

ASX Announcement

12 September 2019

Compulsory Acquisition of Shares in Mercantile Investment Company Limited

Compulsory acquisition notices and related correspondence in relation to the off-market takeover offer (**Offer**) by Sandon Capital Investments Limited (**Sandon**) for all of the shares in Mercantile Investment Company Limited (**Mercantile**) will be despatched to all Mercantile shareholders who have not accepted the Offer.

A copy of that correspondence is attached to this announcement. A copy of the compulsory acquisition notice is included by way of service pursuant to section 661B(1)(d) of the *Corporations Act 2001* (Cth).

Sandon understands that ASX will suspend quotation of Mercantile shares 5 business days after today, in accordance with ASX Listing Rule 17.4.

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

Fax: +61 2 9287 0303

Postal Locked Bag A14, Sydney

Address: South NSW 1235

12 September 2019

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

**IF YOU HAVE ACCEPTED SANDON'S OFFER FOR YOUR SHARES IN MERCANTILE, YOU CAN
DISREGARD THIS LETTER AND THE ACCOMPANYING DOCUMENT**

Dear Mercantile shareholder

Compulsory acquisition of your shares in Mercantile Investment Company Ltd (ASX: MVT)

As you are aware, Sandon Capital Investments Limited (**Sandon**) has offered to acquire all of your shares in Mercantile Investment Company Ltd (**Mercantile**) (the **Offer**).

Pursuant to the bidder's statement dated 18 July 2019 (as lodged with the Australian Securities and Investments Commission and available at www.asx.com.au under the Mercantile code 'MVT') (the **Bidder's Statement**), Mercantile shareholders that accepted the Offer were entitled to receive 0.2043 fully paid ordinary shares in Sandon for each Mercantile share held, subject to rounding of entitlements (the **Offer Consideration**).

The Offer closed at 7:00pm (Sydney time) on 9 September 2019.

On 27 August 2019, Sandon declared the Offer unconditional.

On 2 September 2019, Sandon announced that it had acquired a relevant interest in more than 90% of Mercantile shares as a result of acceptances received under the Offer.

Sandon will now proceed to compulsorily acquire the remaining Mercantile shares not acquired under the Offer.

Enclosed is an ASIC Form 6021 which is a formal notice of compulsory acquisition under the *Corporations Act 2001* (Cth) (the **Notice**). The Notice is being sent to all remaining holders of Mercantile shares. Please read it carefully.

Under the compulsory acquisition procedure, you will be entitled to receive the Offer Consideration. This is the same consideration provided under the Offer and is subject to the effects of rounding and the treatment of Foreign Ineligible Shareholders as described in the Bidder's Statement.

On completion of the compulsory acquisition process, Sandon will issue to Mercantile the consideration for the Mercantile shares that it compulsorily acquires. Mercantile shareholders whose Mercantile shares are compulsorily acquired will be sent a claim form by Mercantile advising them how to claim their consideration.

The Notice sets out further details regarding the compulsory acquisition procedure and your rights.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Velez', with a stylized flourish at the end.

Peter Velez

Director

For and on behalf of Sandon Capital Investments Limited

Notice of compulsory acquisition following takeover bid

Notice

Description of class of securities to which the bid relates

Name of target company or body

Tick applicable box(es)

Name of bidder

Tick one box

Date offers closed or are scheduled to close

Tick applicable box(es).
(See subsection 661A(4) and (4A))

Description of securities

Description of securities

Tick one box

To each holder of:

Ordinary shares

('Bid Class Securities')

in

Name ('the Company')

Mercantile Investment Company Ltd

ACN/ARBN/ARSN

121 415 576

- ☐ and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.
- ☐ and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

1. Under a takeover bid offers were made by

Sandon Capital Investments Limited

in respect of the acquisition of Bid Class Securities in the company.

The offers

- ☒ closed
- ☐ are scheduled to close

on

Date

0 9 / 0 9 / 1 9
[D] [D] [M] [M] [Y] [Y]

2. You are, as at the date of this notice, the holder of one or more of the following

- ☒ securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)
- ☐ securities to which the bid related issued after the end of the offer period and before the date of this notice
- ☐ securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related
- ☐ securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

- ☐ the following securities in the bid class in which the bidder has a relevant interest

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

- ☒ 661A(1)
- ☐ 661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

Continued... Notice

Date of lodgement

Insert paragraph 4A only where alternative forms of consideration were offered under the bid.

Details of alternative terms.

Set out the terms that will apply

Tick one box

- 4 Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

This notice was lodged with ASIC on

Date

1	2	0	9	1	9
[D]	[D]	[M]	[M]	[Y]	[Y]

- 4A. You are entitled, within one month after being given this notice (see paragraph 8), or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities:

If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be:

5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before
- ☐ this notice was given.
- ☒ the end of the offer period.
7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.
8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Signature

Name of person signing

Peter Velez

Capacity

Director

Signature



Date signed

1	2	0	9	1	9
[D]	[D]	[M]	[M]	[Y]	[Y]