

**Australian Securities Exchange Limited via e-lodgement**  
**ASX Code ICT**

## **Litigation Update: Matter resolved**

### **Key points:**

- iCollege and Walker Enterprises (Australia) Pty Ltd and Walker settle their NSW Supreme Court Dispute; and
- Settlement of this action does not financially impact the company.

### **Terms of Settlement**

Following a mediation, the parties have entered into a binding Deed of Settlement and Release that includes the following key terms:

1. Walker parties to do all things necessary to transfer the 6,666,667 shares issued to Walker Investments (Australia) Pty Ltd in April 2017 pursuant to the original Share Sale Agreement, to buyers nominated by iCollege, such transfers to be by way of off-market share transfers.<sup>1</sup>
2. iCollege to pay to the Walker parties the sum of \$385,000 (Settlement Sum) within 14 days;
3. The transfer of the shares and the payment of the Settlement Sum is in full and final satisfaction of each parties' claims against the other; and
4. The court proceedings be dismissed.

As part of the mediation, Walker parties signed the necessary documentation needed to give effect to the off-market share transfers to strategic investors which is expected to be completed in the week commencing 15 October 2018.

The Supreme Court has made the necessary orders dismissing the proceedings and vacated any further hearing dates.

<sup>1</sup>The off-market share transfers are being handled by a third-party broker with share sale proceeds being paid into a solicitor's trust account. The share sale proceeds will be used to discharge in full, iCollege's obligation to pay the Settlement Sum with residual funds, if any, to be paid to iCollege. The amount of share proceeds available will depend on the price obtained on placement.

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iCollege Chairman, Simon Tolhurst said:

*"I am very pleased to be able to announce that this matter has been resolved on sensible commercial terms. It avoids the costs, distraction and uncertainty of running a 10-day trial in the NSW Supreme Court. It gives the company a clear path to get on with executing on its plans to grow iCollege and fulfil its potential as a leader in vocational education."*

The company remained confident about its prospects in the action, however in the interests of good management and minimisation of shareholder risk, agreed to settle the matter.

An amount of \$1,500,000 currently recorded in trade and other payables in the 2018 Annual Report, representing the consideration payable to Walker Enterprises (Australia) Pty Ltd, will be reversed and recognised as a write-back to profit in the current financial year.

**- Ends -**

**For further information:**

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