

2 June 2020

ASX Codes: KBC; KBCPA

ASX MARKET ANNOUNCEMENT

Keybridge commences legal proceedings against WAM Active

On 1 June 2020, Keybridge commenced proceedings against WAM Active (ASX:WAA) in the Supreme Court of NSW for matters pertaining to the improper transfer by WAM Active of 16,057,929 Keybridge shares from 96 different shareholders (Processed Shares) into WAM Active's own name on 6 March 2020.

Substantively, to resolve the issue, Keybridge is seeking that these Processed Shares be vested with ASIC for sale and that WAM Active pay Keybridge's costs associated with the matter.

The specific orders Keybridge is seeking are as follows:

1. A declaration that WAM Active Limited has breached section 650G of the Corporations Act by processing (through its agent Boardroom Pty Ltd) the acceptances of the Processed Shares into the name of WAM Active Limited.
2. A declaration that the transfer of the Processed Shares to WAM Active Limited is void.
3. A declaration that the Processed Shares were not transferred to WAM Active Limited pursuant to Proper ASTC Transfers for the purposes of the ASX Settlement Operating Rules.
4. An order that the Processed Shares vest in ASIC.
5. An order pursuant to subsection 175(1) of the Corporations Act, or alternatively the Court's equitable jurisdiction, that the Plaintiff's register of members be amended by recording ASIC as registered holder of the Processed Shares.
6. An order that WAM Active Limited do all things necessary to give effect to these orders, including doing whatever is necessary to ensure that ASIC is registered with title to the Processed Shares.
7. An order that ASIC undertake a sale process in relation to the Processed Shares in accordance with order 8.
8. An order that ASIC must:
 - (a) retain an investment bank or stock broker (**Appointed Seller**) to conduct the sale of the Processed Shares pursuant to these orders; and
 - (b) instruct the Appointed Seller:
 - (i) to use the most appropriate sale method to secure the best available sale price for the Processed Shares that is reasonably available at that time and in compliance with these orders;

- (ii) to provide to ASIC a statutory declaration that, having made proper inquiries, the Appointed Seller is not aware of any interest, past, present, or prospective which could conflict with the proper performance of the Appointed Seller's functions in relation to the disposal of the Processed Shares;
- (iii) that unless the Appointed Seller sells Processed Shares on market, the Appointed Seller must obtain from any prospective purchaser of Processed Shares, a statutory declaration that the prospective purchaser is not associated with WAM Active Limited or its associates within the meaning of the Corporations Act (**Associates**); and
- (iv) to dispose of all of the Processed Shares within 6 months from the date of these orders or such further time as the Court allows; and
- (c) ASIC account to WAM Active Limited for the proceeds of the sale of the Processed Shares, net of the costs, fees and expenses of the sale and any costs, fees and expenses incurred by ASIC.
9. An order that none of WAM Active Limited or its Associates may acquire any of the Processed Shares from ASIC pursuant to the sale under order 8.
10. An order that WAM Active Limited must not otherwise dispose of, transfer, charge or vote any Processed Shares.
11. An order that none of WAM Active Limited or its Associates may:
- (a) take into account any relevant interest or voting power that any of them had, or have had, in the Processed Shares when calculating the voting power referred to in Item 9(b) of section 611 of the *Corporations Act 2001* (Cth), of a person six months before an acquisition exempted under Item 9 of section 611; or
- (b) rely on Item 9 of section 611 earlier than six months after these orders come into effect.
12. An order that WAM Active Limited pay the costs of the plaintiff and ASIC.
13. Such further or other orders as the Court sees fit.

Keybridge will advise the market of any material developments on the matter.

FOR FURTHER INFORMATION:

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