



**Australian Government**

**Takeovers Panel**

# MEDIA RELEASE

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**No: TP12/83**

**Friday, 30 November 2012**

## **Knights Capital Group Limited – Panel Receives Application**

The Panel has received an application from Knights Capital Group Limited in relation to its affairs.

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**

Knights is an unlisted public company with more than 50 shareholders.

Australian Executor Trustees Limited is the registered shareholder of 70.68% of the shares in Knights. AET is said to hold these shares on trust for various beneficial holders.

On 31 July 2012, AET requisitioned a Knights shareholders' meeting seeking to replace two non-executive directors with three new directors. AET subsequently withdrew the requisition notice on the basis that Knights would put the resolutions forward at Knights' 2012 annual general meeting, which was to be held today.<sup>1</sup>

Knights submits in effect, among other things, that the actions of AET in seeking to spill the Knights board are inconsistent with AET holding the Knights shares as bare trustee, and AET has a relevant interest in the Knights shares in breach of section 606.<sup>2</sup>

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<sup>1</sup> The meeting was adjourned until 17 December 2012, before the board spill resolutions were considered

<sup>2</sup> Unless otherwise indicated, references are to the *Corporations Act 2001* (Cth)

Knights seeks final orders including that:

- the section 249N notice<sup>3</sup> is “cancelled, void and of no force or effect”
- the board spill resolutions at Knights’ 2012 annual general meeting be disregarded and
- the relevant interest in the Knights shares acquired by AET in breach of section 606 be divested and not be voted pending divestment of the shares.

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<sup>3</sup> Under section 249N shareholders with at least 5% of the votes that may be cast on a resolution may give the company notice that they propose to move that resolution at a general meeting. On 22 August 2012, AET was taken to have given such a notice to Knights in relation to the board spill resolutions