pages referred to in Form 604 Notice of change of interests of substantial holder dated 11 September 2017.

Signed

A handwritten signature in black ink, appearing to be 'S. P. ...', written over a horizontal line.

Date: 11/09/2017

# Deed of Assignment

bakerjones  
lawyers

Ref: DAB:VL:160175  
Deed of Assignment 170907

This Deed of Assignment [this "Deed"] is made on 11 September 2017

Between the parties:

Assignor **Ellis Richardson**  
of 28 Hunter Street, Monbulk, Victoria 3793

Assignee **Baltec Inlet and Exhaust Systems Pty Ltd**  
**ACN 003 014 104**  
of 'Accountants at Latitude 17', 199 Bruce Highway, Edmonton,  
Queensland 4869

RECITALS:

- A. The Assignor holds Option Rights over shares in the Company held by the Shareholder.
- B. The Assignor wishes to assign the benefit of the Assignor's Option Rights to the Assignee pursuant to the terms and conditions set out in this Deed.

NOW THIS DEED WITNESSES and the parties by this Deed covenant and agree as follows:

**1. Definitions**

1.1 In this Deed the following words and phrases shall have the meanings set out in this sub-clause:

- (a) "**ASX**" means ASX Limited ABN 98 008 624 691 or Australian Securities Exchange Limited ACN 000 943 377 as appropriate;
- (b) "**Business Day**" means a day on which trading banks in Melbourne, Australia, are open for business during normal hours;
- (c) "**Company**" means The Environmental Group Limited ACN 000 013 427;
- (d) "**Encumbrance**" includes any mortgage, charge, lien, pledge, hypothecation, bill of sale (other than a bill of sale which immediately disposes of the entire legal and equitable interest in property which is the subject of a bill of sale), title retention arrangement and/or trust reserved in or over an interest in any asset by way of security for the payment of a debt or other monetary obligation or the performance of any other obligation;
- (e) "**GST**" means any tax payable pursuant to the **GST Act**;
- (f) "**GST Act**" means the *A New Tax System (Goods and Services Tax) Act 1999*; and
- (g) "**Option Deed**" means the Option Deed between the Shareholder (as Grantor) and the Assignor (as Recipient dated 14 September 2016, a copy of which is annexed to this Deed and marked attachment "OD");
- (h) "**Option Rights**" means all the Assignor's rights, title and interests under the Option Deed; and
- (i) "**Shareholder**" means Saim Sinan Borafav of 1/19 Sunray Avenue, Cheltenham, Victoria 3192.

- 1.2 In this Deed unless the context otherwise requires:
- (a) the singular includes the plural and vice versa;
  - (b) a reference to any gender includes all genders;
  - (c) monetary amounts are expressed in Australian dollars;
  - (d) a reference to an individual person includes a corporation, partnership, firm, joint venture, association, authority, trust, State or government;
  - (e) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
  - (f) a reference to any party to this Deed includes that party's executors, administrators, substitutes, successors and permitted assigns;
  - (g) if any party to this Deed consists of more than one person then the liability of those persons in all respects under this Deed is a joint liability of all those persons and a several liabilities of each of those persons; and
  - (h) where any obligation under this Deed falls to be performed on a day other than a Business Day this Deed shall be construed as requiring that obligation to be performed on the next Business Day.

## 2. Assignment

- 2.1 The Assignor assigns to the Assignee all the Assignee's Option Rights.
- 2.2 The Assignor undertakes to the Assignee to execute all documents and do all things as may be necessary, proper or desirable to enable the Assignee:
- (a) to give full effect to this Deed; and
  - (b) to fully enjoy and prosecute the Option Rights and any rights associated with them.
- 2.3 The Assignor and the Assignee each agree to use their respective best endeavours to ensure that all relevant disclosures are given to ASX in respect of the assignment of the Assignor's Option Rights as set out in this Deed.
- 2.4 The Assignor warrants to the Assignee that:
- (a) the Assignor has full legal and beneficial ownership and full power and authority to transfer good and valid title to the Option Rights;
  - (b) the Option Rights remain current and exercisable;
  - (c) there has been no variation, modification, waiver or termination of the Option Deed; and
  - (d) there is no option, right to acquire, mortgage, charge, lien or other form of security or Encumbrance in respect of any of the Option Rights.
- 2.5 Each party shall do and execute all acts and documents required by this Deed to be done or executed by any other party when may be necessary and/or is reasonably required for the fulfilment by the parties of their respective rights and/or obligations under this Deed.

## 3. General provisions

- 3.1 Any payment obligation referred to in this Deed does not include GST.
- 3.2 Any notice which is required to be given by any party in writing may be signed by any authorised representative and may be served by hand-delivery, e-mail, fax and/or post to the last known address and the notice shall in the case of posting be deemed to have been served, on the second Business Day following the day on which it was posted.

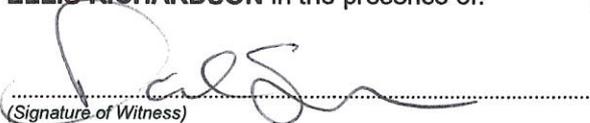
- 3.3 Time is of the essence in this Deed.
- 3.4 This Deed shall be governed by and construed in accordance with the laws of the State of Victoria and the parties irrevocably submit to the jurisdiction of any Court of that State nominated by the Principal.
- 3.5 The failure or omission of any party at any time and from time to time to enforce or require strict compliance with any provision of this Deed shall not affect or impair such provision in any way or the rights of such party to avail itself of such remedies as it may have in respect of any breach or breaches of any such provision(s).
- 3.6 No variation, modification or waiver of any provision of this Deed shall be of any force or effect unless the same shall be confirmed in writing and signed by all parties and then such variation, modification, waiver or consent shall be effective only to the extent for which it may be made or given.
- 3.7 If any provision of this Deed shall be invalid or not enforceable in accordance with its terms all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid or unenforceable provision(s) shall be and continue to be valid and enforceable in accordance with their terms.
- 3.8 Where any party comprises more than one person then the liability of those persons under this Deed shall be a joint liability of all those persons and the liability of each of those persons severally.
- 3.9 Where any obligation under this Deed falls to be performed on a day other than a Business Day this Deed shall be construed as requiring that obligation to be performed on the next Business Day.

EXECUTED as a deed by the parties to this Deed on the date first mentioned:

SIGNED, SEALED AND DELIVERED by the said  
**ELLIS RICHARDSON** in the presence of:



.....  
(Signature)



.....  
(Signature of Witness)

PAUL SPENCE

.....  
(Name of Witness - please print)

26 HUNTER ST, MONBULK

.....  
(Usual address of Witness - please print)

SIGNED for and on behalf of **BALTEC INLET  
AND EXHAUST SYSTEMS PTY LTD** pursuant  
to Sub-Section 127(1) of the *Corporations Act  
2001* by its duly authorised officers:



.....  
(Signature of Director/sole Director)

ELLIS RICHARDSON

.....  
(Name of Director/sole Director - please print)

23 HUNTER ST, MONBULK VIC

.....  
(Usual address of Director/sole Director - please print)

.....  
(Signature of Director/Secretary - if applicable)

.....  
(Name of Director/Secretary - please print)

.....  
(Usual address of Director/Secretary - please print)

"OD"

# Option Deed



Ref: DAB:AM:160175  
Option Deed 160907.docx



1.2 In this Deed unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a reference to any gender includes all genders;
- (c) monetary amounts are expressed in Australian dollars;
- (d) a reference to an individual person includes a corporation, partnership, firm, joint venture, association, authority, trust, State or government;
- (e) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- (f) a reference to any party to this Deed includes that party's executors, administrators, substitutes, successors and permitted assigns;
- (g) if any party to this Deed consists of more than one person then the liability of those persons in all respects under this Deed is a joint liability of all of those persons and a several liability of each of those persons; and
- (h) where any obligation under this Deed falls to be performed on a day other than a Business Day this Deed shall be construed as requiring that obligation to be performed on the next Business Day.

## 2. Option Period

2.1 During the Option Period the Grantor covenants and agrees not to:

- (a) sell, transfer, assign and/or further deal with any of the Shares; and
- (b) permit or allow any Encumbrances to be given or registered over or in respect of the Shares.

2.2 The Grantor warrants to the Recipient that:

- (a) the Grantor has full legal and beneficial ownership and full power and authority to transfer good and valid title to the Shares; and
- (b) there is no option, right to acquire, mortgage, charge, lien or other form of security or Encumbrance in respect of any of the Shares.

## 3. Grant of Option

3.1 Subject to sub-clause 3.2 below and in consideration for payment by the Recipient of the Option Fee to the Grantor within 30 days of the date of this Deed the Grantor grants to the Recipient an irrevocable call option over the Shares [the "Option"].

3.2 The Option may only be exercised by written notice to the Grantor [an "Option Notice"] during the Option Period after the expiry of which period the Option shall lapse and be of no further force or effect.

3.3 In the event that the Option is exercised by the giving of an Option Notice:

- (a) the Grantor shall be deemed by this sub-clause to have irrecoverably appointed any solicitor of Baker Jones, Lawyers, as agent for the Grantor with sole and irrevocable authority to offer the Shares for sale to the Recipient and to transfer those shares on behalf of the Grantor;
- (b) the Grantor shall sign any and all documents necessary to give effect to the sale of the Shares pursuant to this clause;
- (c) the Grantor by this sub-clause appoints any solicitor nominated by Baker Jones, Lawyers, as the Grantor's attorney to sign any and all documents necessary to give effect to the sale of the Shares pursuant to this clause;

- (d) for the purposes of sub-clause 3.3(a) above the sale price for the Shares shall be the Share Purchase Price;
- (e) completion of the transfer of the Shares by the Grantor and the payment of the Share Purchase Price by the Recipient shall take place at the offices of Baker Jones, Lawyers, within 14 days of the exercise of the Option; and
- (f) the parties shall do all things necessary to give affect to the transfer of the Shares including but not limited to lodging any transfer documents with the Company and with ASX.

#### 4. General provisions

- 4.1 Any payment obligation referred to in this Deed does not include GST.
- 4.2 Any notice which is required to be given by any party in writing may be signed by any authorised representative and may be served by hand-delivery, e-mail, fax and/or post to the last known address and the notice shall in the case of posting be deemed to have been served on the second Business Day following the day on which it was posted.
- 4.3 Time is of the essence in this Deed.
- 4.4 This Deed shall be governed by and construed in accordance with the laws of the State of Victoria and the parties irrevocably submit to the jurisdiction of any Court of that State nominated by the Principal.
- 4.5 The failure or omission of any party at any time and from time to time to enforce or require strict compliance with any provision of this Deed shall not affect or impair such provision in any way or the rights of such party to avail itself of such remedies as it may have in respect of any breach or breaches of any such provision(s).
- 4.6 No variation, modification or waiver of any provision of this Deed shall be of any force or effect unless the same shall be confirmed in writing and signed by all parties and then such variation, modification, waiver or consent shall be effective only to the extent for which it may be made or given.
- 4.7 If any provision of this Deed shall be invalid or not enforceable in accordance with its terms all other provisions which are self-sustaining and capable of separate enforcement without regard to the invalid or unenforceable provision(s) shall be and continue to be valid and enforceable in accordance with their terms.
- 4.8 Where any party comprises more than one person then the liability of those persons under this Deed shall be a joint liability of all of those persons and the liability of each of those persons severally.
- 4.9 Where any obligation under this Deed falls to be performed on a day other than a Business Day this Deed shall be construed as requiring that obligation to be performed on the next Business Day.
- 4.10 Each party shall do and execute all acts and documents required by this Deed to be done or executed by any other party at such time as may be necessary and/or is reasonably required for the fulfilment by the parties of their respective rights and/or obligations under this Deed.

[The remainder of this page is intentionally blank]

EXECUTED as a deed by the parties to this Deed on the date first mentioned:

SIGNED, SEALED AND DELIVERED by the said  
**ELLIS RICHARDSON** in the presence of:



(Signature)



(Signature of Witness)

**GARY MITTON**

(Name of Witness - please print)

**33 YAMMICKBOCK WAY  
 CRANBOWNE EAST VIC 3977**

(Usual address of Witness - please print)

SIGNED, SEALED AND DELIVERED by the said  
**SAIM SINAN BORATAV** in the presence of:



(Signature)



(Signature of Witness)

**GARY MITTON**

(Name of Witness - please print)

**33 YAMMICKBOCK WAY CRANBOWNE EAST  
 VIC 3977**

(Usual address of Witness - please print)

## Schedule

Item 1	Date of Deed:	<u>14/9/16</u>
Item 2	Company:	THE ENVIRONMENTAL GROUP LIMITED ACN 000 013 427
Item 3	Shares:	6,189,059 ordinary shares in the Company
Item 4	Share Purchase Price:	\$120,000 (\$0.019389 per share)
Item 5	Option Fee:	\$10.00