
WAM Active Limited

Notice of Annual General Meeting 2014



Notice is given that the Annual General Meeting ('AGM') of members of WAM Active Limited ('the Company') will be held as follows:

Date: **28 November 2014**

Time: **9.30am (AEDT)**

Venue: **Wesley Theatre, Wesley Conference Centre, 220 Pitt Street, Sydney**

ORDINARY BUSINESS

Financial Statements and Reports

To receive the Financial Statements, Directors' Report and Auditor's Report of the Company for the financial year ended 30 June 2014.

Note: There is no requirement for shareholders to approve these reports.

Resolution 1: Re-election of Director – Geoff Wilson

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Geoff Wilson, who retires by rotation in accordance with the Rule 6.5 of the Company's Constitution and Listing Rule 14.5 and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 2: Election of Director – Kate Thorley

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, in accordance with Rule 6.2(c) of the Company's Constitution, Ms Kate Thorley, be elected as a Director of the Company."

Resolution 3: Election of Director – Chris Stott

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, in accordance with Rule 6.2(c) of the Company's Constitution, Mr Chris Stott, be elected as a Director of the Company."

Resolution 4: Approval of additional 10% placement capacity

To consider and, if thought fit, pass the following resolution, with or without amendment, **as a special resolution**:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities up to 10% of the issued share capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rules 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum".

Note: Without limitation, Listing Rule 7.1A is relevant to this resolution.

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Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution 4 by any person who may participate in the proposed issue of equity securities under this Resolution 4 and any person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder if Resolution 4 is passed and any of their Associates, unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Note: In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Listing Rule 7.1A, as at the date of this notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.

Resolution 5: Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That in accordance with Section 250R of the Corporations Act 2001 (Cwth) and the Company’s Constitution, the Remuneration Report, as set out in the Directors’ Report, be adopted.”

Notes:

- (a) The vote on this resolution is advisory only and does not bind the Directors or the Company.
- (b) The Company’s key management personnel (whose remuneration details are included in the Remuneration Report) and their Closely Related Parties must not cast a vote on the remuneration report unless they are appointed in writing as a proxy for a member eligible to vote on the resolution and that proxy specifies how to vote on the resolution.
- (c) The Chairman will vote all undirected proxies in favour of this resolution. If you wish to vote “against” or “abstain” you should mark the relevant box in the attached Proxy Form.

Proxies

A member entitled to attend and vote at this AGM is entitled to appoint not more than two proxies to attend and vote in his/her place.

A proxy does not need to be a member of the Company.

If a member appoints two proxies, the member may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the member’s votes. If the specified proportion or number of votes exceeds that which the member is entitled to, each proxy may exercise half of the member’s votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

Proxies can be appointed in one of three ways:

- (a) online through the share registry’s website at:
www.boardroomlimited.com.au/vote/wamactiveagm2014
- (b) by posting or delivering the Proxy Form by hand to share registry (addresses below); or
- (c) by faxing the Proxy Form to the share registry (fax number below).

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Proxies must be appointed no later than 48 hours before the AGM i.e. 9.30 am (AEDT) on 26 November 2014.

Hand deliveries to our share registry: Boardroom Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000

Postal address: Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Fax number: (02) 9290 9655

A Proxy Form is provided with this Notice.

Entitlement to Vote

In accordance with section 1074E(2)(g)(i) of the *Corporations Act 2001* (Cwth) and regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all shares in the capital of the Company will be taken to be held by the persons who held them as registered holders at 7.00pm (AEDT) on 26 November 2014. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

By order of the Board
Kate Thorley
Company Secretary
13 October 2014



Explanatory Memorandum

Resolution 1 – Re-election of Director – Geoff Wilson

Under Rule 6.5 of the Constitution, one third of the Directors or the number nearest to one third of the Company's longest serving Directors since the last election or re-election, and not including a Director appointed by the remaining Directors either to fill a casual vacancy or as an addition to the existing Directors, must retire unless re-elected. Each retiring Director is eligible for re-election in accordance with the Listing Rules and the Constitution.

Resolution 1 provides for the re-election of Mr Geoff Wilson as a Director in accordance with the Constitution.

The Directors (excluding Mr Geoff Wilson) support the re-election of Mr Geoff Wilson and recommend that shareholders vote in favour of Resolution 1.

Resolution 2 - Election of Director – Ms Kate Thorley

Ms Kate Thorley was appointed as a Non-Executive Director by the other Directors on 1 July 2014 in accordance with Rule 6.2(c) of the Company's Constitution and, having been appointed since the last general meeting of members, offers herself for re-election as a Director of the Company as required by Rule 6.2(c) of the Constitution.

Ms Thorley has ten years experience in the funds management industry and more than 14 years of financial accounting and corporate governance experience. She is a Director of WAM Research Limited. Ms Thorley is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited and is also the Company Secretary of WAM Capital Limited, WAM Research Limited and Future Generation Investment Fund Limited. She previously held the positions of Chief Financial Officer and Financial Accountant for Wilson Asset Management (International) Pty Limited. Ms Thorley was appointed Company Secretary of the Company in November 2007 and Director in July 2014.

The Directors (excluding Ms Thorley who, given her interest in the outcome of this Resolution, declines to make a recommendation) unanimously recommend that shareholders vote in favour of Resolution 2.

Resolution 3 – Election of Director – Mr Chris Stott

Mr Chris Stott was appointed as a Non-Executive Director by the other Directors on 1 July 2014 in accordance with Rule 6.2(c) of the Company's Constitution and, having been appointed since the last general meeting of members, offers himself for re-election as a Director of the Company as required by Rule 6.2(c) of the Constitution.

Mr Stott joined Wilson Asset Management in 2006 and has over 10 years experience in the funds management industry. Mr Stott is employed as Chief Investment Officer/Portfolio Manager and is responsible for the research, management and construction of the Company's investment portfolios. Mr Stott is a Director of WAM Research Limited. Previously, Mr Stott was employed at Challenger Financial Services Group for four years in various research and administrative roles specialising in Australian equities. Mr Stott holds a Bachelor of Business, Sydney and a Graduate Diploma in Applied Finance and Investment. Mr Stott was appointed Director of WAM Active in July 2014.

The Directors (excluding, Mr Stott who, given his interest in the outcome of this Resolution, declines to make a recommendation) unanimously recommend that shareholders vote in favour of this Resolution.



Resolution 4: Approval of Additional 10% Placement Capacity

Listing Rule 7.1A

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval by special resolution at its annual general meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the annual general meeting (**10% Placement Capacity**). This is in addition to the existing 15% placement capacity permitted by Listing Rule 7.1.

If Shareholders approve Resolution 4, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

An eligible entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted securities on issue, being Shares (ASX Code: WAA).

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Resolution 4 may include the raising of capital to facilitate further investment opportunities.

The number of equity securities that the Company may issue under the approval sought by Resolution 4 will be calculated in accordance with the following formula as set out in Listing Rule 7.1A:

$$(A \times D) - E$$

Where:

A = the number of fully paid Shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months under Listing Rules 7.1 and 7.4; and
- (iv) less the number of fully paid Shares cancelled in the 12 months.

D = 10%.

E = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of the Shareholders under Listing Rule 7.1 or 7.4.

Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

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- (a) Minimum Price: Under the Listing Rules, the minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the equity securities are to be issued is agreed; or
 - (ii) if the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- (b) Risk of voting dilution: Shareholders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement Capacity, including the risk that:
- (i) the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
 - (ii) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any equity securities under the issue, unless the only equity securities issued under the 10% Placement Capacity are options and these options are not exercised.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below, assuming that any options issued under the 10% Placement Capacity are exercised.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of the Shares and the current number of Shares on issue as at the date of this notice of Meeting. The table also assumes that no options on issue are exercised into Shares before the date of issue of the equity securities.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.695 50% decrease in Issue Price	\$1.39 Issue Price	\$2.78 100% increase in Issue Price
34,316,532 Current Variable A	10% Voting dilution	3,431,653 Shares	3,431,653Shares	3,431,653Shares
	Funds raised	\$2,384,999	\$4,769,998	\$9,539,995
51,474,798 50% increase in current Variable A	10% Voting dilution	5,147,479 Shares	5,147,479 Shares	5,147,479 Shares
	Funds raised	\$3,577,498	\$7,154,996	\$14,309,992
68,633,064 100% increase in current Variable A	10% Voting dilution	6,863,306 Shares	6,863,306 Shares	6,863,306 Shares
	Funds raised	\$4,769,998	\$9,539,996	\$19,079,992

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Notes:

1. The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.
2. The table above uses the following assumptions:
 - (i) The current Shares on issue are the Shares on issue as at the date of the Notice of Meeting.
 - (ii) The issue price set out above is the closing price of the Shares on ASX on 10 October 2014.
 - (iii) The Company issues the maximum possible number of equity securities under the 10% Placement Capacity and any options issued under the 10% Placement Capacity are exercised.
 - (iv) The Company has not issued any equity securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
 - (v) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
 - (vi) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
 - (vii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (c) Date of Issue: Subject to paragraph (g) below, equity securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:
 - (i) 12 months after the date of the Meeting; and
 - (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).The approval under Listing Rule 7.1A will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.
- (d) Purpose of Issue under 10% Placement Capacity: The Company may issue equity securities under the 10% Placement Capacity for the following purposes:
 - (i) as cash consideration in which case the Company intends to use funds raised for investment purposes in line with the Company's investment policy outlined in the Prospectus; or
 - (ii) as non-cash consideration for investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (e) Allocation under the 10% Placement Capacity: The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;

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- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the equity securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) Previous Approval under Listing Rule 7.1A: The Company has not obtained shareholder approval under Listing Rule 7.1A at a previous Annual General Meeting.

Voting Exclusion

A voting exclusion statement is included under Resolution 4 in this notice of Meeting. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of equity securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

Resolution 4 is a **special resolution**. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

Resolution 5: Adoption of Remuneration Report

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2014.

The Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at this meeting when reviewing the Company's remuneration policies. If 25% or more of the votes cast are "against" the adoption of the Remuneration Report at two consecutive annual general meetings shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting of the Company's members be held within 90 days. At this further meeting, all of the Company's Directors must go up for election. The spill resolution is an ordinary resolution.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9:30 am (AEDT) on Wednesday 26th November 2014.**

🖨 TO VOTE ONLINE

STEP 1: VISIT www.boardroomlimited.com.au/vote/wamactiveagm2014

STEP 2: Enter your holding/investment type:

STEP 3: Enter your Reference Number:

STEP 4: Enter your Voting Access Code:

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an 'Appointment of Corporate Representative' prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **9:30 am (AEDT) on Wednesday, 26th November 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** www.boardroomlimited.com.au/vote/wamactiveagm2014

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **WAM Active Limited** and entitled to attend and vote hereby appoint

☐

Appoint the **Chairman of the Meeting** (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting as my/our proxy to act generally at the Annual General Meeting of the Company to be held at the **Wesley Theatre, Wesley Conference Centre, 220 Pitt Street, Sydney on Friday 28th November 2014 at 9:30 am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit including, in relation to any procedural matters.

Chairman authorised to exercise proxies on remuneration related matters: If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of **Resolution 5** even though the Chairman of the Meeting is, and **Resolution 5** is connected directly or indirectly with the remuneration of, a member of key management personnel for WAM Active Limited.

The Chairman of the Meeting will vote all undirected proxies in favour of all Resolutions (including Resolution 5). Unless you indicate otherwise by ticking either the "for" or "against" box below, you are deemed to have directed the Chairman to vote in favour of these resolutions and the Chairman will vote all undirected proxies in favour of all Resolutions. If you wish to vote "against" or "abstain" you should mark the box below accordingly.

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Re-election of Director – Geoff Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director - Kate Thorley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director - Chris Stott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2014