



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP22/24

Tuesday, 22 March 2022

DRA Global Limited – Panel Receives Application

The Panel has received an application from Haydn von Maltitz in relation to the affairs of DRA Global Limited (ASX/JSE: DRA).

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 17 February 2022, a consortium comprising three members of the senior management of DRA and their related entities served a section 203D notice on DRA setting out their intention to move resolutions to remove Messrs Andrew Naude and Peter Mansell as directors of DRA.

On 18 February 2022, the consortium issued a section 249D notice to the board of DRA requesting that a general meeting be called to consider resolutions to remove Messrs Naude and Mansell and appoint four new directors nominated by the consortium.

On or about 18 February 2022, the consortium entered deeds of irrevocable undertakings with a large number of shareholders holding a total of 42.7% of DRA. Under the deeds the shareholders irrevocably undertook to vote in favour of the proposed resolutions (among other things).

On 22 February 2022, following discussion and correspondence between the DRA board and the consortium, the consortium withdrew the section 249D notice on condition that DRA revert with a transition plan to effect changes demanded by the consortium.

The board of DRA later became aware of the irrevocable undertakings and raised concerns with the consortium regarding potential undisclosed associations.

On 11 March 2022, following a trading halt and period of trading suspension, DRA announced that Mr Naude, DRA's Managing Director and CEO, would step down following a hand over period and the appointment of Mr James Smith, a member of the consortium, as interim CEO.

The applicant submits that the members of the consortium have formed a group and that together with the DRA shareholders who entered irrevocable undertakings have conspired to act in concert and entered into relevant agreements to change the composition of the DRA board and thereafter DRA's governance and management structures and its operating model.

The applicant submits that the conduct of the consortium infringes the principles in section 602 of the Corporations Act, namely that:

- together with the DRA shareholders who entered irrevocable undertakings, they have formed an unlawful association to acquire a relevant interest in more than 20% of DRA
- they have given a select group of shareholders information as to their intentions (upon taking control of DRA) that has not been shared with all shareholders and
- no other party had a reasonable and equal opportunity to respond.

The applicant seeks interim orders restraining the alleged associates from exercising any voting or other rights attached to their DRA shares or acquiring any further DRA shares pending determination of the application.

The applicant seeks final orders including that the DRA shares held by the alleged associates be vested in ASIC for sale, the alleged associates provide substantial shareholder disclosure and the irrevocable undertakings be declared void.

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