

**General Meeting – Chairman's Address****12:00 pm Friday, 29 July 2016*****Herbert Smith Freehills  
Level 42, 101 Collins Street  
Melbourne Vic 3000***

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**Welcome**

Welcome to the Keybridge Capital Limited General Meeting. As it has turned 12:00 PM, and as I am reliably informed that a quorum is present, I declare the meeting open.

**Introductions**

I am Andrew Moffat, Chairman of your Company and will chair today's meeting.

With me today are fellow directors, Deputy Chair, Bill Brown, and Executive Director, Antony Sormann. I would also like to introduce Ian Pamensky, our Company Secretary.

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**Chairman's Address**

Before considering the official business of the meeting, I feel it appropriate to provide shareholders present with some commentary in relation to the calling of this meeting, what is at stake for shareholders and some feedback in relation to market releases put out by Bentley Capital Limited ("Bentley").

By way of background, Scarborough Equities Pty Ltd ("Scarborough"), a wholly owned subsidiary of ASX listed Bentley, purchased approximately 17% of Keybridge Capital Limited on 18th May, 2016. Bentley is associated with ASX Listed companies Orion Equities Limited and Queste Communications Limited, with all three companies chaired by Mr Farooq Khan. Scarborough disclosed its substantial holding on 20th May, 2016 and on the same date also requested the board consider the appointment to Keybridge's board of 2 Bentley representative directors - Messrs Cato and Johnson.

In making its request, Bentley asserted that Viburnum previously had 2 representative directors on the Board. Both Keybridge and I have confirmed my independence. I also confirm that it has never been my nor Viburnum's view that I am a representative of Viburnum. So it remains incorrect for Bentley to repeatedly make such claims as a basis for seeking 2 seats on a board of 4 directors.

The fact is that Craig Coleman, recently resigned as director, was Viburnum's sole board representative and he was 1 of 5 directors (before ASIC's disqualification of Nick Bolton from your Board). Yes, that is 1 of 5 (20%), not 2 of 4 (50%).

Your board of directors gave due consideration to Bentley's request. It also recognized that Keybridge had 2 other substantial shareholders, namely Australian Style Group and Wilson Asset Management Group. We extended an opportunity to all 3 shareholders to each put forward one proposed independent director for consideration. The board took this approach consistent with its desire to maintain a majority independent board, and with a view to managing the overall size and cost of the board commensurate with the size of Keybridge.

On the same day as communicating this to all 3 substantial shareholders, Scarborough wrote to the Keybridge board stating its intention to call a general meeting to put forward the 4 resolutions that we will be considering today.

The Keybridge board considered it appropriate to control the process and conduct of such a meeting and hence decided it appropriate to call the meeting and put Scarborough's intended resolutions to shareholders.

Since issuing the notice for today's meeting, the board has sought to further consult with the 3 substantial shareholders to explore if an amicable agreement on board composition could be found. However, Scarborough insisted that it's participation in such a meeting was subject to my resigning as a director immediately after that meeting, and Australian Style Group's Mr John Bolton was unavailable to meet with us. So here we are today.

Today's meeting is considering my removal as a director and also the appointment of 2 new directors, being Bentley's Messrs Cato and Johnson. Depending on the outcome of the meeting it is possible that 50% of the board immediately after the meeting is concluded will be representing Bentley, a 19.96% shareholder.

In its Market Announcement of 26 July 2016, Bentley claims to be a "profitable investment company". The Directors believe closer scrutiny of this claim is warranted. On reviewing the past annual results of Bentley (refer Annexure A attached) we note:

- Bentley was unprofitable in 3 of the last 5 reported full financial years. Indeed the cumulative result over this 5 year period was a loss of -\$1.262 million.
- Bentley was unprofitable in 5 of the last 11 reported full financial years. This time period coincides with the full financial years in which Mr Farooq Khan was Chair of Bentley. Indeed, the cumulative result over this 11 year period was a profit of only \$580,000. This appears to be a poor performance record given the investment capital afforded to Bentley and the 11 year term.
- Bentley's 2016 results are not yet released. However, Bentley stakes it's profitability claim on noting its most recent half year report "indicating a net profit of \$2.5 million". Bentley also notes it recorded a profit of \$3.67 million on its MPO divestment. We observe therefore that the December half result was entirely dependent on the result of one investment.
- We also note that whilst Bentley has not reported for the full year, and hence the second half performance, we are enlightened by their reported monthly NTA announcements. The NTA as at December 2015 and June 2016 were 23.9 cents and 20.6 cents respectively, which represents a A\$2.4m (13.8%) reduction.

On Messrs Cato and Johnson's skill sets, I note that they have been involved with Farooq Khan related companies for many years, as evidenced in their curriculum vitae. The comments on performance above relate solely to Bentley. Messrs Cato and Johnson are 2 of the 3 Bentley directors (with Johnson an executive director), the third director being Chair Farooq Khan. Bentley notes that its "investment mandate appears similar to Keybridge's and on occasion both companies have made similar investments". We assume that the past results of Bentley are likely to be reflected in how Messrs Cato and Johnson plan to "reinvigorate" the Keybridge board.

The Keybridge board has recommended that shareholders vote AGAINST all resolutions. We will provide the proxy count on each of the resolutions and conduct a poll on each.

It should be noted that excluding the 3 substantial shareholders, the vast majority of minority shareholders have voted in accordance with the board recommendation, which is a clear sign of a desire for independence at board level. However, approximately 60% of Keybridge shares are held by the 3 substantial shareholders, which turned out to be approximately 70% of total proxies received.

The voting intentions of these 3 shareholders (as advised in our shareholder update of 7 July 2016) was:

- Australian Style Group, 22.7% shareholding, requested we do not disclose it's voting intentions
- Bentley, 19.96% shareholding, confirmed intended to vote 'for' resolutions 1 to 3, and reserved its position with regard to resolution 4.
- Wilson Asset Management Group, 16.97% shareholding, confirmed it intended to vote "AGAINST" each of the resolutions in accordance with the Keybridge board recommendation.

It is therefore highly likely that the outcome of today's meeting will be determined by how Australian Style Group exercises its votes.

Regardless of the outcome I would like to take this opportunity to thank shareholders, and my fellow directors, for their support shown through my term as Chair of Keybridge, and particularly through the recent developments and this General meeting process. If removed as a director I wish the company well and will, as a shareholder, take a keen interest in its future.

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**END**

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## Annexure A

Financial Year ended 30 June	Profit/ (Loss) Before Tax \$'000	Profit/ (Loss) After Tax \$'000	Dividend per share \$	Total Dividends Paid during FY \$'000	Capital Return per Share \$	Capital Return \$'000
2005	(1,084)	(715)	0.010	389	-	-
2006	2,092	2,086	0.010	389	-	-
2007	1,357	1,351	0.020	790	-	-
2008	(3,801)	(2,899)	0.010	397	-	-
2009*	176	(725)	-	0	-	-
2010	3,102	3,102	0.020	1,434	-	-
2011	574	574	0.020	1,443	-	-
2012	(2,025)	(2,025)	0.034	2,468	0.015	1,100
2013	(337)	(337)	-	0	0.020	1,467
2014	793	797	0.010	723	0.010	739
2015	(267)	(267)	0.015	1,111	-	-
Sum Total (11 Years)	578	941		9,146		3,306
Sum Total (Last 5 Years)	(1,262)	(1,259)		5,746		3,306

\* Became a consolidated entity after merging with Scarborough Equities Limited  
Source: Bentley Capital Limited Annual Reports 2005-2015.