



**zanker | rethink. reinvent. renew.**

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October 18, 2021

David Krueger  
Solid Waste Programs Division Manager  
301 Carl Road  
Sunnyvale, CA 94089

**Subject: Request for Consent to Change in Control**

Dear Mr. Krueger,

Zanker Road Resource Management, Ltd. ("Zanker") is excited to have entered into an agreement on August 28, 2021, to recapitalize Zanker and our sister company GreenWaste Recovery, Inc. ("GreenWaste"), inclusive of our related affiliates. We truly could not have found a stronger and more well-suited partner that embodies our core values that is deeply committed to the exceptional service delivery, while also offering support for our future growth.

The proposed transaction will result in a change in control ("COC"), wherein the current limited and general partners of Zanker and stockholders of GreenWaste will sell their respective stock or partnership interests, as applicable, to MIP V Waste, LLC, a subsidiary of MIP V Waste (ECI) AIV, L.P. (together with Macquarie Infrastructure Partners V, L.P., Macquarie Infrastructure Partners V SCS and any special purpose vehicles thereof, "MIP V").

Zanker is expected to remain a stand-alone business entity with no anticipated change to staff or operations and no assignment or transfer of your herein-defined Agreement is being considered at this time. We expect no changes to the management team, and we will continue to perform all the services and provide all the assurances pursuant to the terms of the Agreement between the City of Sunnyvale ("City") and Zanker Road Resource Management Ltd. for Organic Materials Processing Services dated June 21, 2021, ("Agreement"). We are confident the City will not notice or observe any change to the services being provided, as a result of this transaction.

**Section 12.7 of the Agreement requires the City's written consent prior to a COC; please let this letter serve as our formal request for such consent.**

Time is of the essence. Sections 12.7 and Section 10.4.G indicate approval to the proposed change in control can be provided by the City Contract Manager and we are hopeful the City agrees consent is most appropriately handled administratively – especially because Zanker is not actually assigning the Agreement and will continue to hold the Agreement and perform all the services under the Agreement. We have also attached for your review a slide deck on our new partner and are in the process of preparing a draft amendment for your consideration.

Zanker is proud of our partnership with the City and we look forward to continuing to serve you and the community well into the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Ryan". The signature is fluid and cursive, with the first name "Greg" and last name "Ryan" clearly distinguishable.

Greg Ryan  
Chief Executive Officer

Cc: City Manager  
City of Sunnyvale  
456 West Olive Avenue  
Sunnyvale, CA 94086

# 1

APPENDIX

## Transaction Structure



# Important Notice and Disclaimer

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This document has been prepared for you ("you") and is being delivered to you on a confidential basis by Macquarie Infrastructure and Real Assets ("MIRA"), a division of the Macquarie Asset Management ("MAM") operating group of Macquarie (as defined herein). References to "we", "us" and "our" are to Macquarie Infrastructure and Real Assets Inc. ("MIRA Inc."). "Macquarie" refers to Macquarie Group Limited and its worldwide subsidiaries (including MIRA Inc.), affiliates and the funds that they manage.

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**Source of Information.** Sources are believed to be reliable based on present circumstances, market conditions and beliefs, however, Macquarie assumes no responsibility for the accuracy or completeness of such information nor has independently verified such information and cannot assure you that it is accurate or complete. Such information has not been updated through the date hereof.

**Securities Law and Related Matters.** This document does not constitute an offer to sell or a solicitation of an offer to buy any securities.

**Limitations on Information.** Unless otherwise noted, information in this document is presented as of its date and does not reflect any facts, events or circumstances that may have arisen after that date, is subject to discussion, completion and amendment and does not contain all information necessary to fully evaluate any transaction or investment. We have no obligation to update this document (including forward-looking statements herein) or correct inaccuracies or omissions in it. Any financial projection has been prepared and set out for illustrative purposes only and does not in any manner constitute a forecast.

**Forward-Looking Statements.** This document includes forward-looking statements that represent our opinions, expectations, beliefs, intentions, estimates or strategies regarding the future, which may not be realized. These statements may be identified by the use of words like "estimate," "expect," "may," "will," "should," "seek," and similar expressions. The forward-looking statements reflect our views and assumptions with respect to future events as of the date of this document and are subject to risks and uncertainties. Actual and future results and trends could differ materially from those described by forward-looking statements due to various factors, including those beyond our ability to control or predict and you should not place reliance on the forward-looking statements. Statements contained herein (including those relating to current and future market conditions and trends in respect thereof) that are not historical facts are based on our current expectations, estimates, projections, opinions and/or beliefs.

**Performance information.** Past performance is not an indication of future performance. MIRA does not guarantee any particular rate of return or performance, nor does MIRA guarantee the repayment of any amounts invested.

**Circular 230 Disclosure.** Internal Revenue Service regulations generally provide that, for the purpose of avoiding federal tax penalties, a taxpayer may rely only on formal written advice meeting specific requirements. Any tax advice in this message does not meet those requirements. Accordingly, any such tax advice was not intended or written to be used, and it cannot be used, for the purpose of avoiding federal tax penalties that may be imposed on you or for the purpose of promoting, marketing or recommending to another party any tax-related matters.

**None of the entities noted in this document is an authorized deposit-taking institution for the purposes of Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46008583542 ("MBL"). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.**

The recipient acknowledges and agrees that it is receiving this document only for the purposes stated above and subject to all applicable confidentiality obligations, as well as the United States securities laws prohibiting any person who has received material, non-public information from purchasing or selling securities of the applicable issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.



# Executive Summary

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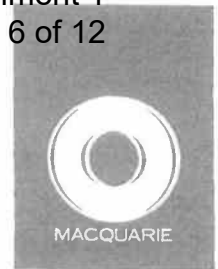
On August 28, 2021, a subsidiary of Macquarie Infrastructure Partners V (“MIP V”) entered into agreements to acquire a 100% interest in GreenWaste Recovery, Inc. and Zanker Road Resource Management, Ltd. (together, “GWZ”) from their respective existing shareholders.

## Transaction Overview

- MIP V, a fund managed by Macquarie Infrastructure Partners Inc., part of the Macquarie Infrastructure and Real Assets division of Macquarie Group (“MIRA”), has reached agreement to acquire GWZ. MIRA has over 15 years experience of investing in the waste sector and plans to support the existing management team with the continued growth of the company.
- GWZ will remain a San Jose based, locally managed, privately-owned company. The existing management team and staff will remain in place, and the board of directors will be comprised of experienced MIRA managers, several Independent Directors and the CEO of GWZ (Tracy Adams).
- Subject to customary closing conditions, including DoJ “antitrust” approvals, MIP V expects to close the acquisition of GWZ in the fourth quarter of 2021.

## MIP V Investment Thesis and Approach

- **GWZ is a leading, diversion-focused, locally based waste services provider servicing Northern and Central California with an environmentally sustainable business model and a track record of delivering high quality service to over 300,000 of its existing customers.**
- MIP V is a \$6.9 billion infrastructure fund managed by MIRA. MIRA has **significant experience of supporting waste businesses like GWZ and invests in people, processes and systems** to strengthen existing platforms, support future growth and improve performance.
- MIRA has a dedicated waste sector investment team that focuses on partnering with management teams like GWZ’s to improve the operations of waste businesses, with a focus on delivering improved safety outcomes, sustainable operational improvements and organic and inorganic growth that provides opportunities for career advancement for all staff.
- MIRA is part of the Macquarie Asset Management (“MAM”) group of Macquarie. Headquartered in Sydney Australia, Macquarie is a responsible, sustainable investor and MAM has committed to manage its portfolio in line with “net zero” emissions by 2040. Investing in GWZ, a leading ESG focused waste company, is consistent with that thesis.
- MIRA and MIP V look forward to supporting GWZ’s continued growth as a leading regional provider of high-quality diversion-focused waste management services to its customers.



# Macquarie Infrastructure and Real Assets (MIRA)

MIRA is one of the world's leading alternative asset managers.

For more than 25 years, we've partnered with investors, governments and communities to manage, develop and enhance assets relied on by more than 100 million people each day. Today, we are trusted to manage **\$US146.1b** in assets and **\$US100.1b** in equity on behalf of clients.

Our team of **947** people across **39** offices in **32 countries** invests in businesses that underpin economies and communities – aiming to add real and lasting value for our clients and the people our assets serve.



**147**  
businesses



**12.5GW**  
green energy



**504**  
properties



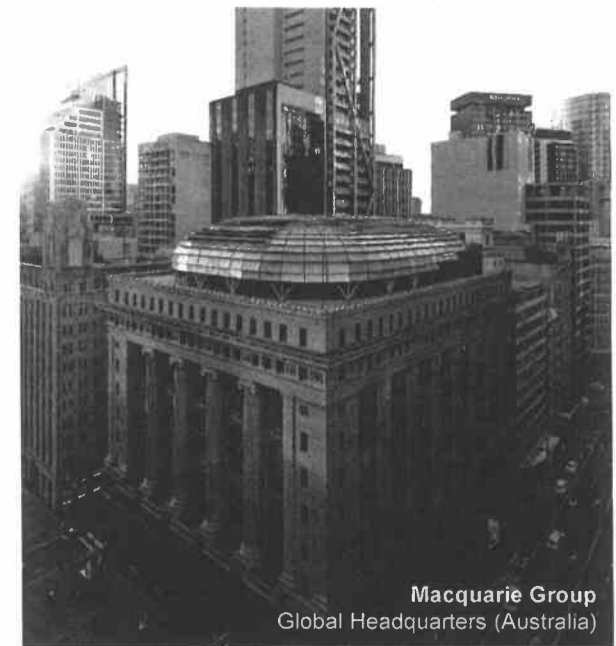
**4.8m**  
hectares  
of farmland



**307**  
aircraft, rotorcraft  
and rolling stock



**\$US9.6b**  
real asset debt  
investments



Macquarie Group  
Global Headquarters (Australia)

Information current as at 30 September 2020. 1. MIRA defines AUM as proportionate enterprise value, calculated as proportionate net debt and equity value. MIRA defines EUM as market capitalisation, plus fully underwritten or committed future capital raisings for listed funds and committed capital, less any called capital returned to investors for unlisted (private) funds. This includes capital invested in other MIRA-managed businesses. For jointly managed funds, the amount is representative of MIRA's economic ownership of the joint-venture manager. Adjustments are made when MIRA-managed funds invest in other MIRA-managed funds.



# Trusted by communities

MIRA is trusted by communities around the world to manage investments in essential services used by ~100 million people each day.



## Airports

~20.7 million passengers  
per annum



## Roads

~1 million vehicles per day



## Rail

~120 million passengers per  
annum



## Electricity

~1 million households



## Sea ports

~10 million standard  
container units handled per  
annum



## Power generation

~40,000GWh power  
generated  
per annum



## Water

~6 billion litres of water  
treated per day



## Gas

~13 million households



## Employees / Contractors

~99,739 / 52,485 employed  
directly by our assets



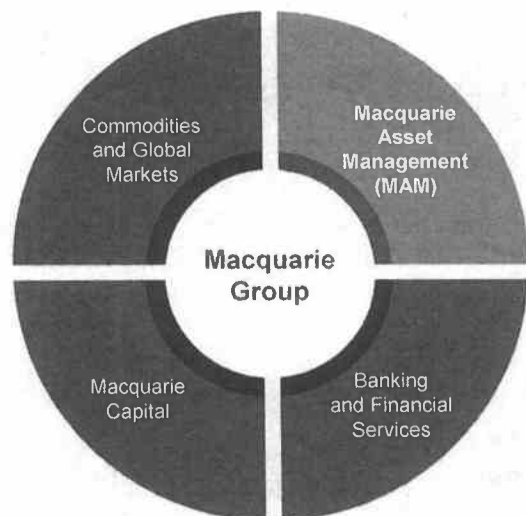
## Communications

~111 million people reached

Data as at 30 September 2020 or most recent. All data based on internal calculations.



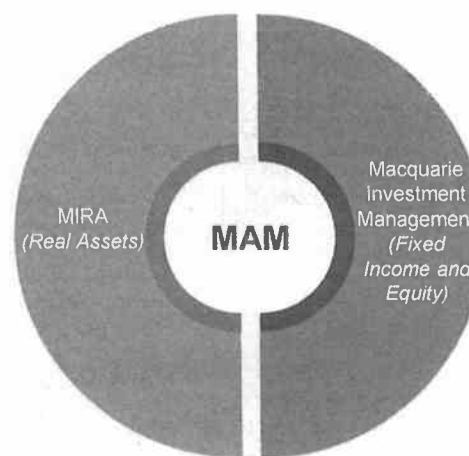
# Macquarie Group and MIRA



A global financial group ...

## Macquarie Group

- \* Operating since 1969, listed on ASX<sup>4</sup> in 1996
- \* Strong funding and capital position<sup>5</sup>
- \* 16,450+ staff<sup>3</sup>



... with an  
asset management arm ...

## Macquarie Asset Management (MAM)

- \* Operating since 1980
- \* AUM<sup>1</sup> of \$427b
- \* 1,860+ staff<sup>3</sup>



... focused on real assets

## Macquarie Infrastructure and Real Assets (MIRA)

- \* Operating since 1994; joined MAM in 2010
- \* AUM<sup>1</sup> of \$148b
- \* EUM<sup>2</sup> of \$108b
- \* 39 offices / 890+ experienced professionals<sup>6</sup>

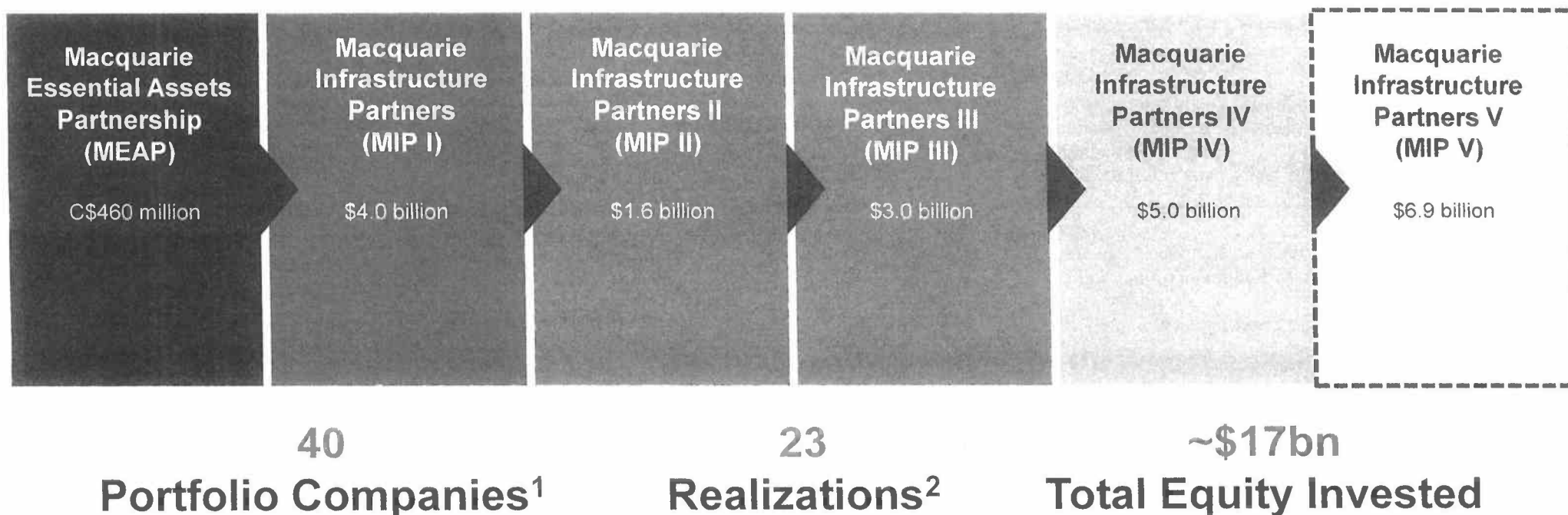
1. Assets under management (AUM) based on proportionate enterprise value calculated as proportionate net debt and equity value, as at 31 March 2021 for the majority of assets, based on 31 March 2021 FX rates. 2. Equity under management (EUM) is defined as market capitalization, plus fully underwritten or committed future capital raisings for listed funds and committed capital less any called capital returned to investor for unlisted (private) funds and mandates, as at 31 March 2021, based on 31 March 2021 FX rates. 3. Staff data is provided as at 31 March 2021. 4. Australian Securities Exchange. 5. Refers to Macquarie Group financial results. 6. Office and staff data as of 31 March 2021.





# Macquarie Infrastructure Partners

MIP V is the latest vintage of MIRA's Americas private equity platform (MIP) and has a strategy consistent with previous funds.



**Note:** As of June 30, 2021. 1. Total count of distinct infrastructure businesses (realized and unrealized) owned by private infrastructure funds investing in the U.S. and Canada. 2. MIP I and MIP II's realization of Global Tower Partners, and Puget Energy and MEAP and MIP I's realization of Aquarion are each treated as one realization.



# MIRA's Waste Experience





## Industry-Leading Experience

- MIRA-managed funds have invested over \$2.9 billion in the waste industry in the Americas since 2007 through the MIP series of funds
- History of partnering with best-in-class management teams through take-private transactions, structured investments and growth capital investments
- Experienced waste sector team led by Paul Mitchener, who has over 40 years of experience in waste management industry and is a member of the NWRA Hall of Fame.

## MIRA Approach

- Leverage strong and long-established industry relationships to find and partner with management teams
- Focus on identifying strong platforms that are well positioned to grow both organically and through M&A
- Emphasis on internalization of waste volumes enabled through strategically located asset base
- Willing to commit resources to improving a platform's existing asset base as well as in accretive acquisitions and projects
- Methodical approach to due diligence
  - Thorough environmental and technical reviews (including Phase 1s)
  - Leverage insights and best practices from past and currently invested in waste companies
- Strong focus on safety and risk management
  - Currently managed waste companies exceed industry safety benchmarks<sup>1</sup>

## MIRA's Controlled Waste Company Investments in the U.S.

Fund	Company	Description
MIP I	 WASTE INDUSTRIES	<ul style="list-style-type: none"> <li>• Non-hazardous solid waste company, focused on the SE US</li> <li>• Acquired through a take-private in May 2008, improving operations over approximately 9-years<sup>2</sup></li> </ul>
MIP II		<ul style="list-style-type: none"> <li>• Non-hazardous solid waste company in SE and South-central U.S.</li> <li>• Acquired through a take-private in March 2012, improving operations over approximately 9-years<sup>2</sup></li> </ul>
MIP IV		<ul style="list-style-type: none"> <li>• Vertically-integrated solid waste business focused on the NE US formed through the merger of Wheelabrator Technologies and Tunnel Hill Partners</li> <li>• Tunnel Hill Partners and Wheelabrator acquired in February 2019</li> </ul>
MIP V		<ul style="list-style-type: none"> <li>• Non-hazardous solid waste company, focused on the Midwest US</li> <li>• Acquired in August 2021</li> </ul>

Note: Past performance is no guarantee of future results or returns. This is a sample list of MIP Portfolio Companies and is not meant to be a complete representation of initiatives across the portfolio. 1. Lost Time Injury Frequency Rate (LTIFR) of Wheelabrator and Tunnel Hill compare favorably to Bureau of Labor Statistics benchmarks. LTIFR information is derived internally through MIRA Analysis. 2. MIP I closed the sale of WI on 9/29/2017; MIP II closed the sale of WCA on 10/1/2020.

Macquarie Infrastructure and Real Assets (**MIRA**)  
Macquarie Infrastructure Partners V (**MIP V**)  
GreenWaste Recovery and Zanker Road Resource Management (collectively, **GWZ**)



# Proposed Transaction with GWZ

## Introduction to MIRA and MIP V

October 2021



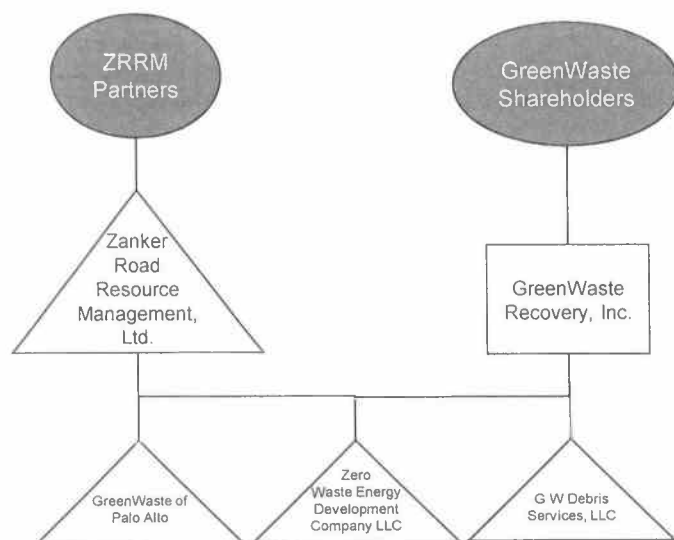
STRICTLY CONFIDENTIAL



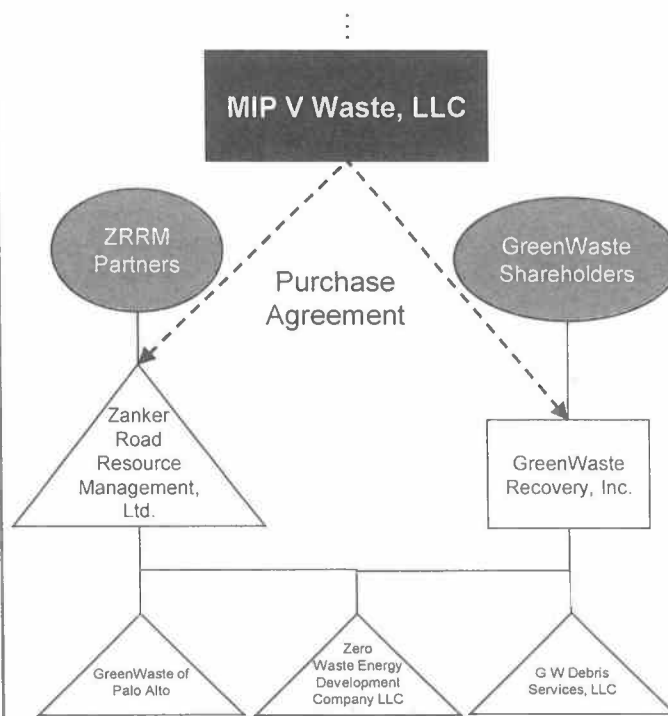
# Transaction Structure (Simplified)

MIP V will acquire<sup>1</sup> a 100% interest in GreenWaste Recovery, Inc. and Zanker Road Resource Management Ltd. from their respective existing shareholders, **with all subsidiary entities expected to remain unchanged**

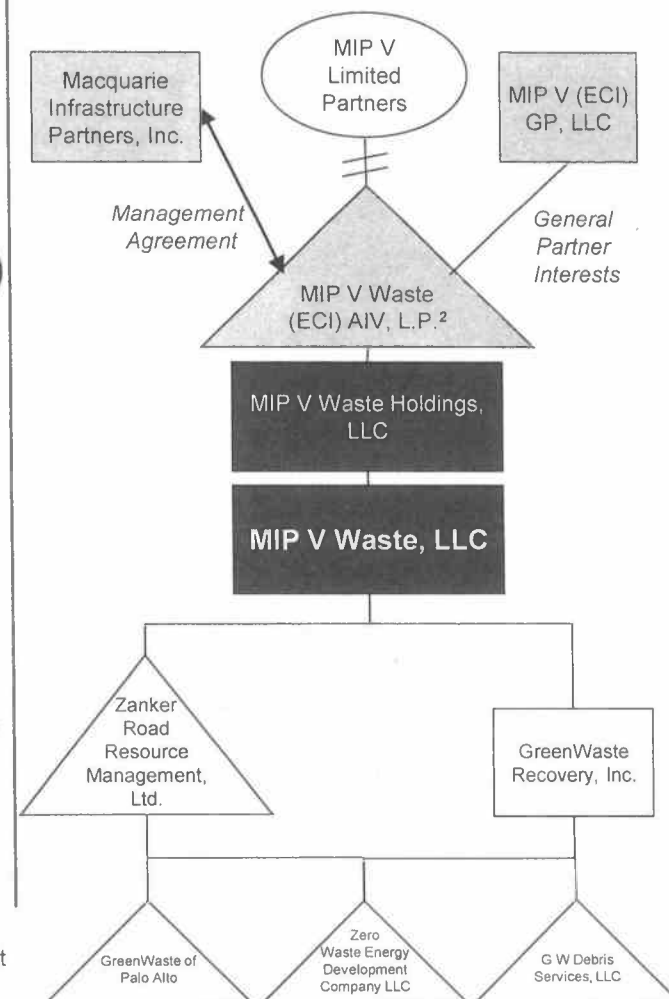
## GWZ – Existing Structure



## Proposed Transaction



## Go-forward Holding Structure



1. Closing is expected to occur in the fourth quarter of 2021, and is subject to customary closing conditions, which includes antitrust approval. 2. MIP V Waste (ECI) AIV, L.P. is a MIP V fund entity that holds passive third party capital managed by Macquarie Infrastructure Partners Inc. (an affiliate of Macquarie)