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CREDIT

**The Manager  
Company Announcement Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000**

18 January 2021

Dear Sir/Madam

**Off-market takeover bid for E&P Financial Group Limited**

On 5 January 2021, 360 Capital ED1 Pty Limited a subsidiary of 360 Capital Group, the stapled group comprising 360 Capital Group Limited and 360 Capital Investment Trust, lodged a bidder's statement in respect an off-market takeover bid (**Takeover Bid**) for all the shares in E&P Financial Group Limited (**E&P**).

Enclosed is a copy of the first supplementary bidder's statement dated 18 January 2021 in relation to the Takeover Bid (**First Supplementary Bidder's Statement**) in satisfaction of the requirement in section 647(3)(b) of the Corporations Act 2001 (Cth).

The First Supplementary Bidder's Statement was lodged with ASIC and given to E&P earlier today.

Sincerely,

Tony Pitt  
Managing Director  
360 Capital Group

# FIRST SUPPLEMENTARY BIDDER'S STATEMENT

18 January 2021

in respect of the off-market takeover bid to acquire all the shares in

**E&P Financial Group Limited (ACN 609 913 457) (ASX:EP1) from  
360 Capital ED1 Pty Limited (ACN 643 857 336)  
a subsidiary of the 360 Capital Group, the stapled group comprising  
360 Capital Group Limited (ACN 113 569 136) (ASX:TGP) and 360  
Capital Investment Trust (ARSN 104 552 598).**

## Important Information

This document is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) to the Bidder's Statement dated 5 January 2021 (**Bidder's Statement**) issued by 360 Capital ED1 Pty Limited (ACN 643 857 336) (the '**Bidder**') a subsidiary of 360 Capital Group, the stapled group comprising 360 Capital Group Limited (ACN 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) and lodged with the Australian Securities and Investments Commission (**ASIC**), in relation to the off market takeover bid by the Bidder for all the shares in E&P Financial Group Limited (ACN 609 913 457). This First Supplementary Bidder's Statement is given in compliance with the requirements of section 643 of the *Corporations Act 2001* (Cth).

**Definitions and Interpretation:** Unless the context requires otherwise, capitalised terms in this First Supplementary Bidder's Statement have the same meaning given to them in section 12.1 of the Bidder's Statement. This First Supplementary Bidder's Statement is to be read together with the Bidder's Statement. In the event of any inconsistency with the Bidder's Statement, the First Supplementary Bidder's Statement prevails.

**ASIC:** A copy of this First Supplementary Bidder's Statement was lodged with ASIC on 18 January 2021. Neither ASIC nor any of its officers takes any responsibility for the contents of this First Supplementary Bidder's Statement.

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## 1. Amendments to the Bidder's Statement

This First Supplementary Bidder's Statement amends the Bidder's Statement in the manner as marked-up in the attached.

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## 2. Replacement Bidder's Statement

A replacement bidder's statement (**Replacement Bidder's Statement**) issued by the Bidder replaces the Bidder's Statement as amended by this First Supplementary Bidder's Statement.

Attached to this First Supplementary Bidder's Statement is a marked-up copy of the Bidder's Statement showing the amendments that have been made as reflected in the Replacement Bidder's Statement.

A clean copy of the Replacement Bidder's Statement is issued at the same time as this First Supplementary Bidder's Statement.

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## 3. Approval of First Supplementary Bidder's Statement

This First Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the directors of the Bidder.

Signed for and on behalf of the Bidder in accordance with section 351 of the Corporations Act.

Signed for an on behalf of  
**360 Capital Group Limited**  
by



**David van Aanholt**  
Independent Chairman  
**360 Capital Group Limited**

Signed for an on behalf of  
**360 Capital ED1 Pty Limited**  
by



**Tony Pitt**  
Director  
**360 Capital ED1 Pty Limited**

**Attachment - Marked-up Bidder's Statement showing changes made as reflected in the Replacement Bidder's Statement**



# Bidder's Statement ACCEPT

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**Containing offers under an off-market takeover bid by:**

360 Capital ED1 Pty Limited ACN 643 857 336 (the 'Bidder') a subsidiary of 360 Capital Group, the stapled group comprising 360 Capital Group Limited ACN 113 569 136 and 360 Capital Investment Trust ARSN 104 552 598

**to purchase all of your shares in**

E&P Financial Group Limited ACN 609 913 457 ('E&P')

**For each E&P Share:**

- 0.40 TGP Securities and cash of \$0.30
- Implied value of \$0.66 per E&P Share<sup>1</sup>

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

<sup>1</sup> Based on the closing price of TGP Securities on 4 January 2021 of \$0.905.

Financial Advisors



**Aitken Murray**  
Capital Partners

Legal Advisor

**CLAYTON UTZ**

## Key dates

Date of announcement of the TGP Offer	11 December 2020
Date of the <a href="#">original</a> Bidder's Statement	5 January 2021
<a href="#">Date of this replacement Bidder's Statement</a>	<a href="#">18 January 2021</a>
Date of TGP Offer	[x] [month] 2021
Closing Date (unless extended or withdrawn)	7:00 pm Sydney time [x] [month] 2021

The Closing Date for the TGP Offer may change as permitted by the Corporations Act.

## Key contacts

### Share registrar for the TGP Offer

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000  
Australia

### 360 Capital TGP Offer Information Line

1300 082 130 (within Australia)  
+61 (2) 8016 2884 (outside Australia)

investor.relations@360capital.com.au

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This Bidder's Statement is a [replacement Bidder's Statement](#) issued by 360 Capital ED1 Pty Limited (Bidder) to E&P Financial Group Limited (E&P) under Part 6.5 of the Corporations Act: [\(as amended by ASIC Class Order 13/528\)](#).

This [replacement](#) Bidder's Statement is an important document and should be read in its entirety before deciding whether to accept the TGP Offer.

This [replacement](#) Bidder's Statement is dated 5 [18](#) January 2021 and includes a TGP Offer dated [\[x\]](#) 2021.

A copy of this [replacement](#) Bidder's Statement was lodged with ASIC and the ASX on [18 January 2021](#). [This replacement Bidder's Statement replaces the original Bidder's Statement lodged with ASIC on 5 January 2021. References in this document to "date of the Bidder's Statement" \(or similar\) should be read as references to 5 January 2021.](#) Neither ASIC, the ASX nor any of their respective officers take any responsibility for the content of this Bidder's Statement.

You are advised to exercise caution in relation to the TGP Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 12 along with certain rules of interpretation which apply to this Bidder's Statement.

### Investment advice

In preparing this Bidder's Statement, TGP has not taken into account the individual objectives, financial situation or needs of individual E&P Shareholders. Accordingly, before making a decision whether or not to accept the TGP Offer, you may wish to consult with your financial or other professional adviser.

### Disclaimer as to forward-looking statements

This Bidder's Statement includes information that is historical in character and consists of forward-looking statements (including statements of current intention, statements of opinion and predictions as to possible future events). To the extent that any statements relate to future matters, you should consider that they are subject to risks and uncertainties. Those risks and uncertainties are not all within the control of the Bidder and its related bodies corporate and cannot be predicted by the Bidder and its related bodies corporate and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which the Bidder and E&P and their respective related bodies corporate operate and/or joint ventures and associated undertakings operate. They also include general economic conditions, acts of terrorism, health epidemics and pandemics, prevailing exchange rates and interest rates and conditions in the financial markets that may cause objectives to change or may cause outcomes not to be realised. Although the Bidder believes that the expectations reflected in any forward-looking statements included in this Bidder's Statement are reasonable, no assurance can be given that such

expectations will prove to be correct. Actual outcomes, events or results may differ materially from the outcomes, events or results expressed or implied in any forward-looking statements and any statement in the nature of a forward-looking statement in this Bidder's Statement.

None of the Bidder, TGP, the officers of TGP, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any outcomes expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement and any statement in the nature of a forward-looking statement. The forwarding-looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

### Disclaimer as to E&P information

All of the information concerning E&P contained in this Bidder's Statement has been obtained from publicly available sources including public documents filed by E&P or information published by E&P on its website. Neither the Bidder, its related bodies corporate nor their advisers assume any responsibility for the accuracy or completeness of this information. None of the information in this Bidder's Statement relating to E&P has been verified by E&P or its directors or independently verified by the Bidder, its related bodies corporate or their respective directors for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, neither the Bidder, nor its related bodies corporate, make any representation or warranty (express or implied) as to the accuracy or completeness of this information. The information on E&P in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of E&P to provide a target's statement to E&P Shareholders in response to this Bidder's Statement, setting out all the information known to any of the directors which would enable you to make an informed assessment whether to accept the TGP Offer.

### Responsibility statement

The information in this Bidder's Statement has been prepared by TGP or its related bodies corporate and is the sole responsibility of TGP.

### Privacy

The Bidder has collected your information from the E&P register of shareholders for the purpose of making this TGP Offer and, if accepted, administering a record of your acceptance of the TGP Offer for your holding of the E&P Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to TGP's related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC. The registered address of TGP is Level 8, 56 Pitt St, Sydney NSW 2000.



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**Implied value of TGP Offer**

As you are being offered TGP Securities as part consideration for your E&P Shares, the implied value to you of the TGP Offer will vary with the ASX trading price of TGP Securities. Further information on the implied value of the TGP Offer is contained in this Bidder's Statement.

You are advised to exercise caution in relation to the TGP Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

**Notice to foreign registered shareholders**

E&P Shareholders should note that the consideration under the TGP Offer is comprised partly of TGP Securities, which are stapled securities in two Australian entities listed on the ASX. The TGP Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries. E&P Shareholders whose address in E&P's register of shareholders is not in Australia or its external territories or New Zealand will not be entitled to receive TGP Securities on acceptance of the TGP Offer (unless the Bidder determines otherwise).

Ineligible Foreign Shareholders who accept the TGP Offer will be paid a cash amount calculated in accordance with section 11.5.5 of this Bidder's Statement. This Bidder's Statement does not constitute an offer to issue or sell, or the solicitation of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which the offer or issue of such securities would be unlawful.

E&P Shareholders who are resident outside of Australia or New Zealand should refer to section 11.5.5 for further details.

**Notice to E&P Shareholders in New Zealand**

In offering TGP Securities as part of the TGP Offer to E&P Shareholders in New Zealand, TGP is relying on the Securities Act (Overseas Companies) Exemption Notice 2013. This document is not a prospectus or an investment statement under New Zealand law, and may not contain all the information that a prospectus or investment statement under New Zealand law is required to contain.

**Unmarketable Parcel Shareholders**

Unmarketable Parcel Shareholders who accept the TGP Offer will not receive TGP Securities but will be paid a cash amount calculated in accordance with section 11.5.5 of this Bidder's Statement.

**Rounding**

A number of figures, amounts, percentages or estimates and calculations of value in this Bidder's Statement may be subject to the effect of rounding.

**Time**

All references to time in this Bidder's Statement are to Sydney time.

**Websites**

References in this Bidder's Statement to TGP's website <http://www.360capital.com.au> and to E&P's website <http://www.eap.com.au> are for your reference only. Information contained in or otherwise accessible from those websites does not form part of this Bidder's Statement.

## Dear fellow shareholder,

On behalf of the Board of 360 Capital Group Limited and the Bidder, I am pleased to present to you this attractive, off-market offer to acquire all of your shares in E&P Financial Group Limited (E&P).

The 360 Capital board believes that the TGP Offer provides compelling strategic benefits and value to E&P Shareholders as well as the opportunity for E&P Shareholders to participate in the ongoing benefits associated with an investment in TGP.

360 Capital previously announced a separate off-market takeover offer for E&P on 27 October 2020. That offer was subject to a pre-condition that Resolution 6 at E&P's recent AGM was not passed. That condition was defeated and that offer will not proceed. Following discussions with key stakeholders, 360 Capital is pleased to provide a new offer which it considers is superior to its earlier offer.

### The TGP Offer

E&P Shareholders who accept the TGP Offer and are entitled to receive the TGP Consideration<sup>1</sup> will receive 0.40 TGP Securities and cash of \$0.30 per E&P Share.

[The TGP Offer is subject to a number of conditions, including Condition F in relation to the current ASIC court proceedings against an E&P subsidiary, Dixon Advisory and Superannuation Services Limited. Condition F requires that before the end of the TGP Offer Period, these ASIC court proceedings and any other proceedings which may be commenced on the basis of similar facts or circumstances are withdrawn or discontinued without any liability or settled or finally determined resulting in an aggregate liability in respect of all such proceedings of no more than \\$10 million \(inclusive of legal costs\). Refer to section 8.3.9 for more information about these ASIC proceedings.](#)

The TGP Offer has been structured so that E&P Shareholders receive an attractive price and consideration comprising both cash and TGP Securities. As a result, should you choose to accept the TGP Offer and the TGP Offer is successful, you will become a securityholder in a leading ASX-listed alternative asset investment and funds management group. Importantly, you will also retain exposure to E&P assets while benefiting from the enhanced scale, financial capacity and expertise of 360 Capital Group.

### Attractive premium for E&P Shareholders

The TGP Consideration has an implied value of \$0.66 per Share,<sup>2</sup> which equates to:

- 27% premium to the closing price of E&P Shares on 26 August 2020 of \$0.52 (being the trading day prior to 360 Capital acquiring its initial stake);
- 47% premium to the closing price of E&P Shares on 4 September 2020 of \$0.45, being the close of trading of E&P Shares on the day ASIC announced legal proceedings against Dixon Advisory and Superannuation Services Limited;
- 25% premium to the 30-day volume-weighted average price of E&P Shares to 26 October 2020 of \$0.53 (being the trading day prior to the First Offer); and
- 9% increase to 360 Capital's First Offer of \$0.61 per Share<sup>3</sup>.

### The TGP Offer provides the following additional benefits

- A. An attractive premium for E&P Shareholders
- B. 360 Capital has a demonstrated track record and turn around experience
- C. Exposure to 360 Capital's operating earnings
- D. Significantly increased scale and improved balance sheet composition
- E. Strong alignment of interest with 360 Capital
- F. The Bidder is the largest E&P Shareholder
- G. Avoids risks of not accepting the TGP Offer to E&P Shareholders
- H. The ability to realise your E&P investment without paying brokerage (other than as set out in section 11.13).

<sup>1</sup> Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders refer to section 11.2.2.

<sup>2</sup> Based on the closing price of TGP Securities on 4 January 2021 of \$0.905.

<sup>3</sup> The First Offer comprised \$0.40 and 0.25 TGP Securities per EP1 Share, with an implied value of \$0.61 based on the closing price of TGP Securities of \$0.835 on 26 October 2020.

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**Intentions of TGP**

If TGP acquires 100% of E&P, TGP intends to split the funds management division from the wealth and capital markets divisions. TGP intends to retain full ownership of the separated funds management division and to offer to sell 40% to 80% of ownership in the wealth and capital markets divisions to a third party partner, which may include management and staff or institutional investors. Refer to section 5 of this Bidder's Statement for more information about the intentions of TGP.


**Next steps**

Details of the TGP Offer, including its terms, are set out in this Bidder's Statement. I strongly encourage E&P Shareholders to read all of this Bidder's Statement carefully, and then to accept the TGP Offer as soon as possible.

To accept the TGP Offer, you should follow the instructions on the enclosed Acceptance Form. If you require any assistance, please contact the 360 Capital TGP Offer Information Line on 1300 082 130 (within Australia) or +61 (2) 8016 2884 (outside Australia) or at: [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au).

We look forward to your acceptance of the TGP Offer and welcoming you as a TGP Securityholder.

Yours sincerely,

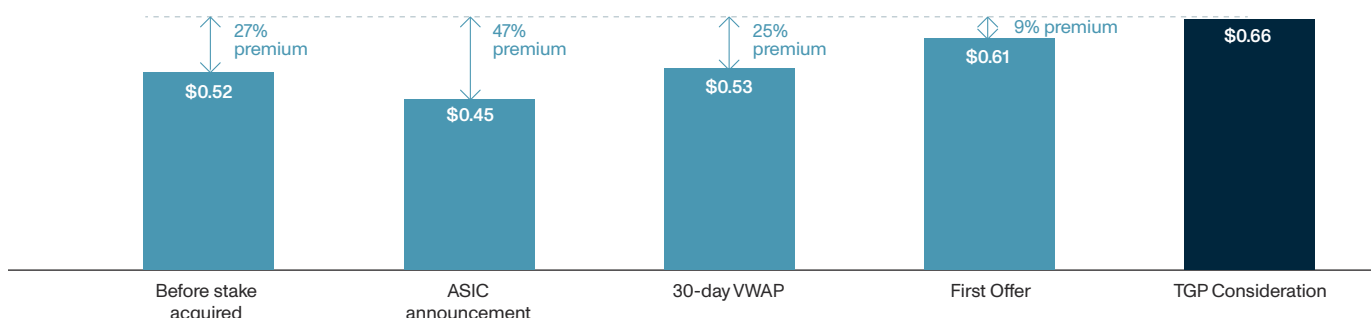
A handwritten signature in black ink, appearing to read 'David van Aanholt', with a stylized flourish at the end.

**David van Aanholt**  
Independent Chairman  
360 Capital Group Limited

## A. An attractive premium for E&P Shareholders

The TGP Consideration has an implied value of \$0.66 per E&P Share.<sup>1</sup> The implied value of \$0.66 equates to:

- 27% premium to the closing price of E&P Shares on 26 August 2020 of \$0.52 (being the trading day prior to 360 Capital acquiring its initial stake);
- 47% premium to the closing price of E&P Shares on 4 September 2020 of \$0.45, being the close of trading of E&P Shares on the day ASIC announced legal proceedings against Dixon Advisory and Superannuation Services Limited;
- 25% premium to the 30-day volume-weighted average price of E&P Shares to 26 October 2020 of \$0.53 (being the trading day prior to the First Offer); and
- 9% increase to 360 Capital's First Offer of \$0.61 per Share<sup>2</sup>.

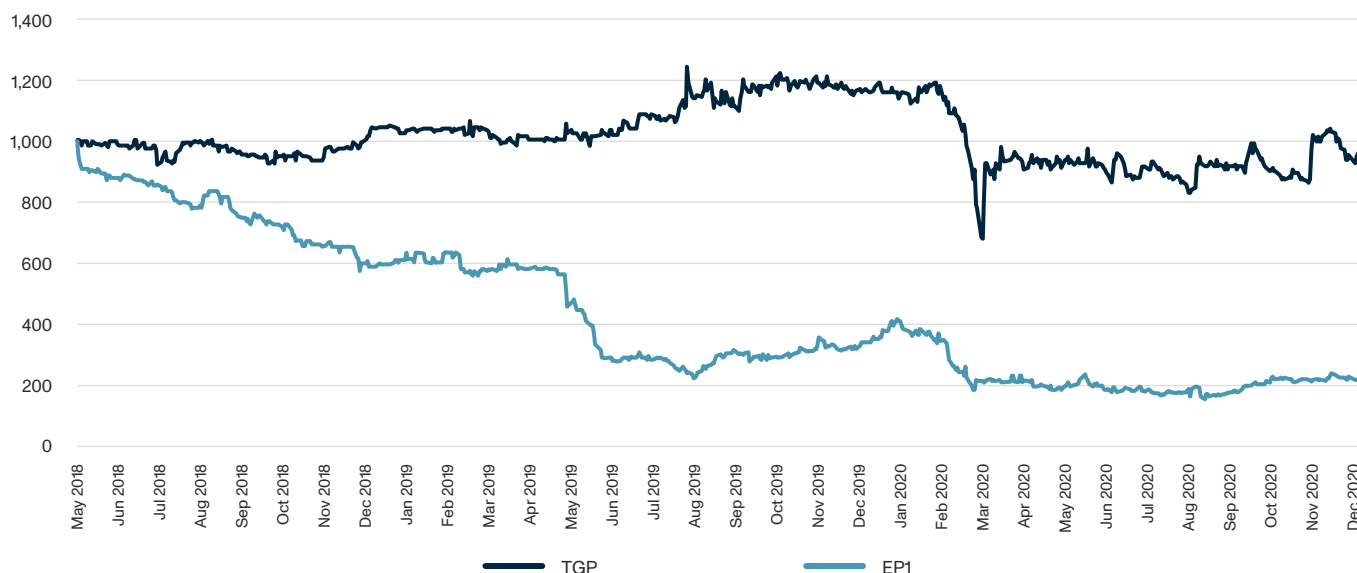


## B. 360 Capital has a demonstrated track record and turn around experience

The TGP Offer enables E&P Shareholders to become shareholders in 360 Capital, benefit from 360 Capital's experience and share in the improvement of the E&P business, and gain exposure to the business of the rest of the 360 Capital Group.

The graph below compares the total securityholder return for TGP and for E&P since the date of E&P's listing.

**Total securityholder return since E&P listing<sup>3</sup>**



Note: The total securityholder return calculation reinvests the dividends paid at the security price on the dividend payment date. Data source: S&P Capital IQ

<sup>1</sup> Based on the closing price of TGP Securities on 4 January 2021 of \$0.905.

<sup>2</sup> The First Offer comprised \$0.40 and 0.25 TGP Securities per EP1 Share, with an implied value of \$0.61 based on the closing price of TGP Securities of \$0.835 on 26 October 2020.

<sup>3</sup> To 4 January 2021.

### E&P funds management performance





The recent performance of certain E&P funds has been poor. Examples include:

1. US Masters Residential Property Fund Unit (ASX: URF) which has had an 85% decrease in its security price.<sup>4</sup>
2. New Energy Solar (ASX: NEW) which has had a 40% decrease in security price.<sup>5</sup>

In addition, E&P expects that the contribution from the Funds Management segment to reduce due to necessary permanent structural changes, including E&P no longer seeding new real asset funds from their retail client base.<sup>6</sup>

### 360 Capital turnaround experience

360 Capital has a strong track record of creating value for securityholders. Examples of this experience include:

	<u>\$0.33 Share Price</u> <u>\$5.2m Investment</u> <u>19.9% Initial Stake</u>	2009	→	2020	<u>\$0.88 Share Price</u> <u>\$190m Mkt Cap</u> <u>59% IRR</u>
	<u>\$2.12 Share Price</u> <u>\$27m Investment</u> <u>12.9% Initial Stake</u>	2014	→	2015	<u>\$220m Mkt Cap</u> <u>\$330m Assets</u> <u>20.9% IRR</u>
	<u>\$1.57 Share Price</u> <u>\$35.8m Investment</u> <u>19.9% Initial Stake</u>	2017	→	2018	<u>\$2.02 Share Price</u> <u>\$19.2m Profit</u> <u>14.4% IRR</u>
	<u>\$9.5m Investment</u> <u>19.9% Initial Stake</u>	2010	→	2016	<u>\$58.8m Sale Price</u> <u>48% IRR</u>

## C. Exposure to 360 Capital's operating earnings

Based on publicly available information, 360 Capital expects that it can achieve cost synergies, which along with 360 Capital's recently upgraded earnings, will be accretive to the earnings of TGP Securities. E&P Shareholders will receive TGP Securities as part of the consideration in the TGP Offer which will benefit from these earnings. The table below illustrates the pro forma operating earnings per TGP Security under a number of synergy and ownership scenarios.

Refer to section 5 of this Bidder's Statement for more information about the intentions of TGP.

Pro Forma Operating Earnings (a), (b), (c)	TGP stand-alone (cps)	100% Ownership Case Combined Group (cps)	50.1% Ownership Case Combined Group (cps)	30% Ownership Case Combined Group (cps)
No synergies	4.0	7.5	6.2	5.6
Low synergies	n/a	10.9	8.3	n/a
High synergies	n/a	14.3	10.3	n/a

(a) Low synergies: \$10m of E&P cost savings.

(b) High synergies: \$20m of E&P cost savings.

(c) Operating Earnings per security is calculated excluding the impact of employee share rights.

4 Based on URF security price at IPO of \$1.62 on 20 July 2012 and URF security price of \$0.245 as at 4 January 2021.

5 Based on NEW security price at IPO of \$1.50 on 4 December 2017 and NEW security price of \$0.90 as at 4 January 2021.

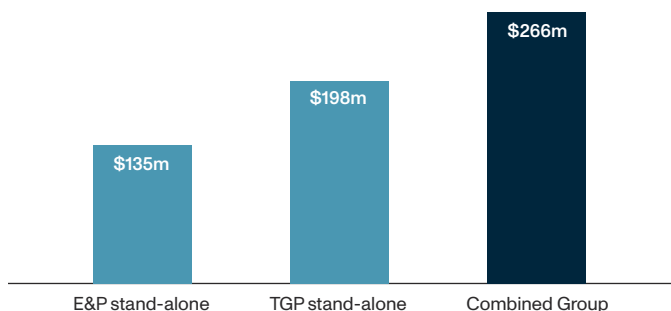
6 E&P FY2020 Results Announcement dated 27 August 2020.

## Why you should accept the TGP Offer (continued)

### D. Significantly increased scale and improved balance sheet composition<sup>7</sup>

#### Market capitalisation E&P<sup>8</sup>, TGP<sup>9</sup> and the Combined Group<sup>10</sup>

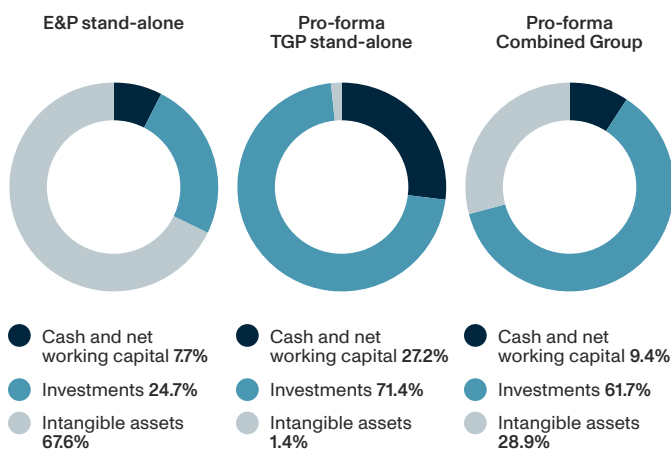
Eligible Shareholders who accept the TGP Offer will receive TGP Securities with the benefits of an increased market capitalisation.



The Combined Group has a pro-forma market capitalisation of \$266 million which is almost twice that of E&P's market capitalisation the day before the First TGP Offer was announced.

#### Composition of assets for E&P, TGP and the Combined Group

The majority of E&P's assets are intangible assets while the majority of the pro-forma Combined Group will be tangible assets.



### E. Strong alignment of interest with 360 Capital

By accepting the TGP Offer, Eligible Shareholders will receive TGP Securities and will benefit from 360 Capital's experience. Staff and key management personnel own 34% of TGP and will be strongly aligned to TGP Securityholders.

### F. The Bidder is the largest E&P Shareholder

As at the date of the Bidder's Statement, TGP has a Relevant Interest in 19.55% of E&P, which substantially reduces the likelihood of a competing proposal emerging.

### G. Risks of not accepting the TGP Offer to E&P Shareholders

#### Potential reduction in liquidity

Should TGP be successful in increasing its ownership stake in E&P, this may lead to reduced liquidity in the market for E&P Shares, which may make it more difficult for you to sell your E&P Shares outside the TGP Offer at or above the value of the TGP Offer.

#### Trading price may fall if E&P Shareholders do not accept

Should the TGP Offer lapse, the E&P Shares may trade at levels below the TGP Offer price going forward (although this is difficult to predict with any degree of certainty).

### H. The ability to realise your E&P investment without paying brokerage

You will not incur any brokerage charges if you accept into the TGP Offer (other than as set out in clause 11.13).

<sup>7</sup> All figures are calculated on completion of the takeover and before the Proposed Restructure.

<sup>8</sup> E&P market capitalisation is based on the closing price of securities on 26 October 2020 (the day before the First Offer was announced).

<sup>9</sup> TGP market capitalisation is based on the closing price of securities on 4 January 2021 (the day before the Bidder's Statement).

<sup>10</sup> Combined Group market capitalisation is based on the total TGP Securities outstanding post takeover multiplied by \$0.905 (closing price 4 January 2021).

# How to accept this TGP Offer

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The TGP Offer is for, and you may only accept the TGP Offer in respect of, all of your E&P Shares. You may accept this TGP Offer at any time during the TGP Offer Period in the manner specified below. How you accept this TGP Offer depends on whether your E&P Shares are held in an Issuer Sponsored Holding or a CHESSE Holding (your personalised Acceptance Form outlines which type of holding you have).

In all cases, your acceptance of the TGP Offer must be received before the end of the TGP Offer Period, which is 7:00pm on [xx] 2021, unless extended.

**E&P Shares held in your name in an Issuer Sponsored Holding** (your Shareholder Reference Number (SRN) starts with an 'I'), you must complete and sign the Acceptance Form in accordance with the terms of this TGP Offer and the instructions on the Acceptance Form and ensure that the Acceptance Form (including any documents required by the terms of this TGP Offer and the instructions on the Acceptance Form) is received at one of the addresses shown on the Acceptance Form before the end of the TGP Offer Period.

**E&P Shares held in your name in a CHESSE holding** (your Holder Identification Number (HIN) starts with 'X'), to accept the TGP Offer you must comply with the ASX Settlement Operating Rules by doing one of the following:

- instruct your Controlling Participant (for E&P Shareholders who are not institutions, this is normally the stockbroker through whom you bought your E&P Shares or ordinarily acquire E&P Shares on the ASX) to initiate acceptance of this TGP Offer on your behalf in accordance with the requirements of the ASX Settlement Operating Rules in sufficient time for the TGP Offer to be accepted before the end of the TGP Offer Period;
- complete and sign your Acceptance Form and, together with all other required documents, send it directly to your Controlling Participant (usually your broker) in sufficient time for the TGP Offer to be accepted before the end of the TGP Offer Period with instructions to initiate acceptance of the TGP Offer on your behalf in accordance with the requirements of the ASX Settlement Operating Rules before the end of the TGP Offer Period; or
- complete and sign your Acceptance Form and, together with all other required documents, lodge it by returning it in the reply paid envelope provided or to the address indicated on the form (and set out below) so that your acceptance is received before the end of the TGP Offer Period. This will authorise the Bidder to initiate, or alternatively to instruct your Controlling Participant to initiate, acceptance of this Offer on your behalf in accordance with the requirements of the ASX Settlement Operating Rules before the end of the TGP Offer Period. You must ensure that the Acceptance Form (and the other required documents) are received in sufficient time for the Bidder to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the TGP Offer Period.

**Brokers and ASX Settlement Participants** to accept the TGP Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the TGP Offer Period.

**If some of your E&P Shares are held in an Issuer Sponsored Holding and some in a CHESSE Holding**, you will need to accept the TGP Offer separately for each holding if you wish to accept the TGP Offer for all of your E&P Shares across these holdings.

**If you are a beneficial owner of E&P Shares** which are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the TGP Offer. Section 11.4 contains further information on how to accept the TGP Offer.

The postal and delivery addresses for your completed Acceptance Forms are as follows:

Postal address:  
360 Capital Group  
c/- Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

Hand delivery:  
Boardroom Pty Limited  
TGP Offer  
Level 12, 225 George Street  
Sydney NSW 2000

A reply paid envelope (for use by E&P Shareholders within Australia) is enclosed for your convenience. The transmission of your Acceptance Form and other documents are at your own risk.

For full details see section 11.4.

If you require any assistance, please contact the 360 Capital TGP Offer Information Line on 1300 082 130 (within Australia) or +61 (2) 8016 2884 (outside Australia) or at: [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au).

You may have questions in relation to the TGP Offer. The following set of questions and answers is intended to assist in your understanding of the TGP Offer. They are qualified by, and should be read in conjunction with, the detailed information contained in this Bidder's Statement. You should read this Bidder's Statement in full before deciding whether or not to accept the TGP Offer.

<b>What is the TGP Offer?</b>	<p>The Bidder is offering to buy all of your E&amp;P Shares by way of an off-market takeover bid.</p> <p>If you accept the TGP Offer, and the TGP Offer is declared or becomes unconditional, you will receive the TGP Consideration, being 0.40 TGP Securities and cash of \$0.30 per E&amp;P Share. This will be reduced by the value of any dividends declared or paid after the Announcement Date.</p> <p>If you are an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder, you will not be entitled to receive TGP Securities. Instead, you will be paid by the Sale Nominee the net proceeds for the sale of the TGP Securities you would have been entitled to. Refer to section 11.5.5 for further details.</p>
<b>Who is making the TGP Offer?</b>	360 Capital ED1 Pty Limited, a wholly owned subsidiary of 360 Capital, is offering to acquire all your E&P Shares.
<b>Who is 360 Capital Group and TGP?</b>	360 Capital is a leading ASX-listed alternative asset investment and funds management group. 360 Capital trades on the ASX under the ticker TGP. Refer to section 2 for further details about 360 Capital.
<b>What is the value of the TGP Offer?</b>	<p>The implied value of the TGP Offer is \$0.66 per E&amp;P Share, based on the closing price of TGP Securities on 4 January 2021 of \$0.905.</p> <p>The implied value of the TGP Consideration will change as a result of movements in the market price of TGP Securities. See the "Important Information" section at the front of this Bidder's Statement for further information.</p>
<b>When does the TGP Offer close?</b>	The TGP Offer closes at 7:00pm (Sydney time) on [xx] 2021, unless it is extended or withdrawn as permitted by the Corporations Act.
<b>Are there any conditions to the TGP Offer?</b>	<p>The TGP Offer is subject to a number of conditions, including no material adverse change, no litigation and <del>no prescribed occurrences</del>, <a href="#"><u>no prescribed occurrences and Condition F in relation to the current ASIC court proceedings against an E&amp;P subsidiary, Dixon Advisory and Superannuation Services Limited. Refer to section 8.3.9 for more information about these ASIC proceedings. Condition F requires that before the end of the TGP Offer Period, these ASIC court proceedings and any other proceedings which may be commenced on the basis of similar facts or circumstances are withdrawn or discontinued without any liability or settled or finally determined resulting in an aggregate liability in respect of all such proceedings of no more than \$10 million (inclusive of legal costs). Neither 360 Capital nor the Bidder have received any non-public information in relation to the ASIC court proceedings. In addition, neither 360 Capital nor the Bidder are party to the proceedings and neither have the ability to influence the proceedings. Accordingly, neither 360 Capital nor the Bidder can comment on the likelihood that Condition F will be satisfied before the end of the TGP Offer Period.</u></a> The full list of the conditions of the TGP Offer are set out in Annexure 1.</p> <p>If any of the TGP Offer Conditions are not satisfied or waived by the Bidder by the end of the TGP Offer Period then the TGP Offer will lapse and not proceed.</p> <p>In addition, there is a statutory condition (see section 11.11) relating to the ASX quotation of TGP Securities to be issued under the TGP Offer. If this condition is not satisfied, the TGP Offer will lapse and not proceed.</p>
<b>What if the TGP Offer Conditions are not satisfied or waived?</b>	If the TGP Offer Conditions are not satisfied or waived by the end of the TGP Offer Period, then the TGP Offer will lapse and your acceptance will be cancelled. You will continue to hold your E&P Shares and be free to deal with your E&P Shares as if the TGP Offer had not been made, unless you have already sold your E&P Shares to someone else.



<b>Why should you accept the TGP Offer?</b>	<ul style="list-style-type: none"> <li>• An attractive premium for E&amp;P Shareholders</li> <li>• 360 Capital has a demonstrated track record and turn around experience</li> <li>• Exposure to 360 Capital's operating earnings</li> <li>• Significantly increased scale and improved balance sheet composition</li> <li>• Strong alignment of interest with 360 Capital</li> <li>• The Bidder is the largest E&amp;P Shareholder</li> <li>• Avoids risks of not accepting the TGP Offer to E&amp;P Shareholders</li> <li>• The ability to realise your E&amp;P investment without paying brokerage (other than as set out in section 11.13).</li> </ul>
<b>Are there any risks in accepting the TGP Offer?</b>	<p>If you accept the TGP Offer, you will be issued with TGP Securities (unless you are an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder). There are a number of risks associated with an investment in the TGP Securities and with the TGP Offer itself. These risks are set out in section 9 of this Bidder's Statement.</p>
<b>How you accept the TGP Offer</b>	<p>See the section "How to Accept the TGP Offer" in section 11.4.</p>
<b>Can you accept the TGP Offer for part of your holdings?</b>	<p>No. You cannot accept for part of your holding. You can only accept the TGP Offer for all of your E&amp;P Shares.</p>
<b>What happens if you do not accept the TGP Offer?</b>	<p>If you do not accept the TGP Offer and the Bidder acquires a relevant interest in at least 90% of E&amp;P Shares and the TGP Offer becomes unconditional, the Bidder intends to proceed to compulsorily acquire outstanding E&amp;P Shares. If this occurs, you will receive the TGP Consideration for each of your E&amp;P Shares at the conclusion of this process. You will receive the TGP Consideration sooner if you accept the TGP Offer, rather than waiting for your E&amp;P Shares to be compulsorily acquired.</p> <p>If TGP acquires less than 90% of all of the E&amp;P Shares and does not become entitled to compulsorily acquire your E&amp;P Shares, the Bidder intends to seek to replace some or all of the E&amp;P directors with nominees of TGP. You will remain an E&amp;P Shareholder however the price of E&amp;P Shares may fall below the value of the TGP Offer and you may become a minority shareholder in a less liquid investment. Refer to section 5 regarding the intentions of the Bidder.</p>
<b>What other choices do you have?</b>	<p>As an E&amp;P Shareholder, you have the following choices in respect of your E&amp;P Shares:</p> <ul style="list-style-type: none"> <li>• Accept the TGP Offer</li> <li>• Sell your E&amp;P Shares on the ASX (unless you have already accepted the TGP Offer for your E&amp;P Shares) for which you may incur brokerage; or</li> <li>• Do nothing.</li> </ul>
<b>Can you revoke your acceptance?</b>	<p>Under the Offer Terms, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the TGP Offer, the Bidder varies the TGP Offer in a way that postpones, for more than one month, the time when the Bidder has to meet its obligations under the TGP Offer (for example, if the Bidder extends the TGP Offer Period for more than one month after your acceptance is received while the TGP Offer remains conditional).</p>
<b>What Relevant Interest does 360 Capital have in E&amp;P?</b>	<p>As at the date of this Bidder's Statement, 360 Capital has a Relevant Interest in 19.55% of E&amp;P.</p>
<b>Will my new TGP Securities be listed on the ASX?</b>	<p>Within 7 days of the date of this Bidder's Statement, the Bidder will cause TGP to apply to the ASX for quotation of the TGP Securities to be issued in conjunction with the TGP Offer.</p> <p>Quotation will depend on the ASX exercising its discretion to admit the new TGP Securities to the official list. However, as TGP is already admitted to the official list of the ASX and securities in TGP are in the same class or on the same terms as those to be issued under the TGP Offer already quoted, TGP is of the view that quotation of the TGP Securities will be granted.</p>

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<b>Will my new TGP Securities have the same rights and liabilities as other TGP Securities?</b>	<p>Yes, the TGP Securities under the TGP Offer will rank equally with existing TGP Securities including for any distribution with a record date that falls on or after the TGP Securities are issued. Further details in relation to the TGP Securities are set out in section 9.1.</p>
<b>When will you receive the TGP Consideration?</b>	<p>TGP will provide the consideration due to you for your E&amp;P Shares by the later of:</p> <ul style="list-style-type: none"><li>• 7 Business Days after the date your acceptance is received; or</li><li>• if the TGP Offer is subject to a TGP Offer Condition, within 10 Business Days after the TGP Offer becomes unconditional.</li></ul> <p>Full details of when payments will be made are set out in section 11.5.</p> <p>Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders will be provided with the net proceeds of sale to which they are entitled under the TGP Offer at a different time (refer to section 11.5.5).</p>
<b>What if you are a foreign shareholder?</b>	<p>Generally speaking, if your address on E&amp;P's register of shareholders is in a jurisdiction other than Australia, its external territories or New Zealand, you will be considered an Ineligible Foreign Shareholder.</p> <p>If you are an Ineligible Foreign Shareholder, you are entitled to accept the TGP Offer just like any other E&amp;P Shareholder, however you will not be entitled to receive TGP Securities or rights with respect to TGP Securities as a result of acceptance of the TGP Offer. Instead, the TGP Securities to which you would otherwise be entitled will be issued to a Sale Nominee who will sell those TGP Securities and provide you with the net sale proceeds in lieu of the TGP Securities (see section 11.5.5).</p> <p>If you are a "relevant foreign resident," TGP may be required to withhold and remit to the ATO 12.5% of the consideration otherwise payable to you under the TGP Offer: see section 7.4 for more details.</p>
<b>What are the tax implications of accepting the TGP Offer?</b>	<p>Section 7 contains a brief guide on the Australian taxation implications of accepting the TGP Offer for individuals who hold their investments on capital account. However, this information is general only and does not take into account your personal circumstances. In addition, the Bidder recommends you seek independent professional advice in relation to your own particular circumstances.</p>
<b>Where to go for further information</b>	<p>For all queries in relation to the TGP Offer, please contact the 360 Capital Information Line on 1300 082 130 (within Australia); +61 2 8016 2884 (outside Australia) or at <a href="mailto:investor.relations@360capital.com.au">investor.relations@360capital.com.au</a>. Inquiries in relation to the TGP Offer will not be received on any other telephone numbers of 360 Capital or its advisers.</p>
<b>Important notice</b>	<p>The information in this clause is a summary only of the TGP Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement and the target's statement that E&amp;P will shortly be sending to you, before deciding whether to accept the TGP Offer.</p>

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# Section 1 : Overview of the TGP Offer

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The following is a summary only of the TGP Offer and is qualified by the detailed information contained in the rest of the Bidder's Statement. You should read this Bidder's Statement in full before deciding how to deal with your E&P Shares.

The terms and conditions of the TGP Offer are contained in section 11.

## 1.1 Summary of the TGP Offer Terms and conditions

### 1.1.1 TGP Offer

The Bidder is offering to buy all of your E&P Shares on the Offer Terms set out in section 11.

Subject to the Offer Terms, you will receive the TGP Consideration of 0.40 TGP Securities and cash of \$0.30 for every E&P Share acquired from you.

The TGP Offer relates to E&P Shares that exist or will exist as at the Register Date.

If you are an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder you will not receive TGP Securities or any rights with respect to TGP Securities. The TGP Securities which you would otherwise receive will be sold for your benefit and you will receive the net proceeds of the sale (see section 11.5.5). Persons resident in Australia, its external territories and New Zealand are not Ineligible Foreign Shareholders.

### 1.1.2 TGP Offer period

The TGP Offer is scheduled to close at 7.00pm (Sydney time) on [xx] 2021 (but it may be extended).

### 1.1.3 Payment date

If you accept the TGP Offer and the TGP Offer is declared or becomes unconditional in the usual case you will be provided with the TGP Consideration within or on the later of:

- 7 Business Days of your acceptance of the TGP Offer; and
- if this TGP Offer is subject to a TGP Offer Condition when accepted, within 10 Business Days after this TGP Offer or the contract resulting from your acceptance of the TGP Offer becomes, or is declared, unconditional, provided that all relevant documents have been received and correctly completed.

Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders will be provided with the net proceeds of sale to which they are entitled under the TGP Offer at a different time (see section 11.5.5).

### 1.1.4 Ranking of TGP Securities

The TGP Securities issued under this TGP Offer will rank equally with existing TGP Securities including for any distribution with a record date that falls on or after the TGP Securities are issued.

### 1.1.5 What will the tax consequences be?

Section 7 provides a brief overview of the Australian tax implications for E&P Shareholders who accept the TGP Offer. The information applies only to individuals who hold their E&P Shares on capital account. Note that this information is general only and does not take into account your personal circumstances. In addition, TGP recommends you seek independent professional advice in relation to your own particular circumstances.

### 1.1.6 Do I pay brokerage or stamp duty if I accept?

You will not pay brokerage or stamp duty on the disposal of your E&P Shares if you accept the TGP Offer. If your E&P Shares are in a CHESS Holding or you hold your E&P Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or services charges. Refer to section 11.13

If you are an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder, the cash proceeds that you will receive (following sale by the Sale Nominee of the TGP Securities that you would otherwise be entitled to receive under the TGP Offer) will be net of sale expenses (see section 11.5.5).

### 1.1.7 Further information

If you have any questions in relation to the TGP Offer or how to accept it, or if you have lost your personalised Acceptance Form and require a replacement, please call the TGP Offer Information Line on 1300 082 130 (callers in Australia) or +61 2 8016 2884 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days.

### 2.1 Overview and principal activities of Bidder

The Bidder is a wholly owned subsidiary of 360 Capital Group Limited ACN 113 569 136 (together with their controlled entities, '360 Capital'). The Bidder was incorporated on 27 August 2020 in connection with 360 Capital's acquisition of E&P Shares on that day.

360 Capital (ASX: TGP) is an ASX-listed alternative asset investment and funds management group, concentrating on strategic investment and active investment management of alternative assets.

360 Capital actively invests across four segments in Real Assets, Private Equity, Public Equity, and Credit. TGP's strategy is to continue to grow the scale and diversity of its managed funds. Scaling up the funds is done both by growing the value of the fund assets and by raising additional capital to take advantage of investment opportunities. TGP's assets consist of co-investments in the funds it manages, investments in businesses in which TGP sees opportunities to create value and cash for future deployment.

### 2.2 Directors of 360 Capital

Brief profiles of the directors of 360 Capital are outlined below.

#### David van Aanholt

##### Chairman & Independent Director

David has over 30 years' experience in the property and funds management industry. Prior to establishing his own property group in 2007, David worked for the ASX listed Goodman Group where he was the Chief Executive Officer (Asia Pacific) and was responsible for Goodman's operations in Australia, New Zealand, Hong Kong and Singapore. Prior to working for Goodman David held senior roles at Paladin Australia and CDH Properties (acquired by KPMG). David holds a Bachelor of Business (Land Economy), a Post Graduate Diploma in Management, a Masters in Business Administration and he is a Fellow of the Australian Property Institute.

David is a non-executive Director and Chair of Kennard's Self Storage Group and a Councillor at the University of New England where he sits on the Audit and Risk, Finance and Infrastructure, Innovation and Remuneration Committees.

#### Tony Pitt

##### Managing Director

Tony is a founding Director of 360 Capital and has worked in the property and property funds management industries for over 20 years. As Managing Director, Tony is responsible for 360 Capital's investments, strategic direction and overall Group strategy. He has overseen the IPO on the ASX of three AREITs since 2012 as well as the creation of various unlisted funds, undertaken various corporate acquisitions and disposals, mergers and acquisitions and the ASX listing of 360 Capital. Apart from being a director on various 360 Capital public and private companies, Tony is also a director of Velocity Property Group (ASX: VP7).

Tony has formerly held numerous senior roles and directorships at Mirvac Group, James Fielding Group and Paladin Australia. He also held positions at Jones Lang LaSalle and CB Richard Ellis. He graduated from Curtin University with a Bachelor of Commerce (Property), has a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia.

#### John Ballhausen

##### Independent Non-Executive Director

John is a financial services professional with over 35 years' experience. He is a founder of Quay Fund Services Limited providing trustee and responsible entity services to fund managers. He is also a non-executive director of Arctic Intelligence.

John founded Rimcorp Property Limited and became its Managing Director. In 2008, Rimcorp was successfully sold with approximately \$100 million in funds under management spread over four registered property schemes. Before 2002 John held the position of Chief Investment Officer with HIH Insurance, with responsibility for more than \$3 billion of funds across fixed interest, equities and property asset classes. John has a Bachelor of Commerce from the University of NSW, is a Fellow of the Financial Services Institute of Australasia and a Graduate of the Australian Institute of Company Directors.

#### Graham Lenzner

##### Independent Non-Executive Director

Graham has had a career spanning four decades, with particular emphasis on funds management and financial markets. Graham was an Executive Director of the Armstrong Jones Group for 12 years, the last four years as Joint Managing Director. Other previous roles include Finance and Deputy Managing Director of Aquila Steel, General Manager Finance and Investments of MMI Insurance Limited and Director Head of Equities with Schroder Darling Management Limited. Graham has served on the board of a number of public and private companies.

#### Andrew Moffat

##### Independent Non-Executive Director

Andrew has in excess of 23 years of corporate and investment banking experience, including serving as a director of Equity Capital markets and Advisory for BNP Paribas Equities (Australia) Limited. Andrew is the sole principal of Cowoso Capital Pty Ltd, a company providing corporate advisory services. Andrew is also a Director of Pacific Star Network Limited and a Director of ICP Funding Pty Ltd. His past public company directorships include Rubik Financial limited, Keybridge Capital Limited, CCK Financial Solutions Limited, itX Group Limited and Infomedia Limited.

### 2.3 Directors of Bidder

The directors of the Bidder are:

- Tony Pitt, Managing Director, 360 Capital Group,
- Glenn Butterworth, Chief Financial Officer, 360 Capital Group, and
- James Storey, Head of Real Assets, 360 Capital Group.

## 2.4 History of 360 Capital

360 Capital was established in 2006 as a private real estate investment and funds management business with a philosophy of value investing alongside our investors as co-investors in the Australian real estate market.

In 2010, 360 Capital purchased the \$1.0 billion Becton funds management platform and fund co-investments for \$28.7 million and proceeded with a strategy for each of the 14 funds to maximise investor value.

In 2012, 360 Capital was the first group to list a REIT in Australia post the global financial crisis, with the listing of its \$310 million Industrial Fund, which grew to over \$900 million in assets in the subsequent 3 years.

In 2013, 360 Capital listed on the ASX, merging with Trafalgar Corporate Group to create an integrated listed real estate investment and funds management group with a market capitalisation in excess of \$146 million.

In 2014, 360 Capital listed its Office Fund through a \$155 million capital raising, and in 2015, 360 Capital listed its Total Return Fund.

Also in 2015, the Industrial Fund made a \$331 million takeover of Australian Industrial REIT, which was successful and was merged with the 360 Capital Industrial Fund.

In January 2017, 360 Capital sold the majority of its funds management business to Centuria Capital Group for \$290.7 million, became debt-free and raised a further \$40.6 million in 360 Capital Total Return Fund (now renamed 360 Capital REIT).

In October 2019, 360 Capital listed the 360 Capital Digital Infrastructure Fund (ASX: TDI) through a \$117 million capital raising. Subsequently, TDI raised a further \$15.1 million in November 2020.

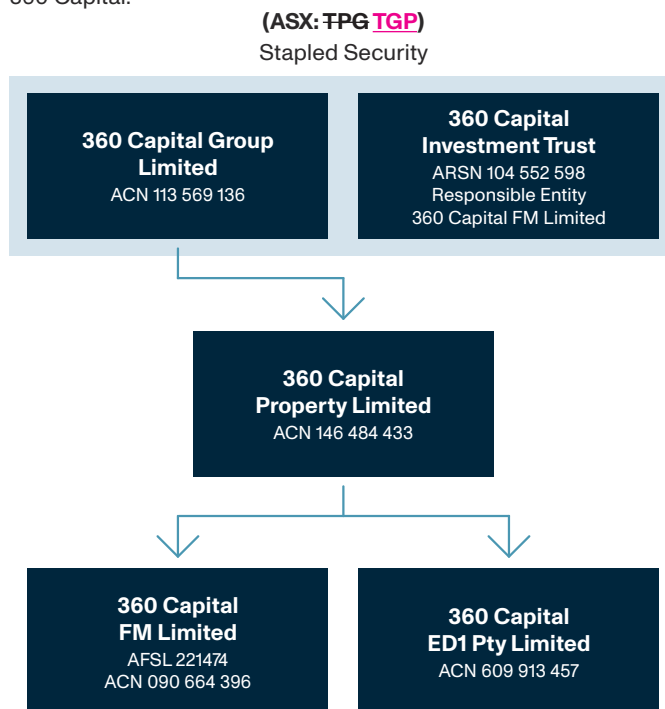
Also in 2019, the 360 Capital Total Return Fund (now renamed 360 Capital REIT) completed a merger with URB Investments, increasing its gross assets from \$103 million to \$178 million.

During 2020, 360 Capital has announced the launch of new listed funds, including the 360 Capital Enhanced Income Fund (ASX: TCF) and Global Data Centre Securities Fund (ASX: DATA). Furthermore, TGP also raised money for the following unlisted funds, 360 Capital CardioScan Trust and 360 Capital FibreconX Trust.

In August and September 2020, 360 Capital acquired a 19.55% stake in E&P.

## 2.5 Structure and ownership of 360 Capital

The diagram below illustrates an extract of the structure of 360 Capital.



As at the date of this Bidder's Statement, the following entities have a substantial interest in 360 Capital:

- Mr Tony Pitt, with an interest of 29.28% in TGP Securities;
- National Exchange Pty Ltd & Prudential Nominees, with an interest of 8.66% in TGP Securities; and
- Wylie Group Pty Ltd, with an interest of 5.52% in TGP Securities.

As a publicly traded company, 360 Capital's investors comprise a wide variety of institutions and individuals. So far as the directors are aware, no organisation or individual (together with any Associates) exercises control over 360 Capital.

## 2.6 Publicly available information about 360 Capital

360 Capital is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, 360 Capital is subject to the listing rules of ASX which require continuous disclosure of any information 360 Capital has concerning it that a reasonable person would expect to have a material effect on the price or value of its shares.

ASX maintains files containing publicly disclosed information about all listed companies. 360 Capital's file is available for inspection at ASX during normal business hours.

In addition, 360 Capital is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by 360 Capital may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about 360 Capital is available in electronic form from [www.360capital.com.au](http://www.360capital.com.au).

### 3.1 Disclaimer

The information about E&P contained in this section 3 has been prepared based on a review of publicly available information.

Subject to the Corporations Act, none of the Bidder nor the directors of 360 Capital make any representation or warranty (express or implied) as to the accuracy or completeness of this information.

Further information relating to E&P may be included in the target statement to be provided to E&P Shareholders in response to this Bidder's Statement.

### 3.2 Overview of E&P and its principal activities

E&P Financial Group Limited is a financial services company listed on the ASX (ASX: EP1). The services include:

- a. Wealth Advice;
- b. Capital Markets; and
- c. Funds Management.

Wealth Advice consists of two private client brands, Evans & Partners and Dixon Advisory, supported by a centralised suite of support teams. Wealth Advice services clients including affluent retail SMSF trustees and individuals, wholesale investors including high net wealth individuals, independent financial advisors and not for profit organisations.

Capital Markets consists of corporate advisory, institutional cash equities & fixed income and equities research, which advises institutions and numerous corporates and has coverage over 100 stocks in targeted sectors.

Funds Management provides specialist global asset, investment management, responsible entity and trustee services, with over \$6 billion in funds under management across equities, fixed income, property, infrastructure and private equity.

#### 3.2.1 Wealth Advice

##### Overview

Operating through two recognisable private client brands in Australia, Dixon Advisory and Evans & Partners, E&P partners with clients over the long term to help them reach their financial and investment goals through personalised advice and execution. Wealth Advice has over \$20 billion of funds under advice<sup>1</sup>. Evans Dixon Wealth Advice has a national footprint, operating out of four offices located in Melbourne, Sydney, Canberra and Brisbane. While operating as two distinct brands with differing clients and service offering, Wealth Advice leverages a centralised IT and advice management infrastructure to provide advice to all clients. This centralised approach allows for scalable and efficient support of the wealth advice function.

#### 3.2.2 Capital Markets

##### Overview

E&P provides diversified capital markets services to corporates, institutions and investment vehicles including:

- i. institutional equity and fixed income sales and trading;
- ii. equities research;
- iii. equity and debt capital markets services; and
- iv. corporate advisory and investment origination and fund raising.

##### Institutional equity and fixed income sales and trading

Operating through Evans & Partners, E&P provides equities research, dedicated equities and fixed income sales and traditional broking and execution services to corporate and institutional clients such as domestic and global fund managers, family offices, hedge funds, superannuation and pension funds.

Evans & Partners' research analysts and institutional advisors offer deep sector expertise in identifying alpha generating opportunities and accessing liquidity in the ASX for their clients. Evans & Partners has consciously built a differentiated platform in the Australian market since 2007, focusing on providing high touch sales trading and execution services to its clients. Evans & Partners' high touch, high value research and sales trading service is evidenced by its market share growth relative to its competitors in recent years.

##### Equities research

Evans & Partners research analysts produce research reports to inform investors in relation to listed companies by providing industry and financial analysis and views on underlying value and financial prospects. Research is provided to clients to assist them in identifying buying and selling opportunities.

##### Equity and debt capital markets, corporate advisory, investment origination and fund raising

E&P specialises in the following capital markets services:

- private capital raisings, with a focus on pre-IPO rather than venture capital;
- initial public offerings;
- secondary market raisings, including placements and entitlement offers;
- senior and subordinated debt structuring and distribution;
- hybrid security structuring and distribution;
- corporate broking services, including buy-backs and accumulations; and
- general corporate advice.

<sup>1</sup> As at 30 June 2020.

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E&P's corporate advisory team provides advisory services to corporations and investment vehicles focusing primarily on joint lead manager and co-lead manager roles in listed and unlisted debt and equity capital market issues. The dedicated origination and execution team is experienced in Australian markets and internationally.

Services include structuring and arranging as well as assisting with marketing and distribution throughout the fund-raising process.

### 3.2.3 Funds Management

#### Overview of the funds management segment

Funds Management provides specialist global investment management, responsible entity and administration services to Australian and international listed and unlisted investment vehicles across equities, fixed income, property, infrastructure and private equity.

The Funds Management segment operates through Walsh & Company and Evans & Partners and operates two joint ventures relating to Australian commercial property and US private equity. By drawing on the broad experience of the Evans & Partners and Dixon Advisory Investment Committees, E&P will seek out high quality investment opportunities which are generally not readily accessible to all but the largest institutional investors. E&P takes these investment opportunities and develops investment vehicles to access these opportunities that are suitable for both E&P clients and third-party investors. As a result, E&P has built a track record of active management in traditional asset classes and emerging investment opportunities.

The philosophy that E&P applies to investment management is summarised below:

- value orientation and total return focus – seeking to invest in high quality businesses and investment opportunities with fundamentally attractive valuations and a focus on total returns;
- research driven, conservative but high conviction – investment selections are based on extensive market research, and while the approach is inherently conservative the strong research element allows for high conviction; and
- asset agnostic, entrepreneurial investment with a flexible approach – no structural bias toward any asset class. E&P employs an entrepreneurial flexible approach to build operating platforms which can access often out-of-reach markets globally.

## 3.3 E&P entities

The E&P consists of the following entities:

- E&P Financial Group Limited
- ED Operations Pty Limited
- Dixon Advisory & Superannuation Services Limited
- Dixon Private Investments Pty Limited
- Dixon Advisory Property Pty Limited
- Dixon Advisory Super Pty Limited
- Dixon Advisory USA Inc
- Walsh & Company Investments Limited
- Walsh & Company Asset Management Pty Limited
- Walsh & Company Group Pty Limited
- Dixon Projects LLC
- Dixon Asset Management USA Inc
- Walker Street Partners Pty Limited
- DGP Inc
- US Select Private Opportunities Fund GP LLC
- Australian Fund Accounting Services Pty Limited
- Walsh & Company Investment Services Pty Limited
- Dixon International Investments Pty Limited
- URF Investment Management Pty Limited
- New Energy Solar Manager Pty Limited
- Dixon Leasing Property Management LLC
- Evans and Partners Pty Limited
- EAP Employee Investments Pty Limited
- Evans and Partners Employee Share Trust
- Evans and Partners Investment Management Pty Limited
- NES Development Services Pty Limited
- NES Project Services LLC
- ED Employee Investments Pty Limited
- E&P Corporate Advisory Pty Limited (formerly Evans Dixon Corporate Advisory Pty Limited)
- E&P Asia (HK) Limited

### 3.4 History of E&P

Dixon Advisory was established by Daryl Dixon and his wife Kate Dixon in 1986.

Evans & Partners was established in 2007 by David Evans.

In 2017 Dixon Advisory merged with Evans & Partners into the company Evans Dixon, which became Dixon Advisory's parent company. In 2018, its parent company was listed on the ASX, raising \$130 million in its IPO. On 11 November 2020, Evans Dixon changed its name to E&P Financial Group.

### 3.5 Directors of E&P

As at the date of this Bidder's Statement, the E&P directors are as follows:

- David Evans, Executive Chairman
- Sally Herman, Non-Executive Director
- Josephine Linden, Non-Executive Director
- Kevin McCann, Non-Executive Director
- Anthony Pascoe, Non-Executive Director

As at the date of this Bidder's Statement, the E&P directors have direct or indirect interests in the following E&P Shares:

Name	Number of E&P Shares
David Evans	15,812,393
Sally Herman	170,276
Josephine Linden	nil
Kevin McCann	305,651
Anthony Pascoe	nil

### 3.6 Substantial holders of E&P Shares

As at the date of this Bidder's Statement, so far as known by the Bidder based on publicly available information, the substantial shareholders of E&P are as follows:

Name	Number of E&P Shares	Voting Power
360 Capital and Associates	45,865,375	19.55%
David Evans and Associates	15,812,393	6.74%
Richard Hunt and Associates	14,328,489	6.11%

### 3.7 E&P Securities on issue

According to documents provided by E&P to ASX, as at the date of this Bidder's Statement the total number of securities on issue in each class in E&P is as follows:

Class	Number
E&P Shares	234,633,959
E&P Rights	14,785,056

E&P Shares are quoted on the ASX and may be freely traded.

If the holder of the E&P Rights was able to, and did, exercise those E&P Rights, the total number of E&P Shares on issue would be 249,419,015.

### 3.8 E&P Rights

As at the date of this Bidder's Statement, E&P currently has options and performance rights plans in place. Below is a summary of the E&P Options / Rights Plan Rules. All capitalised words in this subsection are defined in the E&P Options / Rights Plan Rules.

**Eligibility:** The Board determines whether a person is eligible to participate in the Plan.

**Limit:** The Board shall not invite an Eligible Person to participate if the total number of Shares that have been or may be issued or allotted in any of the circumstances covered by the following paragraphs (adjusted if necessary in each case for any Capital Reconstruction) would exceed 10% of the total number of Shares on issue from time to time:

- the number of Shares which are subject of the proposed Application to acquire Rights; and
- the total number of Shares which are the subject of any outstanding Application to acquire Rights; and
- the total number of Shares that may be acquired as a result of the exercise of Rights issued or allotted pursuant to the Plan within the three years preceding the proposed Application; and
- the total number of Shares issued, or rights or options outstanding under, any other Evans Dixon Limited employee share plan granted, within three years preceding the proposed Application; but
- excluding:
  - the total number of Shares granted pursuant to this Plan, rights or options granted under any other Evans Dixon Limited employee share plan, that have subsequently been forfeited; and
  - any Shares purchased and held by a Trustee (as contemplated by rule 13).



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**Vesting:** The nature and content of the Vesting Conditions are determined by the Board. The Board also determines Forfeiture Conditions and may waive these at its discretion.

**Exercise:** Unless otherwise determined by the Board, the market value of a Right is equal to the VWAP over the 10 trading days up to but excluding the relevant date less the exercise price (if any).

Each Right represents a right to acquire one (1) ordinary share of capital of the Company, subject to the terms and conditions of the Plan rules.

The Participant will not be able to exercise the Rights to acquire Shares until the Vesting Conditions (as determined by the Board) are satisfied.

**Cessation of employment:** On cessation of employment, the Board will have absolute discretion to determine whether the Participant is a Bad Leaver, a Good Leaver or a Leaver and the following provisions apply:

- a) Bad Leaver – Subject to the Board’s discretion to determine otherwise, all rights, entitlements and interests in any Rights will be forfeited.
- b) Good Leaver – Subject to the Board’s discretion to determine otherwise (including the discretion to permit some or all Unvested Rights to vest based on its assessment of the circumstances in which the Participant has ceased employment):
  - i. in the case of retirement (with agreement of the Board), all Rights will vest subject to the Participant signing, if the Board so requires, a non-compete agreement that operates for up to 12 months on terms approved by the Board;
  - ii. in the case of redundancy, all Rights will vest; and
  - iii. in all other circumstances, Rights will vest pro rata to the proportion of the Vesting Period that has elapsed as at the date on which employment ceases and having regard to the extent to which any Performance Conditions have been achieved (as determined by the Board). The balance of Unvested Rights that do not vest will be forfeited.
- c) Leaver – Unvested Rights will normally be forfeited subject to the Board’s discretion to permit some or all of those Unvested Rights to vest based on its assessment of the circumstances in which the Participant has ceased employment.

**Change of control:** If the Company becomes, or in the opinion of the Board is likely to become, subject to a Change of Control, the Board may at its absolute discretion make a determination that some or all of a Participant’s Unvested Rights vest and allow the Participant to:

- a) exercise the Vested Rights in order to be able to dispose of the underlying Shares; or
- b) request the Company Buy-back the Rights for market value.

**Transfer:** A Participant must not sell, transfer, encumber or otherwise deal with Rights unless otherwise permitted under this Plan or determined by the Board.

**Administration:** The Board administers the Plan:

- a) in accordance with these Rules, the Constitution and any applicable laws; and
- b) no act will be done or determination made in accordance with these Rules where to do so would be a breach of any applicable laws, Listing Rules, or the constituent documents of the Company and where any such act is done or determination made, it will be considered voidable and to the extent possible be unwound and of no effect in respect of the Rights; and
- c) every exercise of a power or discretion by the Company or the Board and any decision by the Company or the Board regarding the interpretation, effect or application of these Rules:
  - i. is made at its absolute and sole discretion;
  - ii. may be made at any time; and
  - iii. is final, conclusive and binding; and
- d) the Board may exercise any power or discretion conferred on them by these Rules in the interest of, or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

The Board may delegate some or all of its powers and functions under the Plan to a person or to a committee of two or more persons. Where the Board has delegated a power or function to a person or to a committee, references in this Plan to the Company or Board in relation to that power or function will be read as references to that person or committee, as the case may be.

### 3.9 Offer extends to new E&P Shares

The TGP Offer extends to E&P Shares that are issued or otherwise come into existence during the period from the Register Date to the end of the TGP Offer Period due to the conversion of, or exercise of rights attached to, other securities convertible into E&P Shares (including E&P Rights) that are on issue at the Register Date.

## 3.10 Summary of financial information on E&P

### 3.10.1 Consolidated statement of financial position

	Audited E&P 30 Jun 2020 \$'000	Audited E&P 30 Jun 2019 \$'000
<b>Current assets</b>		
Cash and cash equivalents	37,635	45,252
Trade and other receivables	18,604	21,161
Assets classified as held for sale	10,409	14,402
Current tax assets	556	3,794
Inventories	–	149
Prepayments	1,816	2,524
<b>Total current assets</b>	<b>69,020</b>	<b>87,282</b>
<b>Non-current assets</b>		
Investments accounted for using the equity method	22,960	21,978
Investments in financial assets	10,544	8,735
Property plant and equipment	10,493	15,399
Goodwill and other indefinite life intangible assets	106,255	136,442
Finite life intangible assets	14,043	21,315
Right of use assets	31,278	–
Investment property	–	1,430
Deposits	5,101	3,837
Prepayments	559	512
Deferred tax assets	100	–
<b>Total non-current assets</b>	<b>201,333</b>	<b>209,648</b>
<b>Total assets</b>	<b>270,353</b>	<b>296,930</b>
<b>Current liabilities</b>		
Trade and other payables	12,877	14,119
Borrowings	–	15,000
Contract liabilities	9,748	12,251
Provisions	28,492	28,146
Lease liabilities	9,110	–
Other current liabilities	–	514
<b>Total current liabilities</b>	<b>60,227</b>	<b>70,030</b>
<b>Non-current liabilities</b>		
Provisions	4,157	3,082
Lease liabilities	28,031	–
Other non-current liabilities	–	3,099
Deferred tax liabilities	–	2,965
<b>Total non-current liabilities</b>	<b>32,188</b>	<b>9,146</b>
<b>Total liabilities</b>	<b>92,415</b>	<b>79,176</b>
<b>Net assets</b>	<b>177,938</b>	<b>217,754</b>
<b>Equity</b>		
Share capital	322,424	321,766
Reorganisation reserve	(135,099)	(135,099)
Investment revaluation reserve	(112)	375
Foreign currency translation reserve	3,890	3,625
Share based payments reserve	3,589	572
(Accumulated losses)/retained profits	(16,754)	26,515
<b>Total equity</b>	<b>177,938</b>	<b>217,754</b>

### 3.10.2 Consolidated statement of profit or loss

For the year ended	Audited E&P 30 Jun 2020 \$'000	Audited E&P 30 Jun 2019 \$'000
<b>Revenue</b>		
Provision of services	203,174	229,552
Interest	198	878
Share of profits of associate and jointly controlled entities	4,591	2,011
Government stimulus grant (USA)	1,325	–
Other income	2,251	6,602
<b>Total revenue</b>	<b>211,539</b>	<b>239,043</b>
<b>Expenses</b>		
Employee benefits	(119,753)	(126,470)
Property design, renovation and maintenance	(7,093)	(12,446)
Administrative expenses	(13,512)	(11,667)
Occupancy	(1,246)	(8,185)
Advertising	(413)	(2,769)
Depreciation and amortisation	(19,016)	(10,365)
Impairment of property, plant and equipment	(3,565)	–
Impairment of goodwill, intangible assets and investments	(38,651)	–
Information technology	(9,803)	(9,370)
Rebates and commissions	(10,312)	(13,002)
Travel and accommodation	(779)	(1,991)
Venue and equipment hire	<b>(513)</b>	<b>(1,625)</b>
Finance costs	<b>(2,004)</b>	<b>(163)</b>
Business acquisition costs	–	(333)
Other expenses	(13,478)	(15,249)
<b>Total expenses</b>	<b>(240,138)</b>	<b>(213,635)</b>
<b>(Loss) / profit before income tax expense</b>	<b>(28,599)</b>	<b>25,408</b>
Income tax expense	(1,894)	(8,630)
<b>(Loss) / profit for the year</b>	<b>(30,493)</b>	<b>16,778</b>
<b>Other comprehensive (loss) / income, net of income tax</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	265	701
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Fair value (loss)/gain on financial assets measured at FVTOCI	(487)	375
<b>Total</b>	<b>(222)</b>	<b>1,076</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(30,715)</b>	<b>17,854</b>
<b>(Loss)/earnings per share</b>		
Basic (cents per share)	(13.6)	7.5
Diluted (cents per share)	(13.4)	7.5

3.10.3 Consolidated statement of cash flows

For the year ended	Audited E&P 30 Jun 2020 \$'000	Audited E&P 30 Jun 2019 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	221,177	261,036
Payments to suppliers and employees	(190,976)	(226,515)
Interest received	186	878
Interest paid	(358)	(163)
Proceeds from US government grant (PPP)	2,292	–
Income and other taxes paid	(1,524)	(12,431)
<b>Net cash generated by operating activities</b>	<b>30,797</b>	<b>22,805</b>
<b>Cash flows from investing activities</b>		
Payments for investments in jointly controlled entities	(3,084)	(7,336)
Purchase of property, plant and equipment	(2,241)	(1,722)
Proceeds from the sale of property, plant and equipment	83	46
Purchase / development costs of intangible assets (software)	(2,260)	(3,030)
Proceeds on sale of investment property	1,325	–
Purchase of financial assets	(2,531)	(21,139)
Proceeds on sale of financial assets	3,647	–
Dividends received from jointly controlled entities and investments	1,814	2,604
Cash acquired on purchase of subsidiary	–	1,969
Acquisition of subsidiary	–	(20,403)
<b>Net cash used in investing activities</b>	<b>(3,247)</b>	<b>(49,011)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(15,000)	–
Payments of transaction costs relating to borrowings	(187)	–
Net payments of lease liabilities	(9,654)	–
Proceeds on lease incentive	1,809	–
Dividends paid	(12,208)	(24,628)
Proceeds from borrowings	–	15,000
Purchase of treasury shares	–	(8,220)
<b>Net cash used in financing activities</b>	<b>(35,240)</b>	<b>(17,848)</b>
Net (decrease) / increase in cash and cash equivalents	(7,690)	(44,054)
Cash and cash equivalents at the beginning of the financial year	45,252	89,147
Effect of exchange rate fluctuations on cash held	73	159
<b>Cash and cash equivalents at the end of the financial year</b>	<b>37,635</b>	<b>45,252</b>

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### **3.11 Publicly available information about E&P**

E&P is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, E&P is subject to the listing rules of ASX which require continuous disclosure of any information E&P has concerning it that a reasonable person would expect to have a material effect on the price or value of its E&P Shares.

ASX maintains files containing publicly disclosed information about all listed companies. E&P's file is available for inspection at ASX during normal business hours.

In addition, E&P is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by E&P may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about E&P is available in electronic form from: <https://www.eap.com.au/>

### 4.1 Consideration under the TGP Offer

The consideration for the acquisition of the E&P Shares under the TGP Offer will be satisfied by cash and the issue of TGP Securities.

Based on the number of E&P Shares on issue as at the date of the Bidder's Statement, and assuming that:

- acceptances are received by the Bidder under the TGP Offer in respect of all E&P Shares on issue as at the date of this Bidder's Statement (other than those E&P Shares it already owns); and
- all of the options or rights issued by E&P as at the date of this Bidder's Statement vest, and the holders of such options or rights accept the TGP Offer;

then:

- the maximum number of TGP Securities that TGP would be required to issue under the TGP Offer, if acceptances are received for all of the E&P Shares, is 81,421,456 TGP Securities (subject to rounding under section 11.2.3) (**Total Scrip Consideration**); and
- the maximum amount of cash that the Bidder would be required to pay under the TGP Offer is approximately \$61,066,092 (**Total Cash Consideration**).

### 4.2 Funding of the TGP Offer

#### Cash component of the TGP Offer

360 Capital has agreed to provide the Bidder with at least \$63 million cash to pay the Total Cash Consideration, as well as any transaction costs incurred by the Bidder and TGP. As at the date of this Bidder's Statement, 360 Capital's cash reserves are approximately \$70 million<sup>1</sup>. These cash reserves are immediately available and not subject to security interests, rights of set-off or other arrangements.

This amount will be provided under an intercompany loan agreement between 360 Capital and the Bidder for the sole purpose of providing funding for the TGP Offer. Drawdown under the intercompany loan agreement is at call, is not subject to any conditions precedent or events of default and will remain in place so long as the Bidder has an obligation to make payments under the TGP Offer.

As at the date of this Bidder's Statement, the Bidder is not aware of any reason why TGP would not be able to maintain a level of cash reserves on terms that are sufficient to pay the Total Cash Consideration and transaction costs.

#### TGP Securities component of the TGP Offer

TGP has unconditionally committed to the Bidder that TGP will issue, at the direction of the Bidder and on demand, the TGP Securities necessary to satisfy the Total Scrip Consideration. As at the date of this Bidder's Statement, the Bidder is not aware of any reason why TGP would not be able to issue the Total Scrip Consideration.

<sup>1</sup> Excludes cash from TDI, a consolidated subsidiary of TGP.

## Section 5 : TGP’s intentions in relation to E&P

### 5.1 Introduction

The Bidder has been established for the purpose of making the TGP Offer. Accordingly, the intentions of the Bidder are the same as the intentions of TGP.

The intentions of TGP are set out in section 5. Those intentions have been formed on the basis of facts and information concerning E&P, its business and the general business environment which are known to TGP at the time of preparing this Bidder’s Statement, which is limited to publicly available information.

Final decisions will only be reached by TGP in light of material information, facts and circumstances that are necessary to assess the operational commercial, tax and financial implications of its current intentions. Accordingly, the statements set out in this section are statements of current intention only and accordingly may vary as new information becomes available to TGP or circumstances change.

### 5.2 TGP strategy and rationale for making the TGP Offer

The TGP Offer is consistent with the underlying investment strategy of TGP of creating value by making high conviction investments and TGP’s track record of turning around funds management businesses (see page 9).

360 Capital believes that there are many compelling strategic and financial benefits that will arise from the acquisition of E&P by TGP for E&P Shareholders. Given that the TGP Consideration includes TGP Securities, both E&P Shareholders and TGP Securityholders will share these benefits going forward.

### 5.3 Intentions for E&P as a wholly owned controlled entity

This section describes TGP’s intentions if TGP and its Associates acquire a Relevant Interest in 90% or more of E&P Shares, and so becomes entitled to proceed to compulsory acquisition of outstanding E&P Shares in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, TGP’s current intentions are as follows.

#### Corporate matters

TGP intends to:

- proceed with compulsory acquisition of the outstanding E&P Shares in accordance with the provisions of Part 6A.1 of the Corporations Act;
- apply for E&P to be removed from the official list of the ASX;
- replace all of the E&P directors with nominees of TGP; and
- pursue the Proposed Restructure.

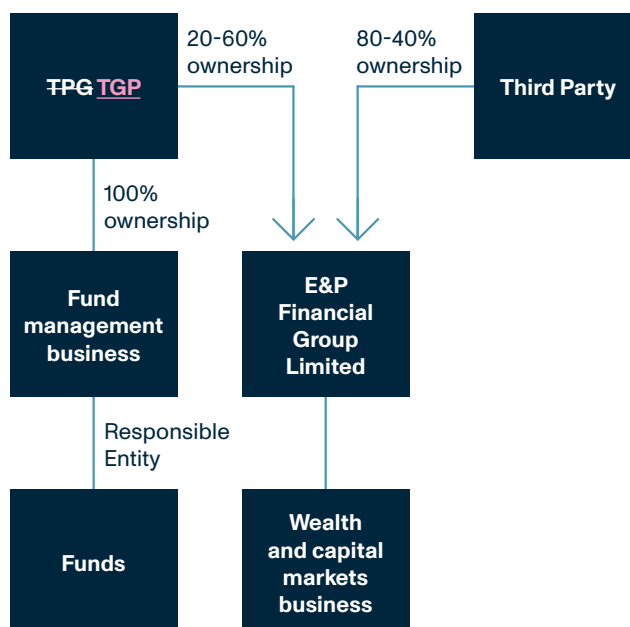
#### E&P’s business, assets, and employees

Following completion of compulsory acquisition, TGP intends to review E&P’s structure and operations with a view to undertaking a restructure of the E&P (**Proposed Restructure**). TGP intends to split E&P into two separate businesses: i) a funds management business and, ii) a wealth and capital markets business. TGP intends to retain 100% ownership of the funds management business and intends to offer to sell 40% to 80% ownership interest in the wealth and capital markets business, to a third party partner, which may include management and staff or institutional investors.

The precise split of these business operations and assets and the terms (including size of stake and price) of any sale cannot currently be determined based on public information. Since the announcement of the First Offer, TGP has been approached by a number of parties interested in buying parts of E&P. These discussions have been preliminary and not substantive and are not able to be progressed until TGP acquires E&P or is given access to due diligence material. There is no certainty that a sale of this nature will occur.

Following the review undertaken by TGP, the positions of E&P’s current employees may become redundant or employees may be redeployed. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

If the Proposed Restructure is implemented by TGP as currently contemplated, the diagram below provides a simplified illustration of the E&P group post the Proposed Restructure.



## 5.4 Intentions for E&P as a part-owned controlled entity

This clause describes TGP's intentions if E&P becomes a controlled entity of 360 Capital, but TGP is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, TGP's current intentions are as follows:

### Corporate matters

After the end of the TGP Offer Period, TGP intends:

- unless specifically set out below, to implement TGP's intentions set out in section 5.3 to the extent possible;
- to seek to replace some or all of the E&P directors with nominees of TGP (subject to any requirement to have independent directors as applicable from time to time);
- maintain E&P's listing on the ASX, subject to the requirements for listing (including a sufficient spread of investors) continuing to be satisfied (although E&P Shareholders should be aware that in this circumstance the liquidity of E&P Shares on ASX may be materially adversely affected);
- to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act if the Bidder becomes entitled to do so, for example, as a result of acquisitions of E&P Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act;
- TGP's view on payment of dividends by E&P may be different to those of the current E&P Board, which may result in their decrease or increase. No determination has been made by TGP at this time regarding E&P's dividend and capital management policies; and
- to agree information and disclosure protocols with the E&P Board for the purpose of facilitating TGP's financial results preparation and reporting.

### General operational review

After the end of the TGP Offer Period, TGP intends to propose to the E&P Board that an immediate, broad based review of E&P's operations be conducted on both a strategic and financial level, to:

- evaluate E&P's performance, profitability and prospects;
- examine the Proposed Restructure of E&P; and
- manage the operations and assets of E&P with a view to maximising returns to E&P Shareholders.

The Bidder intends, subject to the approval of the E&P Board, to participate in this review.

### Limitations in giving effect to intentions

The ability of TGP to implement the intentions set out in this clause will be subject to the decision and legal obligations of the E&P Board in regard to the interests of all E&P Shareholders, and the requirements of the Corporations Act and the ASX Listing Rules. The Bidder will only decide on the above-mentioned courses of action following legal and financial advice in relation to those requirements.

## 5.5 Intentions for E&P if not controlled by 360 Capital

This clause describes TGP's intentions if E&P does not become a controlled entity of 360 Capital. In that circumstance:

- TGP intends to give effect to the intentions set out in the previous clauses of this Bidder's Statement, but it may not be in a position to do so despite its Voting Power in E&P; and
- TGP will consider its approach to the composition of the E&P Board having regard to the size of its stake and the circumstances applicable at that time.

## 5.6 Other intentions

Subject to the matters described above in this section and elsewhere in this Bidder's Statement and, in particular, the completion of a review of E&P's operations and structure and other opportunities available in the wealth advice, corporate advisory and funds management sectors, it is the intention of TGP, on the basis of the facts and information concerning E&P that are known to it and the existing circumstances affecting the assets and operations of E&P at the date of this Bidder's Statement, that the existing business of E&P will continue to be conducted in a similar manner as at the date of this Bidder's Statement.



# Section 6 : Profile of TGP on completion of the TGP Offer

## Introduction

This section provides a profile of TGP on completion of the TGP Offer.

## TGP post completion of the TGP Offer

This section sets out a description of the TGP portfolio if TGP acquires 100% of E&P Shares pursuant to the TGP Offer<sup>1</sup>.

## Financial profile of TGP on completion of the TGP Offer

### 6.1.1 Introduction

This section contains the following pro forma financial information (**Pro Forma Financial Information**) comprising Pro Forma Historic Statements of Financial Position (**PFHSFP**) and Pro Forma Forecast Financial Information (**PFFFI**) for TGP on completion of the TGP Offer (**Combined Group**):

#### Pro Forma Historic Statements of Financial Position

##### Stand-alone Pro Forma Historic Statements of Financial Position

The stand-alone PFHSFP have been prepared as at 30 June 2020, the statements presented include:

- audited TGP Statement of Financial Position as at 30 June 2020, and adjusted for other significant transactions and events that have occurred post 30 June 2020 for TGP (**Unaudited Pro Forma TGP Stand-alone**).
- audited E&P Statement of Financial Position as at 30 June 2020 adjusted for other significant transactions and events that have occurred post 30 June 2020 for E&P (**E&P Stand-alone**).

##### Combined Group Pro Forma Historic Statements of Financial Position

The Combined Group PFHSFP have been prepared to illustrate the impact of transactions relating to the TGP Offer as if they occurred on 30 June 2020. The Combined Group PFHSFP comprise the Unaudited Pro Forma TGP Stand-alone PFHSFP and the Audited E&P Stand-alone PFHSFP as at 30 June 2020 adjusted for transactions to reflect the acquisition by TGP of E&P in accordance with the TGP Offer.

The Combined Group PFHSFP have been presented assuming a range of scenarios:

- acquisition of 100% of E&P (100% Ownership Case)
- acquisition of 50.1% of E&P (50.1% Ownership Case)
- acquisition of 30% of E&P (30% Ownership Case)

#### Pro Forma Forecast Financial Information

The Combined Group PFFFI have been prepared for the year ending 30 June 2021. The information presented includes Pro Forma Operating Earnings for the Combined Group for the year ending 30 June 2021 as if the acquisition by TGP of E&P had taken place on 1 July 2020 and assuming TGP is successful in acquiring either 100% or 50.1% or 30% of E&P Shares set out in section 6.1.3; and

The directors of 360 Capital are responsible for the preparation and presentation of the Pro Forma Financial Information which should be read in conjunction with the investment risks set out in section 8 and other information set out in this Bidder's Statement. 360 Capital has been subject to certain limitations in preparing the Pro Forma Financial Information. In particular TGP has not had access to E&P's non-public information in compiling this Bidder's Statement and Pro Forma Financial Information contained therein. 360 Capital has relied on publicly available financial information to assist in completing the Pro Forma Financial Information.

The Pro Forma Financial Information presented in this Bidder's Statement is provided for illustrative purposes and may not reflect the financial performance or position of the Combined Group that would have resulted had the acquisition of E&P actually been completed on the dates indicated. The Pro Forma Financial Information does not represent 360 Capital's view of its future financial performance or position. The directors of 360 Capital do not guarantee the future performance of TGP with or without the acquisition of E&P.

All amounts disclosed in the tables are presented in Australian dollars (\$) and are rounded to the nearest one thousand unless otherwise noted.

### 6.1.2 Basis of preparation

The Pro Forma Financial Information has been presented in an abbreviated form. As a result, the Pro Forma Financial Information has not been prepared in accordance with the Corporations Act and does not contain the disclosures required by Australian Accounting Standards (AAS) when presenting Financial Statements.

#### Pro Forma Historical Statements of Financial Position

The PFHSFP presents the impact of the acquisition of E&P on TGP's financial position as at 30 June 2020 as if the acquisition of E&P had taken place on 30 June 2020 and are based on the following information:

- audited consolidated Financial Statements of TGP for the year ended 30 June 2020 (as lodged with the ASX on 31 August 2020);
- audited consolidated Financial Statements of E&P for the year ended 30 June 2020 (as lodged with the ASX on 27 August 2020); and
- other significant transactions, adjustments and events that have occurred post 30 June 2020 for E&P and for TGP based on publicly available information and other additional information considered necessary to reflect the director's pro forma adjustments set out in section 6.1.3.

#### Operating Earnings per security

The directors of 360 Capital have considered the requirements of applicable law and practice, including ASIC Regulatory Guide 170, in concluding that forecast Financial Statements for the Combined Group cannot be provided as it does not have a reasonable basis for such forecasts.

As an alternative, 360 Capital has provided Operating Earnings per security for the Combined Group. Operating Earnings is a

<sup>1</sup> Prior to any Proposed Restructure (which remains uncertain).

financial measure which is not prescribed by AAS and represents the profit under AAS adjusted for non-operating items. The directors of 360 Capital consider Operating Earnings to reflect the core earnings of TGP. Operating Earnings are derived by taking statutory net profit and adjusting non-operating items such as gain/loss on fair value of financial assets, unrealised gain/loss on disposal of financial assets, gain/loss on valuation of investment properties, security-based payments expense, share of equity account profits (net of distributions received) and transaction costs.

The directors of E&P use Underlying NPATA as a measure to represent E&P's underlying earnings from ongoing operating activities after tax. E&P's methodology used to calculate its Underlying NPATA appears to be materially similar, however not identical, to that used by the directors of 360 Capital to calculate Operating Earnings of TGP. Both measurements use statutory net profit after tax adjusted for non-operating items and are used as a guide to determine underlying financial performance. For the purpose of providing pro forma Operating Earnings of the Combined Group it has been assumed that the calculation of Underlying NPATA and Operating Earnings are material consistent.

Pro forma Operating Earnings per security for the Combined Group for the year ending 30 June 2021 presents the impact of the acquisition of E&P on TGP's Operating Earnings, as if the acquisition of E&P had taken place on 1 July 2020 and is based on the following information:

- TGP's Operating Earnings guidance of 4.0 cents per security (as announced on 25 November 2020) and distribution guidance of 4.0 cents per security for the year ending 30 June 2021 (as announced on 27 October 2020);
- E&P has not provided earnings guidance for the year ending 30 June 2021. Therefore, the starting point for the E&P earnings guidance are its results for the year ending 30 June 2020.
- Information contained within ASX announcements made by E&P; and
- Other additional information considered necessary to reflect the directors' pro forma adjustments set out in section 6.1.3.

TGP's Operating Earnings per security reflects the directors' assessment of TGP's performance based on current operating and economic conditions and the implementation of TGP's business strategy.

While the directors of 360 Capital believe the assumptions used in preparing the pro forma Operating Earnings per security are appropriate and reasonable at the time of preparation, some events and circumstances are beyond the control of the directors and often do not occur as expected. As a consequence, actual results may differ significantly from the pro forma Operating Earnings per security provided. The directors of TGP do not guarantee that the pro forma Operating Earnings per security provided will be achieved and E&P Shareholders are advised to carefully consider both the Investment Risks detailed in section 8 and the assumptions used in preparing the pro forma Operating Earnings per security.

### Accounting Policies

In preparing the Pro Forma Financial Information, 360 Capital has reviewed publicly available information to identify accounting policy differences where the impact is potentially material to the Combined Group and can be reliably estimated. Although no material differences were identified, significant accounting policy differences may be identified after the acquisition of E&P.

### 6.1.3 Pro forma historic statement of financial position

#### Pro Forma Historic Statement of Financial Position TGP stand-alone

The table below outlines the Pro Forma Historic Statement of Financial Position TGP stand-alone:

	Audited TGP	Pro Forma Adjustments		Unaudited Pro Forma TGP Stand-alone
	30 Jun 2020	\$'000	Notes	30 Jun 2020
		\$'000		\$'000
<b>Current assets</b>				
Cash and cash equivalents	149,521	(57,448)	i. - ix.	92,073
Trade and other receivables	936	–		936
Loans receivable	19,790	(19,790)	i.	–
Financial assets at fair value through P&L	1,611	–		1,611
Other current assets	641	1,500	vi.	2,141
<b>Total current assets</b>	<b>172,499</b>	<b>(75,738)</b>		<b>96,761</b>
<b>Non-current assets</b>				
Financial assets at fair value through P&L	19,316	39,389	iii. - v. & x	58,705
Investments equity accounted	33,725	–		33,725
Investment properties	37,000	73,300	vi.	110,300
Intangible assets	3,943	–		3,943
PP&E	655	–		655
Deferred tax assets	1,086	–		1,086
<b>Total non-current assets</b>	<b>95,725</b>	<b>112,689</b>		<b>208,414</b>
<b>Total assets</b>	<b>268,224</b>	<b>36,950</b>		<b>305,174</b>
<b>Current liabilities</b>				
Trade and other payables	360	(100)		260
Provisions	132	–		132
Distribution payable	4,273	(4,273)	ii.	–
<b>Total current liabilities</b>	<b>4,765</b>	<b>(4,373)</b>		<b>392</b>
<b>Non-current liabilities</b>				
Provisions	139	–		139
Long term debt	–	19,900	vii.	19,900
<b>Total non-current liabilities</b>	<b>139</b>	<b>19,900</b>		<b>20,039</b>
<b>Total liabilities</b>	<b>4,904</b>	<b>15,527</b>		<b>20,431</b>
<b>Net assets</b>	<b>263,320</b>	<b>21,423</b>		<b>284,743</b>
<b>Equity</b>				
<b>Total equity attributable to securityholders</b>	<b>195,281</b>	<b>8,534</b>		<b>203,815</b>
External non-controlling interest	68,039	12,890		80,929
<b>Total equity</b>	<b>263,320</b>	<b>21,423</b>		<b>284,743</b>
Number of securities on issue ('000)	218,373	–		218,373
NTA per Security (undiluted)	0.88			0.92

Note:

- Net tangible assets are calculated as Total tangible assets (excluding intangible assets) divided by securities on issue.
- Number of securities on issue represents securities issued on ASX less unvested securities held under the 360 Capital employee security plan.

#### Directors' Pro Forma Adjustments TGP stand-alone

TGP adjustments for events post 30 June 2020 as if they had occurred at 30 June 2020:

- |  |  |
|--|--|
| i. Receipt of repayment of Loans receivable of \$19.8m   | vii. Loan drawdown \$19.9m   |
| ii. Payment of Distribution payable of \$4.3m            | viii. Net proceeds of capital raise and buyback \$13.9m                                    |
| iii. Acquisition of a 19.55% interest in E&P for \$20.6m | ix. Transaction costs \$1.9m   |
| iv. Acquisition of co-investment of \$13.6m              | x. Revaluation of the E&P investment to the Offer Consideration per share equalling \$9.7m |
| v. Sell down \$4.6m of co-investments                    |  |
| vi. Acquire investments \$74.8m                          |  |

## Section 6 : TGP's intentions in relation to E&P (continued)

### E&P stand-alone

The impact (if any) of the Subsequent Events reported on the E&P balance sheet are unclear. Therefore E&P's 30 June 2020 audited balance sheet is included in the analysis below.

### Pro Forma Historic Statement of Financial Position for 100% ownership case

The table below outlines the Combined Group Pro Forma Historic Statement of Financial Position assuming TGP acquires 100% of E&P's Shares:

	Unaudited Pro Forma TGP Stand-alone 30 Jun 2020 \$'000	E&P Stand-alone 30 Jun 2020 \$'000	Pro Forma Adjustments \$'000	Notes	Unaudited Pro Forma Combined Group 30 Jun 2020 \$'000
<b>Current assets</b>					
Cash and cash equivalents	92,073	37,635	(58,030)	i. - ii.	71,677
Trade and other receivables	936	18,604	-		19,540
Financial assets at fair value through P&L	1,611	-	-		1,611
Other current assets	2,141	-	-		2,141
Prepayments	-	1,816	-		1,816
Current tax assets	-	556	-		556
Other Assets held for sale	-	10,409	-		10,409
<b>Total current assets</b>	<b>96,761</b>	<b>69,020</b>	<b>(58,030)</b>		<b>107,750</b>
<b>Non-current assets</b>					
Financial assets at fair value through P&L	58,705	10,544	(30,363)	iii.	38,886
Investments equity accounted	33,725	22,960	-		56,685
Investment properties	110,300	-	-		110,300
Intangible assets	3,943	120,298	(22,610)	iv.	101,631
PP&E	655	10,493	-		11,148
Right of use assets	-	31,278	-		31,278
Deposits	-	5,101	-		5,101
Prepayments	-	559	-		559
Deferred tax assets	1,086	100	-		1,186
<b>Total non-current assets</b>	<b>208,414</b>	<b>201,333</b>	<b>(52,973)</b>		<b>356,774</b>
<b>Total assets</b>	<b>305,174</b>	<b>270,353</b>	<b>(111,003)</b>		<b>464,524</b>
<b>Current liabilities</b>					
Trade and other payables	260	12,877	-		13,137
Provisions	132	28,492	-		28,624
Contract liabilities	-	9,748	-		9,748
Lease liabilities	-	9,110	-		9,110
<b>Total current liabilities</b>	<b>392</b>	<b>60,227</b>	<b>-</b>		<b>60,619</b>
<b>Non-current liabilities</b>					
Provisions	139	4,157	-		4,296
Lease liabilities	-	28,031	-		28,031
<b>Total non-current liabilities</b>	<b>20,039</b>	<b>32,188</b>	<b>-</b>		<b>52,227</b>
<b>Total liabilities</b>	<b>20,431</b>	<b>92,415</b>	<b>-</b>		<b>112,846</b>
<b>Net assets</b>	<b>284,743</b>	<b>177,938</b>	<b>(111,003)</b>		<b>351,678</b>
<b>Equity</b>					
<b>Total equity</b>	<b>284,743</b>	<b>177,938</b>	<b>(111,003)</b>	v. - vii.	<b>351,678</b>
Number of securities on issue ('000)	218,373	234,634			293,880
NTA per Security (undiluted)	0.92	0.25			0.57

Note:

- Net tangible assets are calculated as Total tangible assets (excluding intangible assets) divided by shares on issue.
- The total assets, total liabilities, total equity in the "E&P Stand-alone" column reconcile to the audited E&P balance sheet.

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**Directors' Pro Forma Adjustments for 100% ownership**

1. The TGP Offer is assumed to complete on 1 July 2020 as follows:
  - TGP acquires 100% E&P issued shares, and in accordance with AAS, TGP will consolidate E&P as a business combination.
2. Acquiring 100% ownership interest in E&P has the following pro forma statement of financial position impacts for TGP (these notes relate to the preceding table):
  - i. Cash consideration of \$56.6m paid to E&P Shareholders
  - ii. Transaction costs of \$1.4m paid
  - iii. Eliminate TGP's \$30.4m existing investment in E&P
  - iv. Reduce intangible assets by \$22.6m to reflect the valuation implied by the Offer Consideration
  - v. Recognise the \$68.3m of equity issued as part of the transaction
  - vi. Eliminate the \$177.9m existing E&P equity balance
  - vii. Recognise \$1.4m of transaction costs

## Section 6 : TGP's intentions in relation to E&P (continued)

### Pro Forma Historic Statement of Financial Position for 50.1% ownership

The table below outlines the Combined Group Pro Forma Historic Statement of Financial Position assuming TGP acquires 50.1% of E&P's Shares:

	Unaudited Pro Forma TGP Stand-alone 30 Jun 2020 \$'000	E&P Stand-alone 30 Jun 2020 \$'000	Pro Forma Adjustments \$'000	Notes	Unaudited Pro Forma Combined Group 30 Jun 2020 \$'000
<b>Current assets</b>					
Cash and cash equivalents	92,073	37,635	(22,130)	i. - ii.	107,577
Trade and other receivables	936	18,604	-		19,540
Financial assets at fair value through P&L	1,611	-	-		1,611
Other current assets	2,141	-	-		2,141
Prepayments	-	1,816	-		1,816
Current tax assets	-	556	-		556
Other Assets held for sale	-	10,409	-		10,409
<b>Total current assets</b>	<b>96,761</b>	<b>69,020</b>	<b>(22,130)</b>		<b>143,650</b>
<b>Non-current assets</b>					
Financial assets at fair value through P&L	58,705	10,544	(30,363)	iii.	38,886
Investments equity accounted	33,725	22,960	-		56,685
Investment properties	110,300	-	-		110,300
Intangible assets	3,943	120,298	(22,610)	iv.	101,631
PP&E	655	10,493	-		11,148
Right of use assets	-	31,278	-		31,278
Deposits	-	5,101	-		5,101
Prepayments	-	559	-		559
Deferred tax assets	1,086	100	-		1,186
<b>Total non-current assets</b>	<b>208,414</b>	<b>201,333</b>	<b>(52,973)</b>		<b>356,774</b>
<b>Total assets</b>	<b>305,174</b>	<b>270,353</b>	<b>(75,104)</b>		<b>500,424</b>
<b>Current liabilities</b>					
Trade and other payables	260	12,877	-		13,137
Provisions	132	28,492	-		28,624
Contract liabilities	-	9,748	-		9,748
Lease liabilities	-	9,110	-		9,110
<b>Total current liabilities</b>	<b>392</b>	<b>60,227</b>	<b>-</b>		<b>60,619</b>
<b>Non-current liabilities</b>					
Provisions	139	4,157	-		4,296
Long term debt	19,900	-	-		19,900
Lease liabilities	-	28,031	-		28,031
<b>Total non-current liabilities</b>	<b>20,039</b>	<b>32,188</b>	<b>-</b>		<b>52,227</b>
<b>Total liabilities</b>	<b>20,431</b>	<b>92,415</b>	<b>-</b>		<b>112,846</b>
<b>Net assets</b>	<b>284,743</b>	<b>177,938</b>	<b>(75,104)</b>		<b>387,578</b>
<b>Equity</b>					
<b>Total equity attributable to securityholders</b>	<b>203,815</b>	<b>177,938</b>	<b>(152,612)</b>	v. - vii.	<b>229,141</b>
External non-controlling interest	80,929	-	77,509	viii.	158,437
<b>Total equity</b>	<b>284,743</b>	<b>177,938</b>	<b>(75,104)</b>		<b>387,578</b>
Number of securities on issue ('000)	218,373	234,634			247,047
NTA per Security (undiluted)	0.92	0.25			0.71

Note:

- Net tangible assets are calculated as Total tangible assets (excluding intangible assets) divided by shares on issue.

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#### Directors' Pro Forma Adjustments for 50.1% ownership

1. The TGP Offer is assumed to complete on 1 July 2020 as follows:
  - TGP acquires 50.1% of outstanding E&P Shares, and in accordance with AAS, TGP will consolidate E&P as a business combination and will reflect the proportionate ownership of the 49.9% non-controlling interest as an adjustment in equity.
2. Acquiring 50.1% ownership interest in E&P has the following pro forma statement of financial position impacts for TGP (these notes relate to the preceding table):
  - i. Cash consideration of \$21.5m paid to E&P Shareholders
  - ii. Transaction costs of \$0.6m paid
  - iii. Eliminate TGP's \$30.4m existing investment in E&P
  - iv. Reduce intangible assets by \$22.6m to reflect the valuation implied by the Offer Consideration
  - v. Recognise the \$26.0m of equity issued as part of the transaction
  - vi. Eliminate the \$177.9m existing E&P equity balance
  - vii. Recognised \$0.6m of transaction costs
  - viii. Recognise the \$77.5m external non-controlling interest

## Section 6 : TGP's intentions in relation to E&P (continued)

### Pro Forma Historic Statement of Financial Position for 30% ownership

The table below outlines the Combined Group Pro Forma Historic Statement of Financial Position assuming TGP acquires 30% of E&P's Shares:

	Unaudited Pro Forma TGP Stand-alone 30 Jun 2020	Pro Forma Adjustments	Unaudited Pro Forma Combined Group 30 Jun 2020
	\$'000	\$'000	\$'000
		Notes	
<b>Current assets</b>			
Cash and cash equivalents	92,073	(7,507)	84,565
Trade and other receivables	936	-	936
Financial assets at fair value through P&L	1,611	-	1,611
Other current assets	2,141	-	2,141
<b>Total current assets</b>	<b>96,761</b>	<b>(7,507)</b>	<b>89,253</b>
<b>Non-current assets</b>			
Financial assets at fair value through P&L	58,705	6,240	64,945
Investments equity accounted	33,725	-	33,725
Investment properties	110,300	-	110,300
Intangible assets	3,943	-	3,943
PP&E	655	-	655
Deferred tax assets	1,086	-	1,086
Deferred tax assets	208,414	6,240	214,654
<b>Total non-current assets</b>	<b>305,174</b>	<b>(1,267)</b>	<b>303,907</b>
<b>Total assets</b>			
<b>Current liabilities</b>			
Trade and other payables	260	-	260
Provisions	132	-	132
<b>Total current liabilities</b>	<b>392</b>	<b>-</b>	<b>392</b>
<b>Non-current liabilities</b>			
Provisions	139	-	139
<b>Total non-current liabilities</b>	<b>20,039</b>	<b>-</b>	<b>20,039</b>
<b>Total liabilities</b>	<b>20,431</b>	<b>-</b>	<b>20,431</b>
<b>Net assets</b>	<b>284,743</b>	<b>(1,267)</b>	<b>283,476</b>
<b>Equity</b>			
<b>Total equity</b>	<b>284,743</b>	<b>(1,267)</b>	<b>283,476</b>
Number of securities on issue ('000)	<b>218,373</b>		<b>228,183</b>
NTA per Security (undiluted)	0.92		0.87

### Directors' Pro Forma Adjustments for 30% ownership

- The TGP Offer is assumed to complete on 1 July 2020 as follows:
  - TGP acquires 30% of outstanding E&P Shares, on the basis TGP does not have the ability to control E&P, TGP will classify its investment in E&P as a financial asset fair valued through the profit and loss. The investment in E&P would be held at market value of E&P's Shares traded on the ASX at record date.
  - TGP investment in E&P would be held at market value of the shares traded on the ASX at record date, assumed to be \$0.52 per share<sup>1</sup>.
- Acquiring 30% ownership interest in E&P has the following pro forma statement of financial position impacts for TGP (these notes relate to the preceding table):
  - Cash consideration of \$7.4m paid to E&P Shareholders
  - Recognise transaction costs of \$0.1m paid
  - Recognise the \$10.0m reduction in the value of all the E&P Shares held
  - Revalue TGP's existing E&P Shares to \$0.52 per share (from \$0.66) totalling -\$6.5m and add the value of the additional shares acquired \$12.7m. Totalling \$6.2m.
  - Recognise the \$8.9m of equity issued as part of the transaction

<sup>1</sup> The E&P closing share price on 26 August 2020 (the day before TGP bought its initial stake).



#### 6.1.4 FY2021 Pro Forma Operating Earnings per security

The Combined Group's pro forma Operating Earnings per security for the year ending 30 June 2021 as if the acquisition of E&P Shares had taken place on 1 July 2020 and is based on different levels of ownership as follows:

- TGP acquires 100% of E&P Shares (100% Ownership Case);
- TGP acquires 50.1% of E&P Shares (50.1% Ownership Case); and
- TGP acquires 30.0% of E&P Shares (30% Ownership Case)

The tables below provide a summary of the Combined Group equivalent Operating Earnings per security under each of these scenarios.

#### Pro Forma Operating Earnings per security year ending 30 June 2021

Pro Forma Operating Earnings (a), (b), (c)	TGP Stand-alone (cps)	100% Ownership Case Combined Group (cps)	50.1% Ownership Case Combined Group (cps)	30% Ownership Case Combined Group (cps)
No synergies	4.0	7.5	6.2	5.6
Low synergies	n/a	10.9	8.3	n/a
High synergies	n/a	14.3	10.3	n/a

(a) Low synergies: \$10m of E&P cost savings

(b) High synergies: \$20m of E&P cost savings

(c) Operating Earnings per security is calculated excluding the impact of potential dilution from employee share rights issues

It is not possible to determine which revenues and costs would be attributed to each part of the business post the Proposed Restructure. Therefore these Pro Forma Operating Earnings scenarios are prepared excluding the impact of the Proposed Restructure.

#### Pro Forma Operating Earnings assumptions

In preparing the pro forma Operating Earnings per security for each scenario, the following best estimate stand-alone and Combined Group assumptions have been adopted:

#### Year ending 30 June 2021 100% Ownership Case stand-alone assumptions

- TGP's Operating Earnings guidance of 4.0 cents per security for the year ending 30 June 2021 (as announced on 25 November 2020); and
- E&P's Underlying NPATA is assumed to be \$13.3 million, the same of the year ending 30 June 2020.

#### Combined Group assumptions

- Acquisition by TGP of 100% of E&P Shares occurs on 1 July 2020;
- Operating Earnings consistent with stand-alone assumptions above; and
- Assume impact of transaction costs associated with the TGP Offer have been excluded from the Combined Group's Pro Forma Operating Earnings for the year ending 30 June 2021.

#### Year ending 30 June 2021 50.1% Ownership Case

- Assumptions consistent as above under 100% Ownership Case, except for;
- Acquisition by TGP of 50.1% of E&P Shares; and
- Recognition 50.1% of E&P earnings for year ending 30 June 2021.

#### Year ending 30 June 2021 30% Ownership Case

- Assumptions consistent as above under 100% Ownership Case, except for;
- Acquisition by TGP of 30% of E&P Shares; and
- Recognition 30% of E&P earnings for year ending 30 June 2021.

#### 6.1.5 FY2022 Pro Forma Operating Earnings

The 360 Capital Board has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Combined Group for the financial year ending 30 June 2022, other than the general overview of the strategy, forecast for the financial year ending 30 June 2021 and financial profile of the Combined Group set out in this Bidder's Statement. The 360 Capital Board has concluded that such forecast financial information for the year ending 30 June 2022 has the potential to be misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable to be of value to E&P Shareholders.

### 7.1 Introduction

The following is a general description of the potential Australian income tax and Goods and Services Tax consequences for E&P Shareholders who accept the TGP Offer and who hold their E&P Shares on capital account and not as trading stock or otherwise on revenue account.

The taxation consequences for a particular E&P Shareholder may vary depending on their own specific circumstances. Accordingly, the following comments, being of a general nature only, do not constitute taxation advice and cannot be relied upon as such.

E&P Shareholders should seek appropriate independent professional taxation advice that considers the taxation implications of the TGP Offer to their own specific circumstances.

E&P Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the TGP Offer.

The following description is based upon the Australian law and administrative practice in effect at the date of this Bidder's Statement. Australian law may be amended at any time and therefore the taxation consequences discussed in this Bidder's Statement may alter if there is a change in the taxation law after the date of this Bidder's Statement.

### 7.2 Australian resident shareholders

#### Shareholders who accept the TGP Offer

Acceptance of the TGP Offer will involve the disposal by E&P Shareholders of their E&P Shares by way of transfer to 360 Capital. This change in the ownership of the E&P Shares will constitute a CGT event for Australian CGT purposes.

The date of disposal for CGT purposes will be the date the contract to dispose of the E&P Shares is formed. The date the contract to dispose of the E&P Shares is formed will be the date that the TGP Offer is accepted.

#### Compulsory acquisition

If an E&P Shareholder does not dispose of their E&P Shares under the TGP Offer and their E&P Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those shareholders will also be treated as having disposed of their E&P Shares for CGT purposes.

The date of disposal for CGT purposes will be the date when 360 Capital becomes the owner of the E&P Shares.

#### Calculation of capital gain or capital loss

E&P Shareholders may make a capital gain or capital loss on the transfer of E&P Shares. To extent that the capital proceeds from the disposal of the E&P Shares are more than the cost base (or in some cases indexed cost base) of those E&P Shares, a capital gain should arise. Refer below for consequences that may arise where CGT scrip for scrip roll-over is chosen. Conversely, E&P Shareholders should make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those E&P Shares.

The cost base of the E&P Shares generally includes the cost of acquisition and any incidental costs of acquisition and disposal that are not deductible to the shareholder and is reduced by any non-assessable distributions.

The aggregate capital proceeds of the CGT event in respect of the E&P Shares will include the cash consideration of \$0.30 and the value of the 0.40 TGP Securities per E&P Share received by the E&P Shareholder in respect of the disposal of the E&P Shares. The value of the TGP Securities will be their market value on the date the contract for disposal is entered into.

Individuals, complying superannuation entities or trustees of a trust that have for the purposes of the capital gains tax provisions held E&P Shares for at least 12 months should be entitled to discount the amount of any capital gain (after application of capital losses) from the disposal of E&P Shares by 50% in the case of individuals and trusts or by 33 1/3 % for complying superannuation entities. For trusts, the ultimate availability of the discount may depend on a beneficiary's entitlement to the discount.

Capital gains and capital losses (current year and carried forward) of a taxpayer are aggregated to determine whether there is a net capital gain. Capital losses may be applied against non-discounted capital gains first followed by the grossed-up discounted capital gains (i.e. discounted capital gains before the application of the CGT discount). The utilisation of carried forward capital losses may be subject to loss recoupment tests. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes but may be carried forward to offset against future capital gains.

#### CGT scrip for scrip roll-over

Where TGP ends up holding at least 80% of the E&P Shares as part of the TGP Offer, partial CGT scrip for scrip roll-over may be available.

For Australian tax resident E&P Shareholders who hold their E&P Shares on capital account, partial CGT roll-over relief may be available (where certain conditions are satisfied) to defer any resulting capital gains (but not capital losses) arising from the disposal of their E&P Shares for which TGP Shares (forming part of the TGP Securities) are received as consideration. Scrip for scrip roll-over will not be available where an E&P Shareholder makes a capital loss on the disposal of their E&P Shares or in relation to proceeds received which comprise cash or TGP Units.

Where scrip for scrip roll-over relief is available and elected, the capital gain that would otherwise arise from the disposal of the E&P Shares represented by the TGP Shares acquired would be disregarded and ultimately, the capital gain will be deferred until a future CGT event happens to the TGP Shares acquired. The cost base of the TGP Shares acquired will be based on the relative proportion of the original cost base of the E&P Shares. The original cost base of the E&P Shares will be allocated to the TGP Shares on a reasonable basis. Generally, an allocation based on the relative market value of the TGP Share, TGP Unit and the cash consideration would be reasonable for tax purposes.

As partial CGT scrip for scrip roll-over is only applicable to the consideration which represents TGP Shares, E&P Shareholders will need to determine the relative value of the TGP Shares

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received as part of the TGP Offer. In this regard, TGP will make available on its website information to enable E&P Shareholders to determine the relative value of TGP Shares and TGP Units received as part of the Offer.

Where partial scrip for scrip roll-over relief is available to E&P Shareholders, they must elect to apply the relief. Broadly, to make the election, an E&P Shareholder should prepare their tax return in a manner consistent with electing partial scrip for scrip rollover relief.

In the event that scrip for scrip roll-over relief is not available or, if available, is not chosen by an E&P Shareholder, then the tax consequences on the disposal of their E&P Shares are set out above.

### 7.3 Non-resident shareholders

For an E&P Shareholder who:

- is not a resident of Australia for Australian tax purposes; and
- does not hold their E&P Shares in carrying on a business through a permanent establishment in Australia,

the disposal of E&P Shares should generally only result in Australian CGT implications if the E&P Shares are 'indirect Australian real property interests' as that term is defined in section 855-25 of the Income Tax Assessment Act 1997 (Cth). In this respect, E&P Shares of a shareholder will qualify as 'indirect Australian real property interests' if:

- that shareholder together with its Associates, holds, or has held, 10% or more of the E&P Shares at the time of disposal or for any continuous 12-month period within 2 years preceding the disposal; and
- more than 50% of E&P's market value is due to direct or indirect interests in Australian real property, which is defined to include a lease of land situated in Australia, and Australian mining and exploration leases and licences.

Based on TGP's understanding of the operations of E&P, TGP does not believe the E&P Shares should represent indirect Australian real property interests, however shareholders should obtain independent advice as to the tax implications of a sale, including whether the E&P Shares represent indirect Australian real property interests of the E&P Shareholder.

A non-resident E&P Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident may be subject to Australian CGT consequences on disposal of the E&P Shares as set out in section 7.2.

### 7.4 Non-resident CGT withholding rules

Where an E&P Shareholder has E&P Shares which qualify as an indirect Australian real property interest ("relevant foreign resident") Subdivision 14-D may require TGP to withhold and remit to the ATO 12.5% of the consideration otherwise payable to you under the TGP Offer ("CGT Withholding Amount").

Should TGP form a view that the E&P Shares held by an E&P Shareholder qualify as an indirect Australian real property interest, TGP will withhold the CGT Withholding Amount from the consideration otherwise payable to you and pay the CGT Withholding Amount to the Commissioner on or before the due date for payment of the consideration and within a reasonable time provide you with evidence that TGP has paid the CGT Withholding Amount to the Commissioner.

The CGT Withholding Amount will not be withheld and paid to the Commissioner if the E&P Shareholder provides to TGP a declaration confirming the E&P Shareholder is a resident of Australia for Australian tax purposes or the E&P Shares held by the registered holder are not indirect Australian real property interests.

### 7.5 Goods and services tax

Holders of the E&P Shares should not be liable to GST in respect of a disposal of those E&P Shares.

E&P Shareholders may be charged GST on costs (such as adviser fees) that relate to their participation in the TGP Offer. E&P Shareholders may be entitled to input tax credits or reduced input tax credits for such costs but should seek independent advice in relation to their individual circumstances.

## Overview

In deciding whether or not to accept the TGP Offer, you should read this entire Bidder's Statement carefully. You should also carefully consider the key risk factors outlined in this section and your personal circumstances. This section is general only and does not take into account your individual objectives, financial situation or needs.

If the TGP Offer becomes unconditional, Eligible Shareholders who accept the TGP Offer will become TGP Securityholders.

A number of risks and uncertainties, which are both specific to TGP and of a more general nature, may affect the future operating and financial performance of TGP and the value of TGP Securities.

This section outlines the key:

- risks that are specific to TGP (see section 8.1);
- risks that are specific to E&P, which combined with the risks specific to TGP, will be risks to which the Combined Group will be exposed (see section 8.2);
- risks that arise from the TGP Offer (see section 8.3); and
- general, investment and industry risks of the Combined Group (see section 8.4).

Many of these risks are outside the control of TGP and E&P. Although the Combined Group will have in place a number of strategies to minimise exposure to, and mitigate the effects of, some of the risks outlined in this section, there can be no guarantee that such arrangements will protect the Combined Group from these risks.

## 8.1 Risks specific to TGP

This section identifies the key risks associated with an investment in TGP Securities. These risk factors are not exhaustive of the risks faced by potential investors in TGP Securities.

If any of the following risks materialise, TGP's business, financial condition and operational results are likely to suffer. In this case, the trading price of TGP Securities may fall and you may lose all or part of your investment, and / or the distributable income of TGP may be lower than expected or zero, with distributions being reduced or being cut to zero.

### 8.1.1 Fund returns and fees

Achieving satisfactory investment returns on the funds which TGP manages is critical to retaining existing investors and attracting new investors. TGP management fees are largely based on a fixed percentage of assets under management therefore a decrease in the value of the funds' gross assets will result in a decrease in these fees.

For some funds, TGP also earns a portion of its revenue on the basis of a percentage of acquisitions and disposals. A reduction in acquisition and disposal activity would therefore result in lower revenues to TGP.

Acquiring assets which meet the funds' return hurdle rates are dependent on market prices and competition for assets. Sustained lower interest rates has seen asset prices increase and returns fall. Competition for assets has increased with demand

from offshore buyers increasing. Higher prices and increased competition could restrict TGP's ability to acquire assets, or to acquire them at attractive prices or in a timely manner.

Asset acquisitions by TGP managed funds may not produce the returns expected of them. Poor investment performance may have a negative effect on the ability to charge full fees allowed under the funds' constituent documents and may result in equity outflows and lower inflows.

### 8.1.2 Change in value of funds

The value of co-investments owned by TGP may fluctuate from time to time due to market and other conditions. Any fluctuation in the value of the funds will affect TGP's gross asset value, its level of gearing (if any) and its net tangible asset backing per stapled security. In addition, the change in value will be recorded in the profit and loss statement as an unrealised gain or loss, and while this does not impact TGP's underlying earnings, it does impact TGP's profit.

### 8.1.3 Fund distributions

The level of distributions paid to TGP by the funds in which TGP has co-investments has an impact on TGP's capacity to pay distributions. Therefore changes in the distributions of these funds may result in a change in TGP distributions.

### 8.1.4 Debt in managed funds

TGP manages a number of funds on behalf of third party investors. These funds invest in real estate assets, publicly traded equities, private equity, private credit, digital infrastructure and other assets, some of which use debt to partially fund their investments. Debt facilities within the funds typically have covenants related to the level of gearing and interest coverage to either assets or portfolios in the fund. To the extent that asset values or income levels in a particular fund fall, there is a risk that the fund may breach a relevant covenant. TGP has exposure to investments in its managed funds via co-investments it has made in the funds and loans it has made to the funds. To the extent that a fund breaches a covenant, there is a risk that the value of TGP's investments in that particular fund also falls. There are no cross default provisions between TGP and its managed funds.

### 8.1.5 Reliance on third party equity and funds

As a fund manager, earnings (both current and future) of TGP include fees from the establishment and management of listed and unlisted funds. The ability of TGP to continue to derive such income is dependent on the ability of TGP to continue to source and maintain equity from new and existing investors.

### 8.1.6 Financial forecasts

The risk that any of the assumptions used in preparing the financial forecasts pertaining to this Bidder's Statement may not be achieved, such that the forecast earnings and distributions cannot be achieved.

### 8.1.7 Insurance risk

TGP and its managed funds maintain insurance coverage in respect of their properties and business. Some risks are not able to be insured at acceptable prices. Insurance coverage may not be sufficient and if there is an event causing loss it may be that not all losses will be recoverable.

### 8.1.8 International investment and exchange rate risk

TGP is exposed to currency fluctuations by virtue of the foreign assets held in the funds which TGP manages and holds co-investments in. Investment in foreign currency denominated assets poses additional risks. The performance of foreign currency denominated assets can be adversely affected by the different political, regulatory and economic environments in countries where the investments are made, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign currency denominated assets. Potentially adverse political, economic, legal and tax, or social conditions in international markets may affect the value of TGP's investments. Deriving income in overseas jurisdictions and returning that income to Australia may also give rise to tax inefficiencies and tax charges. In addition, the laws of foreign jurisdictions may offer less legal rights and protections to holders of assets in foreign entities in such foreign jurisdictions compared to the laws in Australia.

### 8.1.9 Litigation and disputes

Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of TGP's operations, including in relation to the conduct of the business it is acquiring as part of the Transaction. For example, ASIC has approved a dispute resolution scheme which applies to holders of an Australian Financial Services License (AFSL). This dispute resolution scheme involves the Financial Services Ombudsman who may determine a dispute between a holder of an AFSL and an eligible applicant. Any such dispute may impact earnings or affect the value of TGP's assets.

### 8.1.10 Impact of factors affecting ordinary distributions

TGP's ability to pay distributions to its securityholders is dependent upon underlying earnings and cashflow generated by its business.

## 8.2 Risks relating to the Combined Group

In addition to the risk factors set out above in section 8.1, a number of which are risk factors likely to be similar to those already faced by E&P, the following factors may affect the future operating and financial performance of E&P, and therefore, the Combined Group.

### 8.2.1 Regulatory risk, compliance and legislative change

E&P operates within highly regulated markets that are subject to a range of legislative and regulatory compliance requirements.

E&P through its operating subsidiaries, holds a number of AFSLs. Its operating subsidiary, Evans & Partners is also an ASX Trading Participant and a Chi-X Australia Trading Participant. These licences and authorisations are integral to the provision of the Group's core services and require continuing compliance.

Non-compliance with regulatory requirements may result in financial penalties, additional expense or reputational damage to E&P.

There is a range of legislation and regulation in Australia and the United States that governs E&P's business undertakings. Over recent years the level and complexity of the regulatory environment for financial services in Australia and the United States has continued to increase, bringing increased costs and burdens of compliance, and it is anticipated that the regulatory environment will continue to change and become more complex.

There is a risk that future changes to legislation, regulation, standards or policies may require E&P to modify its product offerings, secure additional licences, authorisations or permits, restrict the margins it can make on its products or incur additional costs to ensure compliance, which may increase the costs of operations, affect profitability of its product offering or adversely affect E&P's ability to conduct its operations.

Regulatory changes which E&P considers beneficial may cease to exist, which may impact on E&P's growth. In particular, E&P's growth forecasts are dependent on its ability to capture a share of the growth in the self-managed superannuation fund market. Changes in financial services or taxation laws or regulations affecting growth in this market may adversely affect E&P's ability to achieve its planned targets.

E&P may also be impacted by the effects of international regulation. As a provider of equities research and trading execution services to European and global clients, E&P may be required to facilitate European and global clients in meeting the obligations imposed on them by the Markets in Financial Instruments Directive II (MiFiD II) that came into effect on 3 January 2018.

### 8.2.2 Changing market conditions

As a financial services group, E&P is affected by conditions in the global financial markets and economic conditions throughout the world. The future market and economic climate may deteriorate because of many factors beyond E&P's control, including rising interest rates or inflation or political uncertainty. Changing market conditions can adversely affect E&P by reducing the volume of transactions executed across the Capital Markets segment and by reducing the value of assets under management in the Funds Management segment and assets under advice in the Wealth Advice segment, both of which would adversely affect E&P's revenue. Profitability may also be adversely affected if E&P is unable to sufficiently scale back costs to match any decreases in revenue.

For example, as it relates to Capital Markets, during periods of unfavourable market or economic conditions, the volume and value of equity and debt capital markets transactions and investment fund creation may decrease, thereby reducing the demand for E&P advisory services and leading to an adverse impact on the financial performance of E&P.

For example, as it relates to Funds Management:

- during periods of weak market or economic conditions, investors may redeem funds or limit themselves from investing new capital in funds managed by E&P. A reduction in investor capital inflows would adversely impact revenues and future growth of Funds Management. Furthermore, adverse economic conditions could impact performance and the value of assets under management causing a reduction in management fee revenue which is generally charged as a percentage of the underlying value of assets under management; and
- during periods of sustained low interest rates and relative market stability, returns on assets generally reduce. This may limit Funds Management's ability to source assets whose income returns are sufficient to meet the distribution expectations of its investors. This may constrain new equity inflow, or put pressure on Funds Management to reduce its fees.

**8.2.3 Increased market competition and disintermediation**

The industries in which E&P conducts its business, namely, wealth advice, capital markets, institutional equity sales and trading and funds management, are very competitive markets with many market players of varying scale and market influence. Competitors include global and domestic investment banks, domestic stockbrokers and financial planners, accounting and SMSF administration groups, independent financial services groups and global and domestic active and passive investment managers.

There are many other companies that offer non-traditional financial and technology services that are closely related to the services provided by E&P. As technology and regulation evolves the service offerings of these companies will also evolve and may potentially pose a competitive threat to E&P.

E&P competes based on several factors, including depth of client relationships, industry knowledge, transaction execution skills, range of products and services, innovation, reputation and price.

Examples of factors that may affect E&P's competitive position include:

- commercial factors such as pricing and service offerings;
- ability to keep up with technological change;
- ability to keep up with regulatory change;
- ability to foster existing client relationships to retain longstanding clients; and
- ability to respond to new entrants to the industry.

E&P expects to continue to face competition into the future. Increased competition may have a materially adverse effect on the demand for E&P's products and services. This may lead to reduced market share and reduced profitability of E&P.

**8.2.4 Reputation and brand risk**

**Satisfactory performance of services**

The success of E&P largely depends on its reputation and branding. Maintaining E&P's brand image and those of its operating subsidiaries is central to the Group's ongoing performance. The Group's image is influential in retaining existing clients and sourcing new clients. E&P may face damage to its professional reputation if its services are not regarded as satisfactory.

Both the Wealth Advice and Capital Markets businesses depend to a large extent on relationships with clients and a reputation for integrity and high-calibre professional services to attract and retain clients. As a result, if a client is not satisfied with E&P's services, it may cease to do business with E&P leading to an adverse impact on financial performance.

Funds Management relies on generating sufficient returns for its investors. If it fails to deliver satisfactory performance, the business' reputation may be damaged leading to investor redemptions or challenges for the business in relation to securing new investor funds. Both scenarios could result in a reduction in funds under management which would reduce fee revenue and adversely impact financial performance.

**Conflicts of interest**

Failure to deal appropriately with actual, potential or perceived conflicts of interest could damage E&P's reputation and materially adversely affect its business. Potential conflicts include the following:

- Wealth Advice and Capital Markets may advise clients in relation to entities that are managed by Funds Management;
- Investment research may produce research in relation to companies who are also clients of Capital Markets; and
- Entities within the E&P group may enter into related party transactions in respect of the provision of services, particularly to funds managed by Funds Management.

E&P aims to ensure that any perceived, potential or actual conflicts are managed appropriately. In addition, all related party transactions that occur between E&P and entities that it manages are done on commercial arms-length terms. However, it is possible that actual, potential or perceived conflicts could give rise to client dissatisfaction, litigation or regulatory enforcement actions.

If E&P fails, or appears to fail, to deal appropriately with one or more potential or actual conflicts of interest its reputation could be damaged creating reluctance among potential clients and counterparties to do business with E&P and leading to an adverse impact on financial performance.

**Employee misconduct**

Employee misconduct, which is difficult to detect and deter, could harm E&P by impairing its ability to attract and retain clients and by subjecting it to legal liability and reputational harm. There is a risk that employees could engage in misconduct that would adversely affect the business. For example, the business often requires E&P to deal with confidential matters of great significance to its clients. If employees were to improperly use or disclose confidential information provided by clients, E&P could be subject to regulatory sanctions and suffer serious harm to its reputation, financial position, current client relationships and ability to attract future clients. It is not always possible to deter employee misconduct, and the precautions taken to detect and prevent misconduct may not be effective in all cases.

**8.2.5 Failure to attract and retain skilled personnel and key senior executives**

The success of E&P relies on the efforts of management and key executives across its businesses. The market for highly skilled and experienced finance executives is competitive and may result in the loss of key executives leading to the loss of certain clients or other employees. The loss of key executives and the fact that they may compete with E&P in subsequent roles could reduce E&P's ability to generate revenue and adversely impact financial performance.

**8.2.6 Operating systems, processing and controls may fail**

Efficient internal processes are critical to the operation of E&P's business. There is a risk that inadequate or failed internal processes, people or systems (including failure of staff to follow defined processes, inadequate training or failure to implement appropriate controls) or external events may give rise to failures

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or disruptions in operational systems and controls (e.g. fraud, security failures, manual processing errors), which may result in losses to clients that E&P is liable to compensate. Ensuring that internal processes are efficient and scalable is particularly important in the context of E&P's significant historic and planned future growth. This growth has resulted and will continue to result in increasing pressure on all parts of E&P's business, including E&P's ability to:

- operate manual processes, which may be viable and appropriate at one level of funds under advice, but cease to be viable as funds under advice grows;
- offer bespoke or unique solutions for particular clients;
- hire and train new employees to meet increasing workloads; or
- otherwise structure its operations to ensure they continue to service clients at expected service levels.

As a result of the increased pressure on E&P's business operations from its growth, along with the increased complexity of its business resulting from advancements in its technology or changes to its product suite (including as a result of introduction of new clients), there is a risk that process and execution errors which occur from time to time may increase.

Such failures or errors may have a material adverse effect on E&P's reputation, and its ability to retain or attract clients.

### **8.2.7 Professional liability risk**

E&P's core business involves the provision of financial advice, investment advice and other financial services. The provision of such advice gives rise to the risk of potential professional liability for negligence and third-party client claims. Whilst E&P takes all reasonable precautions to keep the Group indemnified in the event of such claims, claims of a deprecating nature irrespective of the outcome and scale may cause financial and reputational damage to E&P.

### **8.2.8 Information systems and cyber risk**

E&P relies on information technology, including third party software products and services, to deliver services to its clients. E&P has implemented industry standard measures intended to prevent or mitigate loss, damage or interruption to its networks, systems and data, including due to errors or other failures in networks, hardware, software, systems or services. However, there is a risk that the measures taken by E&P may not be sufficient to prevent or mitigate such loss, damage or interruption.

Through its ordinary course of business, E&P will collect information about its clients (which would usually include personal and confidential information). A cyber attack or other cyber incident may compromise the systems used by E&P to protect that information. E&P has put in place industry standard measures intended to prevent misuse or loss of, unauthorised access to, or unauthorised modification or disclosure of, the information that it holds. However, there is a risk that the measures taken may not be sufficient to detect, mitigate or prevent such an incident.

Any loss, damage or interruption to E&P's networks, systems, data or services, or a data breach affecting E&P, whether arising from hardware, software or systems failures, computer viruses or other harmful code, third party service failures, or cyber attacks or other cyber incidents, could impair the ability of E&P to

deliver services to its clients; expose E&P to reputation damage; result in a loss of confidence in the services it provides; result in claims by clients or a loss of clients; and give rise to regulatory scrutiny and legal action. Any of these events could adversely impact E&P's reputation, business, financial condition and financial performance.

### **8.2.9 Need to maintain and update technology platforms creates risks**

The need to regularly maintain and update Wealth Advice's platforms creates risks, including if system design or coding errors lead to losses to clients, errors in information held on E&P's platforms, breaches of law or legal action against E&P. System design and coding errors may arise due to inadequate testing of new developments, inappropriate design of technology solutions or inadequate change management.

There is a risk that E&P may otherwise fail to successfully achieve, or experience unforeseen delays, costs or outcomes in achieving, the required development of its technology and systems. This risk may arise due to inadequate project management, failure to source appropriately trained staff to develop the products, failure to adequately monitor market change or trends in the industry for new products and designs, or failure to raise or allocate sufficient capital to the projects.

Use of E&P's IT resources in developing new functionality, may also divert them from maintaining or improving existing functionality, with the result that flaws or vulnerabilities (such as system design issues or coding errors) may not be identified or understood, which could in turn lead to errors or vulnerabilities, or performance issues with E&P's systems.

### **8.2.10 Project management, design and architectural services**

E&P Projects operates its project management, design and architectural services business through its subsidiary, Dixon Projects LLC. The revenues and profits generated by Dixon Projects may be adversely impacted by delays to its project pipeline which can be caused by delays in securing building approvals for renovation activity and subcontractors failing to perform contracted works to schedule.

Dixon Projects also has a given portfolio of client engagements at any one point in time. As these engagements are completed, Dixon Projects must source new engagements from either existing or new clients. Should Dixon Projects be unable to source new engagements for an extended period of time, it may materially reduce the revenues generated by Dixon Projects. Dixon Projects is currently being wound down but until this is completed, these risks remain applicable.

### **8.2.11 Foreign exchange rate risk**

E&P is exposed to currency fluctuations by virtue of its USA operations and the native currency of some assets held in its various Funds Management products. Consequently, E&P and its subsidiaries are subject to various foreign jurisdictions and local currencies. Adverse movements in the exchange rate between the Australian dollar and the local currencies, in particular the United States Dollar, may result in significant foreign currency losses and material impacts to the Group's profitability and ability to conduct business.

### 8.2.12 Underwriting

E&P makes underwriting commitments in the ordinary course of business by underwriting equity capital raisings. If there is a shortfall in demand for an underwritten offer which is not sub-underwritten or where sub-underwriters do not meet their commitments, E&P could be required to acquire the shortfall resulting in a demand for cash to fund the acquisition. On subsequent sale of these securities E&P may be subject to losses which would impact financial performance. In certain offerings, the opportunity to sell a shortfall holding may not arise from time to time due to liquidity considerations and consequently, E&P may be required to fund the purchase without being able to subsequently sell the securities resulting in a reduction in capital availability and opportunity cost adversely impacting financial performance.

### 8.2.13 Acquisitions and expansion

E&P may enter into new lines of business which may result in additional risks and uncertainties in the business. E&P currently generates substantially all of its revenue from the Wealth Advice, Capital Markets and Funds Management segments. To the extent E&P enters into new lines of business, it will face numerous risks and uncertainties, which can include risks associated with actual or perceived conflicts of interest, the possibility that it may have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk, the required investment of capital and other resources and the loss of clients due to the perception that it is no longer focusing on existing or core business.

If a new business generates insufficient revenues or if E&P is unable to efficiently manage expanded operations, E&P's financial performance could be adversely affected.

### 8.2.14 Macroeconomic risk

The revenues and profitability of E&P and its subsidiaries are largely dependent on the health and performance of global asset markets. The industries in which E&P operates are sensitive to factors including global macroeconomic sentiment, capital market activity, debt and equity market volatility. Volatility in the Australian and United States equity and debt markets, European, Emerging and Asian markets and the USA residential property market in particular would likely have a material impact on E&P's performance, financial wellbeing and returns to the Shareholders.

### 8.2.15 Client credit risk

E&P accepts credit risk when dealing with clients and counterparties especially as it relates to obligations including the payment of advisory fees and the settlement of share trades. Clients or counterparties may not fulfil their financial obligations in a timely manner resulting in an adverse impact on E&P's financial performance.

### 8.2.16 Timing difference and seasonality in capital markets revenue

Timing differences in Capital Markets revenue could affect inter-year results. Since transaction based fees are generally paid only once a transaction completes, the timing of receipt and recognition of revenue depends on transaction timing and outcomes, many elements of which are outside E&P's control and may be difficult to predict. Fluctuations in E&P's inter year financial results could lead to adverse movements in E&P's share price or increased volatility in the share price generally.

### 8.2.17 Exposure to potential litigation, claims and disputes

E&P may from time to time be subject to litigation and other claims and disputes in the course of its business. For example, these claims may relate to contractual disputes with suppliers or clients, excess charges, professional negligence, investment losses, intellectual property disputes, workplace health and safety incidents and employment disputes, including disputes involving claims by past employees. There is a risk that such litigation, claims and disputes, including the costs of settling claims and operational impacts, could adversely affect E&P's business, reputation, operating and financial position and performance. Refer to sections 8.2.18 and 8.2.19 for further information relating to two matters of which the Bidder is aware.

### 8.2.18 Ongoing regulatory action

ASIC commenced proceedings (proceedings no. VID595/2020) on 4 September 2020 against Dixon Advisory and Superannuation Services Limited (DASS). The draft concise statement, provided by ASIC, alleges breaches by DASS of certain of the 'best interest obligations' in Division 2 of Part 7.7A of the Corporations Act between 2 September 2015 and 31 May 2019. Further details can be found on the ASIC website, [www.asic.gov.au](http://www.asic.gov.au). The outcome of these proceedings, including penalties, are not known and any costs and penalties may could adversely affect E&P's business, reputation, operating and financial position and performance.

### 8.2.19 Ongoing class action investigation

Shine Lawyers Class Actions team is investigating the nature of the advice given to clients of Dixon Advisory, a subsidiary of E&P, over the course of the last 8 years. Further details can be found on the Shine Lawyers website, [www.shine.com.au/service/class-actions/dixon-advisory-class-action](http://www.shine.com.au/service/class-actions/dixon-advisory-class-action). Any judgments, settlements, costs or penalties may adversely affect E&P's business, reputation, operating and financial position and performance.

### 8.2.20 Insurance arrangements may not compensate for all loss

While E&P has in place insurance policies for a range of liabilities (including cyber security risks), not all liabilities may be covered and the policy limits for liabilities that are covered may not be adequate to cover all financial exposures that may arise.

If insurance is either not available to cover a claim, or the quantum of any relevant claim exceeds the applicable policy limit, E&P will be required to use its reserves or otherwise itself be exposed to the financial impact of the liability (and, as such, it could have an adverse impact on its business strategy, financial condition or financial performance). In addition, any significant claim against a policy may lead to increased premiums on renewal, additional exclusions under the terms of future policies or an inability to obtain suitable insurance cover for all aspects of the business.

E&P entities are parties to agreements that may contain pre-emptive or default rights or change of control provisions that may be triggered if the Bidder acquires E&P Shares representing a majority of the voting rights of E&P, E&P is delisted or there is a change in the board of directors of E&P.

The operation of these provisions, if triggered, could have negative consequences including enabling a counterparty to terminate a contract, accelerate payment obligations or require an E&P associated entity to renegotiate a contract or sell joint venture interests. These provisions may be waived or a change of control



consented to by the counterparty. The Bidder will seek such consents and waivers as it considers are necessary.

In the absence of counterparty consent or appropriate waivers, the operation of any of these change of control provisions could adversely affect the operations and/or financial position and performance of the Combined Group.

#### **8.2.21 Impairment of goodwill and other intangible assets**

The financial statements of the Combined Group will be prepared in conformity with A-IFRS and consistent with the current accounting policies of TGP. Under A-IFRS, intangible assets that have an indefinite useful life including goodwill, are not subject to amortisation and are reviewed annually for impairment. Individual assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an individual asset may not be recoverable. Changes to the carrying amounts of intangible assets of the Combined Group could have an adverse impact on the reported financial performance of the Combined Group.

### **8.3 Risks that arise from the TGP Offer**

Risks that may arise as a result of the TGP Offer include:

#### **8.3.1 Acquisition of less than 100% of E&P**

If TGP acquires less than 90% of all of the E&P Shares on issue under the TGP Offer, this would prevent TGP compulsorily acquiring all remaining E&P Shares and may prevent some of the benefits outlined in this Bidder's Statement from being realised.

E&P Shareholders should note that there is a risk that the E&P Share price may fall below the value of the TGP Offer and that they may become minority unitholders in a less liquid investment depending on which percentage of E&P Shares TGP acquires.

#### **8.3.2 Reliance on public information**

In preparing the information relating to E&P contained in this Bidder's Statement, TGP has relied on publicly available information relating to E&P. Risks may exist in relation to E&P (which may affect the Combined Group) of which TGP may be unaware. However, as E&P is an ASX listed entity, any matters material to the value of E&P securities should have been disclosed pursuant to E&P's periodic and continuous disclosure obligations.

If any material risks are known to E&P directors, they must be disclosed in the target's statement to be issued by E&P.

#### **8.3.3 Integration risks**

There is a risk that implementation and other one-off costs of integration may be substantial or greater than reasonably anticipated. This could have a material adverse impact on the Combined Group's financial position and performance.

The transition of information systems and data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing TGP. There is a risk that revenue streams or operations could be disrupted or that costs associated with the transition may be greater than expected, which could adversely affect the Combined Group's financial position and performance.

#### **8.3.4 Accounting revisions may be required**

E&P has particular accounting policies and methods which are fundamental to how it records and reports its financial position and results of operations. The management of E&P may have exercised judgments in selecting and applying certain accounting policies or methods which might have been reasonable under the circumstances yet might have resulted in reporting materially different outcomes than would have been reported under TGP's policies and methods.

While no material differences between TGP and E&P policies and methods have been identified to date, it is not certain that those policies have been applied in the same way. The integration of E&P accounting functions may lead to revisions of these accounting policies, which may adversely impact on the Combined Group's reported results of operations and/or financial position and performance.

#### **8.3.5 Assumptions by TGP**

The Bidder has made certain assumptions in estimating the accretion to E&P's earnings per share. This includes assumptions in relation to TGP's earnings per security guidance, as well as pro forma adjustments as a result of the acquisition of E&P. There is a risk that the assumptions may not be accurate and the accretion to E&P's earnings per share may be higher or lower than estimated.

#### **8.3.6 Issue of TGP Securities as consideration**

E&P Shareholders are being offered TGP Securities as consideration under the TGP Offer. As a result, the value of the consideration will fluctuate depending upon the market value of TGP Securities.

Accordingly, the market value of the TGP Securities at the time you receive them may vary significantly from their market value on the date of your acceptance of the TGP Offer, and the tax treatment of the TGP Security you receive may be different from your E&P Shares.

#### **8.3.7 Sale of TGP Securities**

Under the TGP Offer, 360 Capital will issue a significant number of new TGP Securities. Some E&P Shareholders may not intend to continue to hold their TGP Securities and may wish to sell them. There is a risk that increased sales of TGP Securities may adversely impact on the price of, and demand for, TGP Securities.

#### **8.3.8 Loss of key personnel**

Many of E&P's employees are highly qualified and highly experienced with in-depth industry and client knowledge. Any loss of key personnel may have an adverse impact on the Combined Group's financial performance. There is a risk that the TGP Offer may adversely affect the ability of the Combined Group to retain key employees and/or attract new employees with appropriate qualifications and experience at comparable cost, which may negatively affect the financial performance of the Combined Group.

#### **8.3.9 TGP Offer Conditions may not be satisfied**

The TGP Offer is subject to a number of conditions which may not be satisfied or waived prior to the end of the TGP Offer Period.

These conditions include Condition F in relation to the current ASIC court proceedings against an E&P subsidiary, Dixon Advisory and Superannuation Services Limited (DASS).

In September 2020, ASIC commenced proceedings in the in the Federal Court of Australia against DASS (proceedings no. VID595/2020). According to ASIC's media release dated 4 September 2020, ASIC's allegations include that DASS representatives failed to act in their clients' best interests and failed to provide advice that was appropriate to the clients' circumstances. According to the media release, ASIC is seeking declarations of contraventions and pecuniary penalties against DASS and the maximum civil penalty for contraventions alleged against DASS is \$1 million per contravention for contraventions prior to 13 March 2019, and \$10.5 million per contravention after that date. The case management hearing in respect of these proceedings was listed for 11 December 2020 and was subsequently adjourned and relisted to be heard on 16 April 2021.

Condition F requires that before the end of the TGP Offer Period, these ASIC court proceedings and any other proceedings which may be commenced on the basis of similar facts or circumstances are withdrawn or discontinued without any liability or settled or finally determined resulting in an aggregate liability in respect of all such proceedings of no more than \$10 million (inclusive of legal costs).

Neither 360 Capital nor the Bidder have received any non-public information in relation to the ASIC court proceedings. In addition, neither 360 Capital nor the Bidder are party to the proceedings and neither have the ability to influence the proceedings. Accordingly, neither 360 Capital nor the Bidder can comment on the likelihood that Condition F will be satisfied before the end of the TGP Offer Period.

## 8.4 General and industry risks of the Combined Group

The business activities of the Combined Group will be subject to various general economic and industry specific risks that may impact on the future performance of the Combined Group. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Combined Group and cannot be mitigated.

The general risks to which participants in the funds management (including co-investment in funds), corporate advisory and wealth management industry are exposed include the following (which you are currently exposed to through your holding of E&P Shares and will continue to be exposed to as a TGP Securityholder):

### 8.4.1 General economic conditions

The operating and financial performance of the Combined Group is influenced by a variety of general economic conditions and business conditions, including the level of inflation, interest rates and exchange rates and Government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions could materially and adversely affect the Combined Group's operations and/or financial position and performance.

### 8.4.2 COVID-19 impact

Events related to COVID-19 have resulted in significant market volatility. There is continued uncertainty as to ongoing and future response of governments and authorities globally as well as a likelihood of an economic downturn of unknown duration or severity. TGP is currently monitoring the actual and potential impact of COVID-19 on its business and the broader economy. However, given the high degree of uncertainty surrounding the extent and duration of government and regulatory responses to COVID-19, it is not currently possible to accurately assess the full impact of COVID-19 on TGP's business.

In Australia and globally, measures have been introduced, and may be further extended, to control the spread of the COVID-19 outbreak, including prolonged periods of social distancing, travel and trade restrictions, restrictions on public gatherings and business closures, which may directly or indirectly impact on TGP's business. There is a risk that the economic consequences of COVID-19 could become more severe and far reaching across the economy, leading to a more widespread downturn in business and economic activity. This would likely result in a significant loss of revenue for many businesses across a wide range of industry sectors, in turn potentially leading to further increased unemployment and decline in wealth and income, which may adversely affect the financial performance of the Combined Group.

A fall in financial markets and asset value which is triggered by COVID-19 could cause a decrease in FUMAS for the Combined Group, with a consequential impact on income and earnings.

### 8.4.3 Equity market conditions

The market price of TGP Securities will be affected by the financial performance of the Combined Group and also varied and often unpredictable factors influencing equity and credit markets generally. These factors include international stock markets, interest rates, domestic and international economic conditions, domestic and international political stability, investor sentiment, and the demand for equities generally.

### 8.4.4 Returns from investments

The value, expectations of capital growth, and returns from the Combined Group's co-investments will fluctuate depending on market conditions. Revenue levels may change as a result of changes in general economic conditions, and this may affect the earnings of the Combined Group and the market price of TGP Securities.

### 8.4.5 Changes in investment markets

The Combined Group will derive a significant proportion of its earnings from fees and charges based on the level of FUMAS of the Combined Group. The level of FUMAS will reflect (in addition to other factors such as the amount of funds flowing into and out of FUMAS) the investment performance of those funds. Therefore, changes in domestic and/or global investment market conditions could lead to a decline in the Combined Group's FUMAS, adversely impacting the amount it earns in fees and charges. Deterioration in investment market conditions could also lead to reduced consumer interest in the Combined Group's financial products and services.

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#### **8.4.6 Competition**

There is substantial competition for the provision of financial services in the markets in which the Combined Group will operate. The Combined Group must compete with a variety of market participants in specialised investment fund management, wealth advice and corporate advisory services. These market participants compete vigorously for customer investments and the provision of wealth management services. These competitive market conditions may adversely impact on the earnings and assets of the Combined Group.

#### **8.4.7 Information Technology**

Generally, the Combined Group will rely heavily on information technology. Therefore, any significant or sustained failure in the Combined Group's core business or technology systems could have a materially adverse effect on the Combined Group's operations in the short term, which in turn could undermine longer term confidence in the Combined Group and impact the future profitability and financial position of the Combined Group.

#### **8.4.8 Regulatory and legislative risk and reform**

Changes in laws, regulations and government policy may affect the Combined Group and the attractiveness of an investment in the Combined Group positively or negatively. The financial services sectors in which the Combined Group will operate are subject to extensive legislation, regulation and supervision by a number of regulatory bodies in multiple jurisdictions.

The regulatory regimes governing the business activities of the Combined Group are complex and subject to change. The impact of future regulatory and legislative change upon the business of the Combined Group cannot be predicted. In addition, if the amount and complexity of new regulation increases, so too may the cost of compliance and the risk of non-compliance.

#### **8.4.9 Government policy and taxation**

Changes in relevant taxation laws, accounting standards, other legal, legislative and administrative regimes, and government policies (including government fiscal, monetary and regulatory policies), may have an adverse effect on the assets, operations and, ultimately, the financial performance of the Combined Group. These factors may ultimately affect the Combined Group's financial position and performance and the market price of TGP Securities.

#### **8.4.10 Provision of investment advice**

The Combined Group's financial advisers and authorised representatives will provide advice to clients. The Combined Group may be exposed to litigation if this advice is judged to be incorrect or if the authorised representative otherwise becomes liable for client losses.

#### **8.4.11 Shareholder dilution**

The Combined Group may seek to issue securities for a number of reasons as permitted by the ASX Listing Rules, including raising new capital or to incentivise employees. This may result in the dilution of existing shareholders.

#### **8.4.12 Litigation and disputes**

Disputes or litigation may arise from time to time in the course of business activities. There is a risk that material or costly disputes or litigation could adversely affect financial performance and security value.

#### **8.4.13 Other factors**

Other factors may impact on an entity's performance including natural disasters, changes or disruptions to political, regulatory, legal or economic conditions or to the national or international financial markets including as a result of terrorist attacks or war.

## 9.1 TGP Securities

The TGP Securities issued under the TGP Offer will be issued fully paid and will rank equally for distributions and other rights in all respects with existing TGP Securities from the date of issue.

Since the TGP Securities issued as consideration under the TGP Offer will be issued credited as fully paid, no monetary liability attaches to them.

The rights and restrictions attaching to TGP Securities are set out in the TGP Constitution and, in certain circumstances, are regulated by the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and general law.

A summary of the TGP Constitution is set out in section 9.2 below.

## 9.2 Summary of the TGP constitution

TGP is governed by the TGP Constitution. The following is a summary of the principal rights attaching to TGP Securities. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of securityholders of TGP. To obtain a definitive statement of the rights and liabilities of securityholders of TGP, investors should seek their own advice when trying to establish their rights in specific circumstances.

**Voting rights:** TGP Securityholders are entitled to receive notice of, and to attend and vote at, a general meeting of TGP and to receive all notices and other documents required to be sent to TGP Securityholders under the Corporations Act and general law. Each TGP Securityholder present in person, or by proxy, attorney or representative at a general meeting of TGP has one vote on a show of hands and one vote per dollar value of the total TGP Securities they have on a poll.

**Issue of further securities:** 360 Capital may issue new TGP Securities and TGP Securities of different classes at the price and on terms determined in accordance with the TGP Constitution.

**Distributions:** Subject to the terms of any particular class of TGP Security, a TGP Securityholder who is a TGP Securityholder on the relevant record date will be entitled to share in any distribution on a pro rata basis.

**Winding up:** If TGP is wound up, TGP Securityholders will be entitled to participate, subject to the terms of any particular class of TGP Security, pro rata in any surplus TGP assets.

**Transfer of securities:** TGP Securities are traded on the ASX. Subject to the general requirements under the TGP Constitution relating to transfers and subject to the Corporations Act and the ASX Listing Rules, TGP Securities are freely transferable.

## 9.3 Consents

### 360 Capital's advisers

360 Capital, Cambridge Investment Partners, Aitken Murray Capital Partners, Clayton Utz, and Boardroom have each given, and not withdrawn before the lodgement of this Bidder's Statement with ASIC, their consent to:

- be named in this Bidder's Statement in the form and context in which they are named;
- the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in the Bidder's Statement; and
- the inclusion of other statements in this Bidder's Statement which are based on or referable to statements made in those reports or statements in the form and context in which they are included in the Bidder's Statement.

Neither Cambridge Investment Partners, Aitken Murray Capital Partners, Clayton Utz, nor Boardroom has caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement (or any statement on which a statement in this Bidder's Statement is based) and takes no responsibility for any part of this Bidder's Statement, other than any reference to their name.

None of these persons have caused or authorised the issue of this Bidder's Statement or have in any way been involved in the making of the TGP Offer. The TGP Offer is made by the Bidder.

Each of the above persons:

- other than a statement or report included in this Bidder's Statement with consent as specified above, does not make, or purport to make, any statement in this Bidder's Statement, or any statement on which a statement in this Bidder's Statement is based; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this document, any statements or omissions from the Bidder's Statement, other than a reference to its name or a statement or report included in the Bidder's Statement with the consent of that person as specified above.

### Public statements

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, (free of charge), during the TGP Offer Period, please contact the 360 Capital TGP Offer Information Line on 1300 082 130 (within Australia) or +61 (2) 8016 2884 (outside Australia) or at [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au).

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In addition, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72 (Corporations Instrument 2016/72), this Bidder's Statement may include or be accompanied by certain statements:

- which fairly represent what purports to be a statement by an official person; or
- which are a correct and fair copy of, or extract from, what purports to be a public official document; or
- which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable document; or
- from a public official document or a published book, journal or comparable publication.

Further, as permitted by Corporations Instrument 2016/72, this Bidder's Statement contains trading data sourced from the ASX provided without their consent.

## 9.4 ASIC modifications

ASIC has published various instruments providing modifications and exemptions in relation to the operation of Chapter 6 of the Corporations Act that apply generally to all persons, including the Bidder.

## 9.5 Status of conditions

The TGP Offer is subject to the TGP Conditions set out in Annexure 1. Below is the status of conditions the day before the date of this Bidder's Statement. The Bidder will provide updates on any material developments relating to the status of these conditions through announcements to the ASX.

As at the date of this Bidder's Statement, the Bidder is not aware of any events or circumstances which would result in the non-fulfilment of any of the TGP Conditions: [and the Bidder is not aware of any material Approvals required for the purposes of Condition C](#). If the TGP Conditions are not fulfilled or waived, then no contract in respect of the purchase of your E&P Shares will be capable of arising at all from acceptances of the TGP Offer.

## 9.6 Date for determining holders of E&P Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of subsection 633(1) is the Register Date.

## 9.7 Valuation date – Reliance on ASIC Corporations (Minimum Bid Price) Instrument 2015/1068

The Bidder may rely on the provisions of *ASIC Corporations (Minimum Bid Price) Instrument 2015/1068 (ASIC Instrument)*. The ASIC Instrument provides relief from section 621(3) of the Corporations Act and allows a bidder up to 5 business days before the date of the offer to value the quoted securities being offered as part of the bid consideration, for the purposes of determining whether the value of its bid consideration at least equals the maximum value of consideration paid by the bidder for bid class securities in the four months prior to the date of the offer.

Relying on that relief, the Bidder may value the TGP Securities to be provided under the TGP Offer at any date nominated by the Bidder (the **Valuation Date**) up to 5 business days before the date of the TGP Offer. The valuation is determined by calculating the VWAP of the TGP Securities in the ordinary course of trading on ASX during two full days before the Valuation Date.

Under section 621(4A) of the Corporations Act (as inserted into the Corporations Act by the ASIC Instrument) the following information is provided:

- the value of TGP Securities under section 621(4A): **[\$XXXXX]**;
- the Valuation Date: **[XX Month XXXX]**; and
- the trading days on which the valuation is based: **[XX Month XXXX]** and **[XX Month XXXX]**.

The value of the TGP Offer per E&P Share for the purpose of section 621 of the Corporations Act, using the valuation methodology prescribed by the ASIC Instrument, is therefore **[\$XXXXX]** (comprising **[\$XXXXX]** plus the cash component of \$0.30).

This value exceeds the maximum value of consideration paid by the Bidder for E&P Shares in the 4 months prior to the date of the TGP Offer.

As TGP Securities are listed on the ASX, the market price of TGP Securities can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly, as E&P Shareholders will receive a specified number of TGP Securities, the implied value of the TGP Offer may fluctuate depending on the market value of TGP Securities.

## 9.8 Social security and superannuation implications of TGP Offer

Acceptance of the TGP Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

## 9.9 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that:

- is material to the making of a decision by a E&P Shareholder whether or not to accept the TGP Offer;
- known to the Bidder; and
- has not previously been disclosed to E&P Shareholders.

## 9.10 Consideration provided for E&P Shares during previous four months

Neither the Bidder, TGP nor any Associate of TGP has provided, or agreed to provide, consideration for E&P Shares under any purchase or agreement to purchase during the period of 4 months before the date of this Bidder's Statement or in the period between the date of the Bidder's Statement and the date of the TGP Offer. The Bidder acquired E&P Shares on-market on the ASX for cash consideration as set out in the following table:

Holder of Relevant Interest	Date of Dealing	Description of Dealing
360 Capital and its Associates	27 August 2020	Bidder acquired 42,445,662 E&P Shares via an off-market transfer for a price of \$0.45 per Share
360 Capital and its Associates	28 August 2020	Bidder acquired 569,387 E&P Shares on market for a price of \$0.45 per Share
360 Capital and its Associates	4 September 2020	Bidder acquired 1,944,873 E&P Shares on market for a price of \$0.45 per Share
360 Capital and its Associates	8 September 2020	Bidder acquired 366,775 E&P Shares on market for a price of \$0.4294 per Share
360 Capital and its Associates	9 September 2020	Bidder acquired 52,931 E&P Shares on market for a price of \$0.4475 per Share
360 Capital and its Associates	10 September 2020	Bidder acquired 485,747 E&P Shares on market for a price of \$0.45 per Share

## 9.11 No pre-TGP Offer benefits

During the period of 4 months before the date of this Bidder's Statement, TGP nor any Associate of TGP neither gave, nor offered to give, or agreed to give, a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the TGP Offer; or
- dispose of the E&P Shares.

and which is not offered to all holders of the E&P Shares under the TGP Offer.

## 9.12 No escalation agreements

Neither TGP nor any Associate of TGP has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

## Section 10 : Fees

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay administration fees where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more or see the impact of the fees based on your own circumstances, the Australian Securities & Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

## 10.1 Fees and other costs

This section shows fees and other costs that you may be charged in respect of your investment in the 360 Trust. The responsible entity, to which the 360 Trust pays these fees, is a wholly owned subsidiary of TGP. Therefore, these fees are paid and received by entities owned by TGP Securityholders.

Except as otherwise stated, the fees and costs set out below show the net effect of GST i.e. inclusive of 10% GST less any input tax credits, including reduced input tax credits.

You should read all the information about fees and costs because it is important to understand their impact on your investment. A further description of the fees and costs outlined in the table below is provided in section 10.3.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the 360 Trust</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	There is no establishment fee.
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	There is no contribution fee.
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	There is no withdrawal fee.
<b>Exit fee</b> The fee to close your investment	Nil	There is no termination fee.
<b>Management costs</b> The fees and costs for managing your investment	The 360 Trust will not incur any external management fees, as the responsible entity of the 360 Trust will be wholly owned by TGP.  The operating expenses of the 360 Trust will be approximately 0.4% p.a. of the net asset value of the 360 Trust.	The Responsible Entity's operating expenses will be paid or reimbursed from the assets of 360 Trust as the expenses are incurred by the Responsible Entity.
<b>Service fees</b>		
<b>Switching fee</b> The fee for changing investment options	Nil	There is no switching fee.

## 10.2 Example of annual fees and costs

The following table gives an example of how the fees and costs can affect your investment over one-year period. You should use these tables to compare this product with other managed investment products.

Example	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged nil.
PLUS Management Costs (excluding Offer Costs)	0.4% p.a. of the NAV of the 360 Trust	For every \$50,000 you have invested you will be charged \$200 each year.
EQUALS cost of Fund	Nil	If you had an investment of \$50,000 at the beginning of the year and you invested an additional \$5,000 during that year, you would be charged fees and expenses between \$200 and \$220 for that year!  What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

1 The additional management costs will be on a pro-rata basis and will vary depending on whether you are invested for the whole year or part of the year.

## 10.3 Additional explanation of fees and costs

### 10.3.1 Management costs

The Management Costs are the fees and costs charged for the management and administration of the 360 Trust, as well as an estimate of all ordinary expenses recoverable by the Responsible Entity in operating the 360 Trust. Management Costs also include estimated indirect costs. Management Costs reduce the NAV of the 360 Trust and are reflected in the NAV per 360 Trust unit.

As the Responsible Entity is wholly owned by the 360 Company, the management fee accrues to the benefit of the 360 Company and so no external management fees are charged. Management costs do not include transactional and operational costs.

The Responsible Entity is entitled to recover all expenses properly incurred in managing and administering the 360 Trust, including in relation to the following:

- costs incurred by the Responsible Entity in accordance with the constitution of the 360 Trust;
- compliance committee costs;
- audit fees;
- legal fees;
- independent consultant report preparation fees;
- asset custody expenses; and
- bank fees, government fees and taxes.

The Responsible Entity estimates that the 360 Trust will incur expenses of approximately 0.40% of the NAV of the 360 Trust per annum. This estimate has been included in the tables set out in sections 10.1 and 10.2 above.

### 10.3.2 Offer costs

TGP expects to incur transaction costs in relation to this Offer. TGP estimates these fees will total \$1.43 million, however these costs will not be known until the transaction is completed.

### 10.3.3 Can fees be different for different investors?

The Responsible Entity may, from time to time, negotiate a different fee arrangement (by way of a rebate of fees or reduced fees) with certain Wholesale Clients or otherwise in accordance with ASIC requirements. Any fee rebates will be paid out of the assets of the Responsible Entity and will not be paid from the assets of the 360 Trust. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at the discretion of the Responsible Entity.

### 10.3.4 Can the fees change?

All fees in this Bidder's Statement can change. Reasons for a change may include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to RITCs entitled to be claimed by the 360 Trust. Any estimates of fees and costs in this Bidder's Statement are based on information available as at the date of this Bidder's Statement. As such, the actual fees and costs may differ and are subject to change from time to time. The constitution of the 360 Trust sets the maximum amount the Responsible Entity can charge for fees. If the Responsible Entity wishes to raise fees above the amounts allowed for in the Constitution, the Responsible Entity would need to amend the Constitution in accordance with the Corporations Act and the relevant provisions in the Constitution.

The Responsible Entity can change the fees referred to in this Bidder's Statement without consent, subject to any maximum fee amounts specified in the 360 Trust constitution, as applicable. The Responsible Entity will give unitholders of the 360 Trust at least 30 days advanced notice of any proposed change to these fees, if applicable.



## Section 11 : The terms and conditions of the TGP Offer

### 11.1 TGP Offer

- (a) The Bidder offers to acquire all of your E&P Shares on and subject to the terms and conditions set out in this section.
- (b) The TGP Offer relates E&P Shares that exist or will exist at the Register Date and extends to any E&P Shares that are issued between that date and the end of the TGP Offer Period due to:
  - (i) the conversion of securities convertible into E&P Shares, where such securities exist or will exist at the Register Date;
  - (ii) the exercise of rights to be issued E&P Shares, where such rights are conferred by securities that exist or will exist at the Register Date.
- (c) You may accept the TGP Offer only in respect of all of your E&P Shares.
- (d) It is a term of the TGP Offer that the Bidder will be entitled to all Rights attaching to or arising from E&P Shares acquired by the Bidder pursuant to the TGP Offer.
- (e) A TGP Offer in this form is being made to each E&P Shareholder registered in the E&P register of shareholders as at the Register Date.
- (f) If, at the time the TGP Offer is made to you, or at any time during the TGP Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the E&P Shares to which this TGP Offer relates:
  - (i) a corresponding offer on the same terms and conditions as this TGP Offer will be deemed to have been made to that other person in respect of those E&P Shares; and
  - (ii) a corresponding offer on the same terms and conditions as this TGP Offer will be deemed to have been made to you in respect of any other E&P Shares you hold to which the TGP Offer relates; and
  - (iii) this TGP Offer will be deemed to have been withdrawn immediately at that time in relation to the E&P Shares you have ceased to hold.
- (g) If at any time during the TGP Offer Period, you are registered or entitled to be registered as the holder of one or more parcels of E&P Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct TGP Offer on the same terms and conditions as this TGP Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the TGP Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please contact the 360 Capital TGP Offer Information Line on 1300 082 130 (within Australia) or +61 (2) 8016 2884 (outside Australia) or at investor.relations@360capital.com.au to request those additional copies.
- (h) If your E&P Shares are registered in the name of a broker, investment dealer, bank, trust, or other nominee, you should contact that nominee for assistance in accepting the TGP Offer.
  - (i) The TGP Offer is dated [xx] 2021.

### 11.2 Consideration

#### 11.2.1 Consideration offered

Subject to this section 11, the consideration offered under the TGP Offer for each of your E&P Shares is 0.40 TGP Securities and cash of \$0.30.

#### 11.2.2 Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders

If you are an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder then, despite any other provision of this TGP Offer, you will not receive TGP Securities under this TGP Offer. Instead, if you accept this TGP Offer, you will receive a cash amount determined in accordance with section 11.5.5.

#### 11.2.3 Rounding of securities

Any fractional entitlements to TGP Securities will be rounded up to the nearest whole TGP Security. If the Bidder reasonably believes that an E&P Shareholder's holding has been manipulated to take advantage of any rounding, then any fractional entitlement will be aggregated and rounded to the nearest whole number of TGP Securities.

#### 11.2.4 Ranking of TGP Securities

The TGP Securities to be issued under the TGP Offer will, from the date of issue, rank equally in all respects with existing TGP Securities currently on issue, including for any distribution with a record date that falls on or after the TGP Securities are issued.

### 11.3 TGP Offer Period

- (a) Unless withdrawn, the TGP Offer will remain open for acceptance during the period commencing on the date of this TGP Offer and ending at 7:00pm (Sydney time) on the later of:
  - (i) [x] 2021; or
  - (ii) any date to which the TGP Offer Period is extended in accordance with the Corporations Act.
- (b) If, within the last 7 days of the TGP Offer Period, either of the following events occur:
  - (i) the TGP Offer is varied to improve the consideration offered; or
  - (ii) TGP's Voting Power in E&P increases to more than 50%,

then the TGP Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

### 11.4 How to accept the TGP Offer

#### 11.4.1 General

- (a) The TGP Offer is for, and you may only accept the TGP Offer in respect of, all of your E&P Shares.
- (b) You may accept this TGP Offer at any time during the TGP Offer Period.
- (c) How you accept this TGP Offer depends on whether your E&P Shares are held in an Issuer Sponsored Holding or a CHES Holding (your personalised Acceptance Form outlines which type of holding you have).
- (d) In all cases, your acceptance of the TGP Offer must be received before the end of the TGP Offer Period, which is 7:00pm on [xx] 2021, unless the TGP Offer Period is extended.

**11.4.2 E&P Shares held in your name in an Issuer Sponsored Holding**

To accept this TGP Offer for E&P Shares held in your name in an Issuer Sponsored Holding (in which case your Shareholder Reference Number will commence with 'I'), you must:

- (a) complete and sign the Acceptance Form in accordance with the terms of this TGP Offer and the instructions on the Acceptance Form; and
- (b) ensure that the Acceptance Form (including any documents required by the terms of this TGP Offer and the instructions on the Acceptance Form) is received at one of the addresses shown on the Acceptance Form before the end of the TGP Offer Period.

**11.4.3 E&P Shares held in your name in a CHESSESS holding**

If your E&P Shares are held in your name in a CHESSESS Holding (your Holder Identification Number (HIN) starts with 'X'), to accept the TGP Offer you must comply with the ASX Settlement Operating Rules by doing one of the following:

- (a) instruct your Controlling Participant (for E&P Shareholders who are not institutions, this is normally the stockbroker through whom you bought your E&P Shares or ordinarily acquire E&P Shares on the ASX) to initiate acceptance of this TGP Offer on your behalf in accordance with the requirements of the ASX Settlement Operating Rules in sufficient time for the TGP Offer to be accepted before the end of the TGP Offer Period;
- (b) complete and sign your Acceptance Form and, together with all other required documents, send it directly to your Controlling Participant (usually your broker) in sufficient time for the TGP Offer to be accepted before the end of the TGP Offer Period with instructions to initiate acceptance of the TGP Offer on your behalf in accordance with the requirements of the ASX Settlement Operating Rules before the end of the TGP Offer Period; or
- (c) complete and sign your Acceptance Form and, together with all other required documents, lodge it by returning it in the reply paid envelope provided or to the address indicated on the form (and set out below) so that your acceptance is received before the end of the TGP Offer Period. This will authorise the Bidder to initiate, or alternatively to instruct your Controlling Participant to initiate, acceptance of this TGP Offer on your behalf before the end of the TGP Offer Period. You must ensure that the Acceptance Form (and the other required documents) are received in sufficient time for the Bidder to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, before the end of the TGP Offer Period.

**11.4.4 E&P Shares of which you are entitled to be registered as holder**

To accept this TGP Offer for E&P Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (a) complete and sign the Acceptance Form in accordance with the terms of this TGP Offer and the instructions on the Acceptance Form; and

- (b) ensure that the Acceptance Form (including any documents required by the terms of this TGP Offer and the instructions on the Acceptance Form) is received before the end of the TGP Offer Period, to one of the addresses shown on the Acceptance Form.

**11.4.5 E&P Shares held in an Issuer Sponsored Holding and in a CHESSESS Holding**

If some of your E&P Shares are held in an Issuer Sponsored Holding and some in a CHESSESS Holding, you will need to accept the TGP Offer separately for each holding if you wish to accept the TGP Offer for all of your E&P Shares across these holdings.

**11.4.6 Beneficial ownership of E&P Shares**

If you are a beneficial owner of E&P Shares which are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the TGP Offer.

**11.4.7 Brokers and ASX Settlement Participants**

If you are a broker or an ASX Settlement Participant, to accept the TGP Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the TGP Offer Period.

**11.4.8 Power of attorney, deceased estate**

When accepting the TGP Offer you must also forward for inspection:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased E&P Shareholder, the relevant grant of probate, letters of administration or certificates of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

**11.4.9 Acceptance Form and other documents**

- (a) The Acceptance Form forms part of the TGP Offer.
- (b) If your Acceptance Form (including any documents required by the terms of this TGP Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by TGP at one of the addresses shown on the Acceptance Form before the end of the TGP Offer Period.
- (c) When using the Acceptance Form to accept this TGP Offer in respect of E&P Shares in a CHESSESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this TGP Offer and the instruction on the Acceptance Form) are received by TGP in time for TGP to instruct your Controlling Participant to initiate acceptance of this TGP Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the TGP Offer Period.
- (d) The postage and transmission of the Acceptance Form and other documents is at your own risk.

#### 11.4.10 When acceptance is complete

Acceptance of the TGP Offer is complete once either:

- (a) the completed Acceptance Form (together with all other documents required by the instructions on it) has been received at the address referred to on the Acceptance Form and the requirements of this section 11 have been met and the TGP Offer Conditions are satisfied or waived, provided that:
  - (i) the Bidder may in its sole discretion waive any or all of those requirements at any time; and
  - (ii) where such requirements have been complied with in respect of some but not all of your E&P Shares, the Bidder may, in its sole discretion, deem your acceptance of the TGP Offer complete in respect of all or none of your E&P Shares, and the Bidder is not required to communicate with you prior to making its determination as to the above matters and the determination of the Bidder will be final and binding on all of the parties, and the payment of the consideration in accordance with the TGP Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by the Bidder; or
- (b) in relation to a CHES Holding, acceptance has been carried out in accordance with Rule 14.14 of the ASX Settlement Operating Rules.

## 11.5 Payment of consideration

#### 11.5.1 When consideration is provided

- (a) Subject to this section 11.5 and the Corporations Act, TGP will provide the consideration due to you for your E&P Shares by the later of:
  - (i) 7 Business Days after the date your acceptance is received; or
  - (ii) if the TGP Offer is subject to a TGP Offer Condition, within 10 Business Days after the TGP Offer becomes unconditional.

#### 11.5.2 Where additional documents are required

- (a) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney) then, subject to this section and the Corporations Act:
  - (i) if that document is given with your Acceptance Form, the Bidder will provide the consideration in accordance with clause 11.5.1; and
  - (ii) if that document is given after your Acceptance Form and before the end of the TGP Offer Period, the Bidder will provide the consideration to you by the later of:
    - a) 10 Business Days after the Bidder is given those documents; and
    - b) if the TGP Offer is subject to a TGP Offer Condition when accepted, within 10 Business Days after the TGP Offer becomes, or is declared, unconditional.
  - (iii) if the documents are given after the end of the TGP Offer Period and the TGP Offer is unconditional at that time, the Bidder will provide the consideration to you within 10 Business Days after the documents are given. However,

if at the time the Bidder is given the documents, the TGP Offer is still subject to one or more of the TGP Offer Conditions referred to in Annexure 1, the Bidder will provide the consideration to you within 10 Business Days after the contract which arises upon your acceptance of the TGP Offer becomes unconditional.

If you do not provide the Bidder with the required additional documents within one month after the end of the TGP Offer Period, the Bidder may, in its sole discretion, rescind any contract resulting from your acceptance of the TGP Offer.

#### 11.5.3 Obligation to pay cash

Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or, in the case of E&P Shareholders with addresses outside Australia, by airmail) to your address shown on the Acceptance Form or the address for you last notified to the Bidder by E&P.

#### 11.5.4 Obligation to issue TGP Securities

Subject to section 11.5.5, the obligation of the Bidder to issue and allot any TGP Securities to which you are entitled will be satisfied by the Bidder:

- i. entering, or procuring that your name is entered, on the register of securityholders of TGP; and
- ii. dispatching or procuring the dispatch to you by pre-paid post to your address recorded in the Bidder's copy of E&P's register of shareholders immediately before dispatch (or such other address as you may notify to the Bidder in writing), a holding statement in your name in accordance with the ASX Listing Rules (for Issuer Sponsored Holdings) or a confirmation of issue in your name (for CHES Holdings).

If your E&P Shares are held in joint names, a holding statement or confirmation of issue will be issued in the name of, and dispatched to, the holder whose name appears first in the Bidder's copy of E&P's register of shareholders.

#### 11.5.5 Payments to Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders

If you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder (or if the Bidder believes that you are an Ineligible Foreign Shareholder or Unmarketable Parcel Shareholder) and you accept this TGP Offer, you will not be entitled to receive TGP Securities as part of the consideration for your E&P Shares.

Instead, you agree that:

- i. the Bidder will arrange for the issue to a nominee approved by ASIC (the **Sale Nominee**) of the TGP Securities to which you and all other Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders would have been entitled but for this section 11.5.5 under the TGP Offer;
- ii. the Bidder will cause those TGP Securities to be offered for sale by the Sale Nominee on the ASX or another relevant financial market licensed under section 795B of the Corporations Act through which retail clients may trade in securities as soon as practicable and otherwise in such manner, at such price and on such terms as are determined by the Sale Nominee;

- iii. the Bidder will cause the amount ascertained in accordance with the formula below to be paid to you:
- $$\text{net proceeds of sale} \times (\text{your TGP Securities} / \text{total TGP Securities})$$
- where:
- net proceeds of sale** is the amount (if any) remaining after deducting the expenses of sale and any costs of appointing the Sale Nominee from the total proceeds of sale of the TGP Securities issued to the Sale Nominee under this section 11.5.5 and the equivalent provision in each other offer under the TGP Offer;
- your TGP Securities** is the number of TGP Securities that would, but for this section 11.5.5, have been issued to you under this TGP Offer; and
- total TGP Securities** is the total number of TGP Securities issued to the Sale Nominee under this section and the equivalent provision in each other offer under the TGP Offer;
- iv. payment of the amount calculated in accordance with this section 11.5.5 (iii) will be made by cheque drawn in Australian currency in your favour that is sent to you, at your risk, by ordinary mail (or, in the case of E&P Shareholders with addresses outside Australia, by airmail) to your address shown on the latest copy of the register provided by E&P to the Bidder, and that under no circumstances will any interest be paid on or in relation to that amount, regardless of any delay in the remittance of the amount to you; and
- v. you irrevocably appoint the Bidder as your agent to receive any notice, including a Financial Services Guide (if any) (and any update of any such notice or document), that the Sale Nominee and/or its broker may provide under the Corporations Act and you acknowledge and agree that any such notice or document will be made available by the Bidder on the Bidder's website ([www.360capital.com.au](http://www.360capital.com.au)).

Neither the Bidder nor the Sale Nominee makes any representation, warranty, undertaking or assurance as to the price that will be achieved for the sale of TGP Securities described in this section 11.5.5.

#### 11.5.6 Where the Bidder is entitled to any Rights

If the Bidder becomes entitled to any Rights on acceptance of the TGP Offer, it may require you to give the Bidder all documents that the Bidder needs to vest with the Bidder title to those Rights or otherwise give the Bidder the benefit or value of those Rights. If you do not give those documents to the Bidder, or if you have received or become entitled to the benefit of those Rights before the Bidder provides the consideration to you, the Bidder may deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by the Bidder) of those Rights in accordance with section 11.5.7.

#### 11.5.7 Rights generally

- If:
- i. you have (or any previous holder of your E&P Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise);
  - ii. you are (or any previous holder of your E&P Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous holder of your E&P Shares is) the registered holder of the share at the specified time for determining those entitled to the dividend); or
  - iii. your E&P Shares were issued (or otherwise came into existence) on or after the record date in respect of any Rights to E&P Shares,
- then:
- iv. in the case of Rights to non-cash benefits, the Bidder may deduct the value (as reasonably assessed by the Bidder) of such Rights from any consideration otherwise payable to you; or
  - v. in the case of Rights to cash benefits, the Bidder may deduct the amount of such Rights from any consideration otherwise payable to you.

If the Bidder does not, or cannot, make such a deduction, you must pay such value or amount to the Bidder.

#### 11.5.8 Clearances for offshore residents

- If, at the time of acceptance of this TGP Offer:
- i. any consent, authority or clearance of an Authority is required for you to receive the TGP Consideration under the TGP Offer, including, but not limited to, consent, authority or clearance of:
    - a. the Minister for Foreign Affairs (whether under the Charter of the United Nations Act 1945 (Cth), the Charter of the United Nations (Dealings with Assets) Regulations 2008 or any other regulations made thereunder, or otherwise);
    - b. the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations 1959 (Cth) or otherwise); or
    - c. the Australian Taxation Office; or
  - ii. you are a:
    - a. resident in, or a resident of, a place to which; or
    - b. person to whom,
- any of the following applies:
- c. the Autonomous Sanctions Regulations 2011 (Cth);
  - d. the Banking (Foreign Exchange) Regulations 1959 (Cth);
  - e. Part 4 of the Charter of the United Nations Act 1945 (Cth);
  - f. the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
  - g. any other regulations made under Part 4 of the Charter of the United Nations Act 1945 (Cth); or
  - h. any other law of Australia that would make it unlawful for the Bidder to issue the TGP Consideration that you are entitled to under the terms of the TGP Offer,

then the acceptance of the TGP Offer will not create or transfer to you any right (contractual or contingent) to have the TGP Consideration provided to you unless and until all requisite authorities or clearances have been obtained.

#### **11.5.9 Withholding of consideration by Bidder**

If any amount (withholding amount) is required, under any Australian law or by any Authority, to be:

- i. withheld from any consideration otherwise payable to you under this TGP Offer and paid or provided to a Authority; or
- ii. retained by the Bidder out of any consideration otherwise due to you under this TGP Offer,

the payment, provision or retention by the Bidder of the withholding amount (as applicable) will constitute full discharge of the Bidder's obligation to provide the consideration to you to the extent of the withholding amount.

#### **11.5.10 Issue price for TGP Securities**

Without prejudice to the obligation to provide the TGP Consideration, the issue price of TGP Securities pursuant to the TGP Offer will be determined in accordance with the TGP Constitution and E&P Shareholders who accept the TGP Offer acknowledge and agree that the price so determined will be the issue price of TGP Securities for all purposes in connection with the TGP Offer.

## **11.6 Conditions of this TGP Offer**

### **11.6.1 Conditions**

The TGP Offer and any contract arising from acceptance of the TGP Offer is subject to fulfilment of the TGP Offer Conditions set out in Annexure 1.

### **11.6.2 Nature of conditions**

Each of the TGP Offer Conditions set out in Annexure 1:

- i. constitutes and will be construed as a separate, several and distinct condition;
- ii. is a condition subsequent; and
- iii. until the expiration of the TGP Offer Period will be for the benefit of the Bidder alone and may be relied upon only by the Bidder.

### **11.6.3 Effect of breach or non-fulfilment**

The breach or non-fulfilment of any of the TGP Offer Conditions set out in Annexure 1 does not prevent a contract arising to acquire your E&P Shares resulting from your acceptance of this TGP Offer but if:

- i. the Bidder has not declared the TGP Offer to be free from the TGP Offer Conditions set out in Annexure 1 in accordance with section 650F(1) of the Corporations Act; and
- ii. the TGP Offer Conditions in Annexure 1 have not been fulfilled at the end of the TGP Offer Period,

all contracts resulting from the acceptance of the TGP Offer and all acceptances that have not resulted in binding contracts are void. In such a case, the Bidder will at its election either return the

Acceptance Form, together with all documents, to the address shown in the Acceptance Form or destroy the Acceptance Form, together with all documents, and notify ASX Settlement of the lapse of the TGP Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

### **11.6.4 Best endeavours in relation to conditions**

The Bidder will:

- i. use its best endeavours to procure that the TGP Offer Conditions titled "No further regulatory action" and "Other regulatory approvals" in Annexure 1 are, to the extent within its control or the control on the 360 Capital Group, satisfied; and
- ii. not do or omit to do anything for the purpose of causing a breach of those conditions.

### **11.6.5 Date for declaring TGP Offer free from conditions**

Subject to the Corporations Act, the Bidder may declare the TGP Offer, and any contract resulting from your acceptance of the TGP Offer, free from the TGP Offer Conditions set out in Annexure 1, generally or in relation to a specific occurrence, in accordance with section 650F(1) of the Corporations Act:

- i. in the case of the No Prescribed Occurrences Condition – not later than three Business Days after the end of the TGP Offer Period; or
- ii. in any other case – not less than 7 Business Days before the end of the TGP Offer Period.

### **11.6.6 Date for giving notice on status of conditions**

The date for giving the notice on the status of the TGP Offer Conditions required by section 630(3) of the Corporations Act is [xx] 2021, subject to variation in accordance with section 630(2) of the Corporations Act if the TGP Offer Period is extended.

## **11.7 The effect of acceptance**

### **11.7.1 Revocation of acceptance**

- (a) Subject to section 11.8 and other than as provided elsewhere in this section 11, once you have accepted this TGP Offer, you will be unable to revoke your acceptance. The contract resulting from your acceptance will be binding on you and you will be unable to withdraw your E&P Shares from the TGP Offer or otherwise dispose of your E&P Shares, except if the TGP Offer Period is extended for more than one month and at the time this TGP Offer is subject to one or more of the TGP Offer Conditions in Annexure 1, in which case you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

### **11.7.2 Your agreement**

- (a) By signing and returning the Acceptance Form, or otherwise accepting this TGP Offer pursuant to clause 11.4:
  - (i) you irrevocably accept this TGP Offer (and any variation of it) in respect of, and subject to all of the TGP Offer Conditions being fulfilled or waived, and agree to transfer your E&P Shares to the Bidder (even if the number of E&P Shares specified on the Acceptance Form differs from the number of your E&P Shares);

## Section 11 : The terms and conditions of the TGP Offer (continued)

- (ii) you irrevocably authorise the Bidder, its directors and nominees to alter your personalised Acceptance Form on your behalf by:
- a) inserting correct details of your E&P Shares (including details of a parcel of E&P Shares required by section 12(10)(iv)(iii));
  - b) filling in any blanks remaining on your personalised Acceptance Form; and
  - c) rectifying any errors in, and omissions from, your personalised Acceptance Form,
- as may be necessary to make your personalised Acceptance Form a valid acceptance of the TGP Offer and to enable registration of the transfer of your E&P Shares to the Bidder, and agreed to provide any document reasonably requested by the Bidder to make your personalised Acceptance Form a valid acceptance of the TGP Offer or to otherwise give better effect to your acceptance;
- (iii) you represent and warrant to the Bidder, as a fundamental condition going to the root of the contract resulting from your acceptance that:
- a) your E&P Shares will, at the time of your acceptance of the TGP Offer, be fully paid up;
  - b) the Bidder will acquire good title to and beneficial ownership of your E&P Shares free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), and that you have paid to E&P all amounts which are due for payment in respect of your E&P Shares; and
  - c) you have full power and capacity to accept the TGP Offer and to sell and transfer the legal and beneficial ownership in your E&P Shares (including any Rights) to the Bidder;
- (iv) you irrevocably authorise and direct E&P to pay to TGP, or to account to TGP for, all Rights in respect of your E&P Shares, subject, if this TGP Offer is withdrawn, to TGP accounting to you for any such Rights received by TGP;
- (v) you irrevocably authorise the Bidder to notify E&P on your behalf that your place of address for the purpose of serving notices upon you in respect of your E&P Shares is the address specified by the Bidder in the notification;
- (vi) if and when the contract resulting from your acceptance of the TGP Offer becomes unconditional (even though the Bidder has not yet paid the consideration due to you) you irrevocably appoint the Bidder (and any director, secretary or nominee of the Bidder) severally from time to time as your agent and attorney on your behalf to:
- a) exercise all your powers and rights in relation to your E&P Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in respect of your E&P Shares at all general and class meetings of E&P or appoint a proxy or proxies to attend and vote in the manner directed by the Bidder on your behalf in respect of your E&P Shares at any such meeting and to request E&P to register, in the name of the Bidder or its nominee, your E&P Shares, as appropriate, with full power of substitution;
  - b) execute all forms, notices, documents (including a document appointing a director of the Bidder as proxy for any of your E&P Shares) and resolutions relating to your E&P Shares and generally to exercise all powers and rights which you have as the registered holder of your E&P Shares; and
  - c) direct E&P to pay to the Bidder or to account to the Bidder for all Rights attaching to your E&P Shares, subject however to any such Rights received by the Bidder being accounted for by the Bidder to you, in the event that the TGP Offer is withdrawn or avoided;
- (vii) you agree that in exercising the powers and rights conferred by the power of attorney granted under section 11.7.2(a)(vi) above, the Bidder and each of its directors and its nominees is entitled to act in the interests of the Bidder;
- (viii) you agree to do all such acts, matters and things that the Bidder may require to give effect to the matters the subject of this section 11.7 (including the execution of a written form of proxy to the same effect as section 11.7.2(a)(vi) which complies in all respects with the requirements of the constitution of E&P) if requested by the Bidder;
- (ix) you represent and warrant to TGP that, unless you have notified it in accordance with section 11.10.4, your E&P Shares do not consist of separate parcels of E&P Shares;
- (x) if and when the contract resulting from your acceptance of the TGP Offer becomes unconditional (even though the Bidder has not yet paid the consideration due to you), you agree not to attend or vote in person at any general or class meeting of E&P or to exercise or to purport to exercise, in person, by proxy or otherwise, any of the powers conferred on the directors of the Bidder by paragraph (v) above;
- (xi) if and when the contract resulting from your acceptance of the TGP Offer becomes unconditional (even though the Bidder has not yet provided the consideration due to you), you authorise the Bidder (or its agents or nominees) to do all things necessary to transfer your E&P Shares into the name of the Bidder (including, if at the time of acceptance of this TGP Offer some or all of your E&P Shares are in a CHESS Holding), to cause a message to be transmitted to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules to transfer your E&P Shares to the Bidder's holding of E&P Shares on the CHESS subregister of the Bidder established for the purposes of this TGP Offer;
- (xii) you agree to indemnify the Bidder and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Shareholder Reference Number or in consequence of the transfer of your E&P Shares being registered by E&P without production of your Holder Identification Number or your Shareholder Reference Number;
- (xiii) irrevocably authorise the Bidder, its directors and nominees to alter your personalised Acceptance Form on your behalf by
- a) inserting correct details of your E&P Shares (including details of a parcel of E&P Shares required by section 11.10.4(ii));
  - b) filling in any blanks remaining on your personalised Acceptance Form; and
  - c) rectifying any errors in, and omissions from, your personalised Acceptance Form,

as may be necessary to make your personalised Acceptance Form a valid acceptance of the TGP Offer and to enable registration of the transfer of your E&P Shares to the Bidder, and agreed to provide any document reasonably requested by the Bidder to make your personalised Acceptance Form a valid acceptance of the TGP Offer or to otherwise give better effect to your acceptance.

### **11.7.3 Continuation of undertakings and authorities**

The undertakings and authorities referred to in section 11.7.2 will remain in force after you receive the consideration for your E&P Shares and after the Bidder becomes registered as the holder of your E&P Shares.

## **11.8 Withdrawal of this TGP Offer**

- (a) This TGP Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, the Bidder will give notice of the withdrawal to ASX and to E&P and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this TGP Offer is withdrawn, all the TGP Offer Conditions have been satisfied or waived, all contracts arising from acceptance of the TGP Offer before it was withdrawn will remain enforceable.
- (c) If, at the time the TGP Offer is withdrawn, the TGP Offer remains subject to one or more of the TGP Offer Conditions, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to this section 11.8 will be deemed to take effect:
  - (i) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date that consent in writing is given by ASIC; or
  - (ii) if the withdrawal is subject to conditions imposed by ASIC, on and after the date those conditions are satisfied.

## **11.9 Variation of this TGP Offer**

The Bidder may vary this TGP Offer in accordance with the Corporations Act.

## **11.10 Acceptances by transferees and nominees**

### **11.10.1 Who may accept this TGP Offer During the TGP Offer Period**

During the TGP Offer Period:

- i. any person who is able to give good title to a parcel of your E&P Shares may accept (if they have not already accepted an offer in the form of the TGP Offer) as if an offer on terms identical with the TGP Offer has been made to them; and
- ii. any person who holds one or more parcels of E&P Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to each of those parcels and any parcel they hold in their own right.

### **11.10.2 Holding securities**

A person is taken to hold E&P Shares if the person is registered as the holder of those E&P Shares.

### **11.10.3 Holding securities on trust or as a nominee**

A person is taken to hold E&P Shares on trust for, as nominee for, or on account of, another person if they:

- i. are, or are entitled to be, registered as the holder of particular E&P Shares; and
- ii. hold their interest in the E&P Shares on trust for, as nominee for, or on account of, that other person.

### **11.10.4 Effective acceptance**

In the case of a person who may accept under section 11.10.1(ii) as if a separate and distinct offer, on the same terms and conditions as the TGP Offer, has been made to that person for a parcel of E&P Shares within a holding, an acceptance of that offer is ineffective unless:

- i. the person gives the holder a notice stating that the E&P Shares consist of a separate parcel; and
- ii. the acceptance specifies the number of E&P Shares in the parcel.

### **11.10.5 Notice of acceptance**

A notice under section 11.10.5 must be made:

- i. if it relates to E&P Shares in a CHESS Holding, in an electronic form approved under the ASX Settlement Operating Rules for the purposes of Part 6.8 of the Corporations Act; or
- ii. otherwise, in writing.

## **11.11 Official quotation of TGP Securities**

- i. The TGP Offer and any contract resulting from your acceptance of the TGP Offer are subject to the condition set out in section 625(3) of the Corporations Act. If that condition is not fulfilled, any contract resulting from your acceptance of the TGP Offer will be automatically void. The condition set out in section 625(3) of the Corporations Act is not a defeating condition for the purposes of the Corporations Act and section 625(3) of the Corporations Act provides that the TGP Offer cannot be freed of that condition. No statement made by the Bidder, or any member of the 360 Capital Group, can be taken to be a waiver of that condition.
- ii. Within 7 days of the date of this Bidder's Statement, the Bidder will apply to the ASX for quotation of the TGP Securities to be issued in connection with this TGP Offer. Quotation will not be automatic but will depend on the ASX exercising its discretion. TGP has already been admitted to the mainboard of the ASX and the TGP Securities to be issued under the TGP Offer are of the same class as TGP Securities already quoted on the ASX. The Bidder does not guarantee, and does not represent or imply, that the TGP Securities will be listed on the ASX following issue.

### 11.12 Other matters

#### 11.12.1 Notices and other communications

Any notice, nomination, or other communication to be given by the Bidder to you under the TGP Offer will be deemed to be duly given if it is given in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced form) on behalf of the Bidder by any of its directors or managers and is delivered to or sent by post in a pre-paid envelope or by courier to your address as recorded on the register of E&P Shareholders or the address shown on the Acceptance Form.

#### 11.12.2 Return of documents

If:

- i. the TGP Offer is withdrawn after your Acceptance Form has been sent to the Bidder, but before it has been received; or
- ii. for any other reason the Bidder does not acquire the E&P Shares to which your Acceptance Form relates,

the Bidder will, at its election, either dispatch at your risk your Acceptance Form together with all other documents forwarded by you, to your address as shown on the Acceptance Form or such other address as you may notify in writing to the Bidder by, where such address is inside Australia, pre-paid ordinary post, or where such address is outside Australia, pre-paid airmail, or destroy those documents and notify ASX Settlement of this.

#### 11.12.3 Costs and expenses

All costs and expenses of the preparation, dispatch and circulation of the TGP Offer and all stamp duty payable in respect of a transfer of your E&P Shares in respect of which the TGP Offer is accepted, will be paid by the Bidder.

#### 11.12.4 Governing laws

This TGP Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

#### 11.12.5 Foreign laws

This TGP Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this TGP Offer.

### 11.13 Brokerage

If your E&P Shares are registered in an Issuer Sponsored Holding in your name, the relevant Broker you instruct to initiate acceptance on your behalf may charge transactional fees or service charges in connection with acceptance of the TGP Offer.

If your E&P Shares are in a CHESSE Holding or you hold your E&P Shares through a bank, custodian or other nominee, the Controlling Participant (usually, your Broker) or the bank, custodian or other nominee may charge transactional fees or service charges in connection with acceptance of the TGP Offer.

Accordingly, you should ask your Broker or Controlling Participant (as applicable) in relation to brokerage.

If you are an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder, the cash proceeds that you will receive (following sale by the Sale Nominee of the TGP Securities that you would otherwise be entitled to receive under the TGP Offer) will be net of sale expenses (see section 11.5.5).

The Bidder will bear the cost of its own brokerage (if any) on the transfer of any E&P Shares acquired through the TGP Offer.



## Section 12 : Definitions and interpretation

### 12.1 Definitions

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
360 Capital	360 Capital Group, the stapled group comprising 360 Capital Group Limited ACN 113 569 136 and 360 Capital Investment Trust ARSN 104 552 598.
360 Company	360 Capital Group Limited ACN 113 569 136.
360 Trust	360 Capital Investment Trust ARSN 104 552 598.
\$ or A\$	Australian dollars, the lawful currency of the Commonwealth of Australia.
A-IFRS	Australian equivalents to International Financial Reporting Standards.
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
Announcement Date	11 December 2020, being the date on which the TGP Offer was announced.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning given in section 9 of the Corporations Act.
ASX	as the context requires, ASX Limited ABN 98 008 624 691 or the securities market conducted by it.
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532.
ASX Settlement Operating Rules	the operating rules of ASX Settlement which govern the administration of the Clearing House Electronic Sub register System.
ATO	Australian Taxation Office.
Authority	<ul style="list-style-type: none"> <li>a) ASX, ACCC, ASIC, the Takeovers Panel and the ATO;</li> <li>b) a government or governmental, semi-governmental or judicial entity, whether foreign, federal, state, territorial or local;</li> <li>c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government;</li> <li>d) any regulatory or self-regulatory organisation established under statute; or</li> <li>e) any securities or stock exchange.</li> </ul>
Bidder	360 Capital ED1 Pty Limited.
Bidder's Statement	this document, being the statement of the Bidder under Part 6.5 Division 2 of the Corporations Act relating to the TGP Offer.
Business Day	a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.
Capital Markets	E&P's Capital Markets business as described in section 3.2.2.
CGT	capital gains tax.
CGT Withholding Amount	the amount (if any) that Bidder is liable to pay to the Commissioner under section 14-200 of Schedule 1 to the TAA 1953. A Variation Notice provided to 360 Capital at the time of acceptance of the TGP Offer will be taken into account in determining that liability and amount.
Change	has the meaning given in paragraph A of Annexure 1 of this Bidder's Statement.
CHESS Holding	a number of E&P Shares which are registered on E&P's Share register being a register administered by the ASX Settlement Pty Limited and which records uncertificated holdings of E&P Shares.
Combined Group	the Bidder following completion of the TGP Offer and, unless the context otherwise requires, assumes TGP acquires 100% of E&P.
Commissioner	the Commissioner of Taxation.
Controlling Participant	in relation to your E&P Shares, has the same meaning as in the ASX Settlement Operating Rules.
Corporations Act	the Corporations Act 2001 (Cth).
E&P	E&P Financial Group Limited ACN 609 913 457.
E&P Board	the board of directors of E&P.
E&P Right	a right issued by E&P in accordance with E&P Options/Rights Plan outlined in section 3.8.
E&P Share	fully paid ordinary share of E&P.
E&P Shareholder	a person who is the registered holder of one or more E&P Shares.
Eligible Shareholder	an E&P Shareholder who is not an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder.
First Offer	the off-market takeover offer announced by TGP for E&P on 27 October 2020.
FUMAS	means funds under management, administration, advice and supervision
Funds Management	E&P's Funds Management business as described in section 3.2.3.
GST	good and services tax under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).

## Section 12 : Definitions and interpretation (continued)

Term	Meaning
Holder Identification Number	has the same meaning as in the ASX Settlement Operating Rules.
Ineligible Foreign Shareholder	an E&P Shareholder whose address as shown in the register of members of E&P is in a jurisdiction other than Australia or its external territories and New Zealand, unless the Bidder otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the TGP Offer to an E&P Shareholder in the relevant jurisdiction and for TGP Securities to be issued to such E&P Shareholder on acceptance of the TGP Offer, and that is not unlawful for such an E&P Shareholder to accept the TGP Offer in such circumstances in the relevant jurisdiction.
Issuer Sponsored Holding	a holding of E&P Shares on E&P issuer sponsored subregister.
Listing Rules	the Official Listing Rules of ASX, as amended and waived by ASX from time to time.
Management Costs	The Management Costs are the fees and costs charged for the management and administration of the 360 Trust, as well as an estimate of all ordinary expenses recoverable by the Responsible Entity in operating the 360 Trust. Management Costs also include estimated indirect costs. Refer to section 10.3.1.
Material Contract	means any agreement, contract or other arrangement or instrument to which E&P is a party or any of its respective assets may be bound or subject to, and which: <ul style="list-style-type: none"> <li>a) imposes obligations or liabilities on any party of at least \$1 million per annum or \$10 million over the life of the agreement, contract or other arrangement;</li> <li>b) relates to, concerns, or is connected with, the management of E&amp;P; or</li> <li>c) is otherwise material in the context of the businesses, assets or properties of E&amp;P (which for the avoidance of doubt is taken to include any agreement, contract or other arrangement under which E&amp;P borrows or raises funds from any source or otherwise incurs financial indebtedness from a financial institution).</li> </ul>
NAV	net asset value.
NTA	net tangible assets.
<b>Offer Terms</b>	<b>means the terms of the TGP Offer set out in section 11.</b>
Participant	an entity admitted to participate in the Clearing House Electronic Subregister System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.
Prescribed Occurrence	<ul style="list-style-type: none"> <li>i. E&amp;P converts all or any of its shares into a larger or smaller number of shares;</li> <li>ii. E&amp;P or a subsidiary resolves to reduce its capital share in any way;</li> <li>iii. E&amp;P or a subsidiary: <ul style="list-style-type: none"> <li>a. enters into a buy-back agreement; or</li> <li>b. resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;</li> </ul> </li> <li>iv. E&amp;P or a subsidiary issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;</li> <li>v. E&amp;P or a subsidiary issues, or agrees to issue, convertible notes;</li> <li>vi. E&amp;P or a subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;</li> <li>vii. E&amp;P or a subsidiary grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;</li> <li>viii. E&amp;P or a subsidiary resolves to be wound up;</li> <li>ix. a liquidator or provisional liquidator is appointed to E&amp;P or a subsidiary;</li> <li>x. a court makes an order for the winding up of E&amp;P or a subsidiary;</li> <li>xi. an administrator is appointed to E&amp;P or a subsidiary under section 436A, 436B or 436C of the Corporations Act;</li> <li>xii. E&amp;P or a subsidiary executes a deed of company arrangement; or</li> <li>xiii. a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of E&amp;P or a subsidiary.</li> </ul>
Proposed Restructure	has the meaning given in section 5.2.
Register Date	the date set by the Bidder under section 633(2) of the Corporations Act, being [x] 2021.
Relevant Interest	has the meaning in section 9 of the Corporations Act.
Responsible Entity	the responsible entity of the 360 Trust, being 360 Capital FM Limited ACN 090 664 396.
Rights	all accreditations, rights or benefits of whatever kind attaching or arising from E&P Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and distributions and all rights to receive them or rights to receive or subscribe for E&P Shares, notes, bonds, options or other shares declared, paid or issued by E&P or any of its subsidiaries).

Term	Meaning
Sale Nominee	the nominee approved by ASIC for the purpose of section 11.5.5.
Shareholder Reference Number	has the same meaning as in the ASX Settlement Operating Rules.
TAA 1953	the Taxation Administration Act 1953 (Cth).
TGP	360 Capital Group, the stapled group comprising 360 Capital Group Limited ACN 113 569 136 and 360 Capital Investment Trust ARSN 104 552 598.
TGP Consideration	0.40 TGP Securities and a \$0.30 cash payment per E&P Share.
TGP Constitution	means the constitution of 360 Capital Group Limited ACN 113 569 136 and the trust deed of 360 Capital Investment Trust ARSN 104 552 598.
TGP Offer	the offer for E&P Shares under the terms and conditions contained in section 12 of this Bidder's Statement.
TGP Offer Conditions	those conditions set out in Annexure 1.
TGP Offer Period	the period during which the TGP Offer will remain open for acceptance in accordance with section 11.3 of this Bidder's Statement.
TGP Share	an ordinary share in 360 Capital Group Limited (which forms part of a TGP Security).
TGP Security	a fully paid stapled security in the capital of 360 Capital.
TGP Securityholder	a person who is the registered holder of one or more TGP Securities.
TGP Unit	a unit in the 360 Capital Investment Trust (which forms part of a TGP Security).
Unmarketable Parcel	that number of TGP Securities which is less than a 'marketable parcel' under the market rules of the ASX (currently a parcel of less than \$500) calculated based on the highest closing price of TGP Securities on the ASX during the period from the date of this Bidder's Statement until the earlier of the end of the TGP Offer Period and 5 ASX trading days before the first day on which the Bidder must provide the TGP Consideration under the TGP Offer.
Unmarketable Parcel Shareholder	an E&P Shareholder who would be entitled to receive a total number of TGP Securities as consideration under the TGP Offer which is an Unmarketable Parcel.
Variation Notice	a notice issued by the Commissioner under section 14-235 of Schedule 1 to the TAA 1953.
Voting Power	has the meaning given in section 9 of the Corporations Act.
Wealth Advice	E&P's Wealth Advice business as described in section 3.2.1.
Wholesale Client	has the meaning given in section 761G of the Corporations Act.

## 12.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise appears:

- words and phrases have the same meaning (if any) given to them in the Corporations Act;
- words importing a gender include any gender;
- words importing the singular include the plural and vice versa;
- an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- a reference to a clause, attachment and schedule is a reference to a clause of and an attachment and schedule to this Bidder's Statement as relevant;
- a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- a reference to time is a reference to time in Sydney, Australia;
- a reference to writing includes facsimile transmissions; and
- a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

## Section 13 : Approval of Bidder's Statement

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This Bidder's Statement has been approved by a resolution passed by the directors of 360 Capital ED1 Pty Limited.

Dated 5 January 2021.

Signed for and on behalf of  
**360 Capital Group Limited**  
by



**David van Aanholt**  
Independent Chairman  
360 Capital Group Limited

Signed for and on behalf of  
**360 Capital ED1 Pty Limited**  
by



**Tony Pitt**  
Director  
360 Capital ED1 Pty Limited

## Section 14 : Corporate directory

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### **360 Capital ED1 Pty Limited**

Level 8, 56 Pitt Street  
Sydney NSW 2000  
Australia

## **360 Capital Share Registry**

### **Boardroom Pty Limited**

Level 12, 225 George Street  
Sydney NSW 2000  
Australia

## **Financial Adviser**

### **Cambridge Investment Partners**

Level 8, 56 Pitt Street  
Sydney NSW 2000  
Australia

### **Aitken Murray Capital Partners**

52 Victoria St  
Paddington NSW 2021  
Australia

## **Legal Adviser**

### **Clayton Utz**

1 Bligh Street  
Sydney NSW 2000  
Australia

### **360 Capital TGP Offer Information Line**

1300 082 130 (within Australia)  
+61 (2) 8016 2884 (outside Australia)  
[investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au)

This TGP Offer and the contract resulting from acceptance of this TGP Offer are subject to the fulfilment of the following defeating conditions:

### A. No Material Adverse Change

Without limiting the operation of any other condition, between the Announcement Date and the end of the TGP Offer Period, no matter, event, change, condition, circumstance, information or thing (Change(s)) occurs, is announced, becomes likely to occur or becomes known to the Bidder which alone or in aggregate with any other Change, would result in and/or would reasonably be likely to result in:

- i. the value of the consolidated net assets of E&P being reduced by at least \$10 million against what they would have reasonably have been expected to have been but for the Change(s), other than to the extent such reduction arises from transactions effected in the ordinary course of E&P's ordinary business; or
- ii. a material adverse effect on the business, assets, liabilities, financial position or performance, profitability or prospects of E&P.

### B. Change of control consent

Before the end of the TGP Offer Period, every person (other than the Bidder and its Associates) who, as a result of the making of the TGP Offer, the acquisition of E&P Shares by the Bidder, the change in control or delisting of E&P if the TGP Offer is successful, is or will be entitled, or states an intention to exercise or asserts any right, under any provision of any contract or understanding to which E&P or a subsidiary of E&P is a party or is bound, to (in all cases whether absolutely or contingently):

- i. terminate, vary the terms of or accelerate the performance of obligations under a Material Contract;
- ii. acquire or require the disposal of any interest in or alter the terms of investment in any one or more companies, businesses, trusts, assets, shares or shares held by E&P with a value of more than \$10.0 million in aggregate; or
- iii. without limiting (i), require the repayment, immediately or earlier than the repayment date would otherwise have been, of any monies borrowed or raised by, or any other monetary obligations of E&P or a subsidiary of E&P,

provides to E&P and to the Bidder in writing a binding, irrevocable and unconditional waiver or release of that right.

### C. Other regulatory approvals

Before the end of the TGP Offer Period, all applicable regulatory waiting periods (including any extensions) have expired or otherwise been terminated in respect of the TGP Offer or any matter arising from the proposed acquisition by the Bidder of E&P Shares under the TGP Offer and the Bidder has obtained on an unconditional basis all approvals, licences, authorisations, authorities, consents, permissions, clearances, grants, confirmations, orders, exemptions, waivers or rulings (together, Approvals) required by law or by any Authority as are necessary:

- i. to permit the TGP Offer to be lawfully made to and accepted by holders of E&P Shares;
- ii. as a result of the TGP Offer, as a result of the acquisition of E&P Shares by the Bidder under the TGP Offer or to permit completion of the TGP Offer;

iii. for the continued operation of E&P's business and ownership of E&P's assets on substantially the same terms as at the Announcement Date;

iv. to ensure there is no right or power to require the divestiture by the Bidder of any E&P Shares or material assets, or the divestiture of any material assets of E&P or a subsidiary of E&P;

and all such Approvals remain in full force and effect as at the end of the TGP Offer Period, provided that this condition shall not apply to Approvals that are only required as a result of the Bidder not availing itself of paragraph 4(c) of ASIC Class Order 13/521 in respect of members of E&P who are foreign.

### D. No further regulatory action

Between the Announcement Date and the end of the TGP Offer Period:

- i. there is not in effect any preliminary or final decision, order or decree issued by an Authority; and
- ii. no application is made to any Authority (other than by the Bidder), or action or investigation is announced, threatened or commenced by an Authority in consequence of or in connection with the TGP Offer, which:
  - iii. other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act, restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the TGP Offer, the acquisition of E&P Shares under the TGP Offer or any transaction contemplated by the Bidder's Statement (including the implementation of the Bidder's intentions expressed in the Bidder's Statement), the TGP Offer or the rights of the Bidder in respect of E&P or E&P Shares, or requires the divestiture by the Bidder of any interest in E&P Shares or material assets, or the divestiture of any material assets of E&P; or
  - iv. amends, prejudices or otherwise affects any existing rights (as at the Announcement Date) of, or imposes any obligation on, the Bidder in respect of E&P Shares or any debt instruments, mortgages or charges relating to any share granted over E&P Shares.

### E. No litigation

Before the end of the TGP Offer Period, neither E&P nor any of its subsidiaries have any claim or claims made against them, or litigation, arbitration, prosecution, investigation or other proceeding commenced, announced or threatened against them, which may result in a liability in excess of \$10 million in aggregate, other than those proceedings referred in Condition F.

### F. ASIC proceeding

Before the end of the TGP Offer Period, the proceedings commenced in the Federal Court of Australia (proceedings no. VID595/2020) on 4 September 2020 by ASIC against Dixon Advisory and Superannuation Services Limited (ACN 103 071 665) (Defendant) (and any other proceedings commenced by any person (other than the Bidder and its Associates) against the Defendant or its related entities based on similar facts or circumstances) are:

- 
- i. withdrawn or discontinued by ASIC or the relevant person; or
  - ii. settled or determined in a final, non-appealable judgment which settlement or judgment does not result in a liability in aggregate in respect of all such proceedings of more than \$10 million (inclusive of legal costs)

**G. Restrictions on dividends and distributions**

Between the Announcement Date and the end of the TGP Offer Period, E&P does not announce, make, declare or pay any dividend or other form of distribution of profits or capital (whether in cash or in specie).

**H. No Prescribed Occurrence**

Between the Announcement Date and the end of the TGP Offer Period, no Prescribed Occurrence occurs.

**I. No break fee**

Between the Announcement Date and the end of the TGP Offer Period, E&P does not agree (whether conditionally or unconditionally) to make any payment by way of break fee, inducement fee, cost reimbursement or otherwise, to any person other than Bidder or an associate, or forgo any amount to which it would otherwise be entitled, in connection with that a proposal by that person for:

- i. a takeover bid for, or scheme of arrangement proposed by, E&P, under the Corporations Act;
- ii. the acquisition by that person or an associate of substantially all the assets and operations of E&P; or
- iii. any transaction having a similar economic effect.

**J. No grant of rights**

Between the Announcement Date and the end of the TGP Offer Period, E&P or a subsidiary does not grant options or rights over its securities to directors, officers or employees, or agrees to grant such an option or right to directors, officers or employees.

## Annexure 2 : ASX Announcements

A list of the public announcements TGP has released since its annual financial report for the year ended 30 June 2020 is summarised below. This information may be relevant to your assessment of the TGP Offer.

No.	Date	Announcement title
1.	23 December 2020	VP7 Board recommends 360 Capitals Proposal
2.	23 December 2020	VP7: Recommendation to Shareholders to Proceed with Proposal
3.	22 December 2020	TOV: EP1 Panel Receives Application
4.	18 December 2020	Dividend/Distribution - TGP
5.	18 December 2020	Change in substantial holding for TCF
6.	17 December 2020	Letter to Shareholders Take No Action on TGP New Offer
7.	11 December 2020	Unsolicited Off-Market Takeover Bid - Take No Action
8.	11 December 2020	TGP: New and Improved Takeover Offer for EP1
9.	10 December 2020	Group acquires 70% Interest in Hotel Capital Partners
10.	3 December 2020	Change in Substantial Holdings for TDI
11.	26 November 2020	Change of Director's Interest Notice
12.	25 November 2020	Annual General and General Meetings Results
13.	25 November 2020	AGM Chair's Address and Presentation
14.	25 November 2020	General Group Update
15.	17 November 2020	EP1 Takeover Update
16.	3 November 2020	Letter to Evans Dixon Limited Shareholders and Staff
17.	28 October 2020	Update - Dividend/Distribution - TGP
18.	27 October 2020	Response to Unsolicited Takeover Offer by 360 Capital
19.	27 October 2020	TGP: E&P Financial Group Limited Takeover Offer by 360 Capital Group
20.	27 October 2020	Group Update
21.	26 October 2020	Change in substantial holding from TGP
22.	26 October 2020	Appendix 3G
23.	23 October 2020	Notice of Annual General and General Meeting 2020
24.	20 October 2020	Change in substantial holding for TCF
25.	19 October 2020	Launch of 360 Capital Residual Stock Fund
26.	15 October 2020	360 Capital Active Value Equity Fund - Proposed Listing
27.	13 October 2020	Change in Substantial Holdings from TGP
28.	12 October 2020	Notification of Annual General and General Meetings
29.	7 October 2020	Close of Private Equity Fund - 360 Capital CardioScan Trust
30.	2 October 2020	Notice of Extraordinary Meeting and Explanatory Memorandum
31.	29 September 2020	APPENDIX 3E AND APPENDIX 3F FINAL BUY-BACK NOTICE
32.	28 September 2020	Change of name for Australian Enhanced Income Fund (AYF)
33.	23 September 2020	Dividend/Distribution - TGP
34.	18 September 2020	Announcement of buy-back - Appendix 3C
35.	14 September 2020	Change in substantial holding from TGP
36.	10 September 2020	Change in substantial holding from TGP
37.	9 September 2020	Member approval for change of Responsible Entity of AYF
38.	31 August 2020	FY20 Financial Report - 360 Capital Investment Trust
39.	31 August 2020	Appendix 4G and Corporate Governance Statement
40.	31 August 2020	FY20 Results Presentation
41.	31 August 2020	FY20 Results Announcement
42.	31 August 2020	FY20 Appendix 4E & Annual Report
43.	31 August 2020	Becoming a substantial holder from TGP



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