



**Australian Government**

**Takeovers Panel**

**Reasons for Decision  
STI-Global Limited  
[2013] ATP 12**

**Catchwords:**

*Declaration – disclosure – efficient, competitive and informed market – orders – referral to ASIC – relevant interest – right of first refusal – voting power*

*Corporations Act 2001 (Cth), sections 602(a), 606*

*ASIC Regulations 2001*

Interim order	IO undertaking	Conduct	Declaration	Final order	Undertaking
Yes	No	Yes	Yes	Yes	No

**INTRODUCTION**

1. The Panel, Geoff Brunsdon, Stephanie Daveson and John Fast (sitting President), made a declaration of unacceptable circumstances in relation to the affairs of STI-Global Limited. The Panel declared that a proxy arrangement and share sale agreement between Kevin Reichelt, Redheart Investments Pty Ltd, Donald Searle and RIQ Pty Ltd gave rise to unacceptable circumstances and cancelled them.

2. In these reasons, the following definitions apply.

- CFCL** Chicago Car Freight Leasing Co.
- proxy**
  - proxy form dated 23 August 2013 under which Donald Searle appointed Kevin Reichelt as his proxy in relation to his STI shares and
  - appointment of corporate representative dated 23 August 2013 under which RIQ appointed Kevin Reichelt as its corporate representative in relation to its STI shares
- Redheart** Redheart Investments Pty Ltd
- RIQ** RIQ Pty Ltd
- SFH** Sasser Family Holdings, Inc
- shareholders’ agreement** Agreement dated 30 December 2010 between CFCL and 7 ‘management shareholders’ of STI

## Takeovers Panel

### Reasons – STI-Global Limited [2013] ATP 12

#### share sale agreement

Agreement dated 26 August 2013 encompassing the following:

- the sale of 25,233,969 STI shares (13.69%) by Donald Searle and RIQ to Redheart on terms set out in a term sheet and
- a deed of appointment under which Kevin Reichelt was irrevocably appointed as proxy for Donald Searle, and as representative for RIQ, for all future meetings of STI's shareholders prior to completion of the share sale agreement

#### STI

STI-Global Limited

### FACTS

3. STI is an unlisted public company with more than 50 members. It provides railway infrastructure and track inspection services.
4. Donald Searle is the sole director and shareholder of RIQ. He has a relevant interest of 13.69% in STI, held directly and through RIQ.
5. Kevin Reichelt, a director of STI, is one of two directors and a 50% shareholder in Redheart. He has a relevant interest of 12.28% in STI, held directly and through Redheart.
6. SFH has a relevant interest of 31.81% in STI.
7. CFCL is in the business of providing railcar leasing solutions, and is a wholly-owned subsidiary of SFH.
8. On 30 December 2010, CFCL and 7 'management shareholders' in STI (including Redheart, Mr Searle and RIQ) entered into the shareholders' agreement. The agreement included:
  - (a) an obligation on the management shareholders to exercise all voting rights attached to shares held by them to vote in favour of any resolution to appoint or re-elect a CFCL board nominee, and to vote against any resolution to remove a CFCL nominee<sup>1</sup>
  - (b) an obligation on CFCL, while it held less than 50% of STI, to exercise all voting rights attached to its shares to vote in favour of any resolution to appoint or re-elect a management shareholder board nominee, and to vote against any resolution to remove a management shareholder nominee
  - (c) a right of first refusal in CFCL or a management shareholder should one of the parties wish to sell any of its shares
  - (d) an obligation to consult the other parties in relation to all aspects of the company's business which require the approval of shareholders or the board and

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<sup>1</sup> Clause 3.1 of the shareholders' agreement provided that the board would comprise 6 directors of whom 2 would be CFCL nominees

- (e) a right in CFCL to require a management shareholder who sells shares to use its best endeavours to cause the purchaser to also purchase an equivalent number of shares held by CFCL (ie, a “tag along right”).
9. On 23 February 2011, STI shareholders approved under item 7 of s611:<sup>2</sup>
- (a) STI issuing further shares to CFCL such that it would hold 28.8% of STI and
- (b) entry into the shareholders’ agreement.
10. The notice of meeting included the following:
- Important note on CFCL’s interest: if Resolution 1 [issue of shares] is approved, on completion of the Transaction, CFCL will hold 28.8% of the total Voting Shares in the Company on issue and the Management Shareholders will hold 34.4% of the total Voting Shares on issue. The total relevant interest (within the meaning of the Corporations Act) in Voting Shares of CFCL and its Associates will however be 63.2% because it will be deemed to also include each of the Management Shareholders’ relevant interests in the Company (34.4%) by reason of the Shareholders Agreement and the provisions of the Corporations Act.*
11. The shares that were to be issued to CFCL were in fact issued to SFH (of which CFCL is a wholly-owned subsidiary). CFCL held shares in STI which were transferred to SFH. By late 2012, SFH held 58,616,061 shares (31.81%).
12. A dispute arose between STI and SFH regarding the provision by SFH of financial and strategic support to STI, whether SFH was bound by the shareholders’ agreement, and whether SFH was entitled to vote the 58.6 million shares it held.
13. On 26 January 2013, Donald Searle sent shareholders a notice of extraordinary general meeting for 25 February 2013. The meeting was to consider resolutions to remove Kevin Reichelt, Perry Cooper and James Tucker as directors and appoint Kenneth Gardiner, Karl Ziebarth and John Dobie as directors. Kevin Reichelt, Chairman, adjourned the meeting to 5 April 2013 to obtain legal advice on SFH’s right to vote all its shares. At the reconvened meeting, he permitted SFH to vote 5,055,777 of its 58,616,061 shares.
14. Also, STI’s annual general meeting was held on 28 March 2013, which Kevin Reichelt chaired. At this meeting he permitted SFH to vote 5,055,777 of its 58,616,061 shares.
15. On 30 April 2013, legal proceedings against STI were commenced by SFH. They were defended, but ultimately resolved on 28 August 2013 when the Supreme Court of Western Australia made orders that were not opposed by STI. The court declared that SFH was entitled to vote all the shares in its name and was not bound by the shareholders’ agreement. The Court also required STI to hold a shareholders’ meeting, chaired by an independent person, to consider the board spill resolutions from the February/April meeting by 11 October 2013.
16. On 23 August 2013, Donald Searle, RIQ and Kevin Reichelt entered into the proxy.

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<sup>2</sup> All references are to the *Corporations Act 2001* (Cth) unless otherwise specified

17. On 26 August 2013, Donald Searle, RIQ, Kevin Reichelt and Redheart entered into the share sale agreement.
18. On or about 19 September 2013, as part of the resolution of the legal proceedings, STI issued a notice of general meeting for 11 October 2013. The resolutions were the same as those for the meeting on 25 February, but with the addition of Donald Searle being proposed as a director. The notice of meeting stated that Mr Searle had informed STI he had not decided whether he wished to stand for election.
19. By letter dated 25 September 2013, SFH wrote to shareholders challenging some of the assertions made in the notice of meeting about SFH.
20. At around 8:20 am on 11 October 2013, STI received a letter signed by Kevin Reichelt and dated 9 October 2013, stating that Donald Searle and RIQ had purported to lodge valid proxies contrary to the terms of the deed of appointment of him as proxy/representative. Mr Reichelt objected that Mr Searle and RIQ were not entitled to do so.
21. The 11 October meeting was adjourned to 31 October 2013.<sup>3</sup>

## APPLICATION

22. By application dated 23 October 2013, SFH sought a declaration of unacceptable circumstances. SFH submitted that:
  - (a) the proxy increased Kevin Reichelt's and Redheart's voting power in STI from 12.28% to 25.98%, in contravention of s606 and
  - (b) the share sale agreement constituted a separate breach of s606.

## Interim order sought

23. SFH sought an interim order that the shareholders' meeting scheduled for 31 October 2013 be adjourned until 3 weeks from the date on which the Panel makes final orders.
24. On 29 October 2013, the Panel made interim orders (Annexure A) adjourning the shareholders' meeting to a date no earlier than 8 November 2013.

## Final orders sought

25. SFH sought final orders to the effect that:
  - (a) Mr Reichelt not be permitted to exercise any of the rights and powers of Mr Searle or RIQ as shareholders of STI
  - (b) Mr Reichelt and Redheart be restrained from acquiring any rights from Mr Searle or RIQ under the share sale agreement and
  - (c) the share sale agreement be cancelled.

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<sup>3</sup> It was adjourned further by the Panel's interim orders and final orders

## DISCUSSION

26. For avoidance of doubt we extended time for making the application. We did so because, on one view, the circumstances can be said to have occurred on 23 August 2013 with the entry of the proxy. The application was made on 23 October 2013.
27. The share sale agreement, which had the effect of creating a new proxy arrangement, was entered on 26 August 2013, within the time specified in s657C(3).

### Proxy and share sale agreement in 2013

28. There is a dispute about whether the proxy and share sale agreement are still in effect.
29. Clause 3(vi) of the term sheet (appended to the share sale agreement) states:  
*The proxy provided under this Agreement is conditional on the terms of payment being kept current and met at the relevant monthly benchmarks. In case of default, RiQ will issue a default notice to Redheart and Redheart will have thirty (30) days to rectify. If it remains unrectified RiQ may cancel the proxy entitlements and this Agreement.*
30. The first payment under the share sale was due on 22 September 2013. Redheart did not make the payment.
31. On 11 October 2013, Mr Searle sent Mr Reichelt an email including the statement:  
*You are on notice that under clause 3(vi) you have 30 days to rectify the default in order to continue with the purchase of shares before the contract terminates at my discretion.*
32. Mr Searle submitted that Redheart defaulted on 22 September 2013 and there was a 30 day default rectification provision during which proxy entitlements were held in suspense. When that period ended on 22 October 2013 without correction, the agreement was terminated.
33. Mr Searle submitted that the proxy and the share sale agreement were not in effect and there remained no unacceptable circumstances.
34. Mr Reichelt submitted that the proxy and share sale agreement were still in effect. It appears that he holds this view on the basis of an understanding he says he had with Mr Searle at the time of the agreement that he (Mr Reichelt) was to find buyers for the shares. There is nothing, in our view, in the agreement which makes this clear. However there is support for the understanding in Mr Searle's submissions and in an email between Mr Searle and his lawyers, which was forwarded to the Panel, in which Mr Searle said:  
*I also believe any discovery of supporting correspondence will show that Reichelt/Redheart were acting as the conduit of the sale not the recipient despite the documentation you have supporting the application.*
35. SFH submitted that Mr Searle's 11 October 2013 email appeared to constitute a notice of default and so the rectification period would expire on 10 November 2013 consistent with clause 3(vi) of the term sheet. We are inclined to this view.
36. We think the proxy and share sale agreement are likely still to be in effect (at least at the date of our decision). Mr Searle may have the right to terminate them from 10 November 2013, but that is not a matter for us to determine.

**Shareholders' agreement in 2010**

37. There is also a dispute about whether the shareholders' agreement is still in effect.
38. There is no doubt that the shareholders' agreement gave Redheart a relevant interest in Donald Searle's and RIQ's shares. By reason of s608(3) it also gave Mr Reichelt a relevant interest in those shares.
39. Mr Reichelt submitted that, as he already had a relevant interest in the shares, approved under item 7 in February 2011, *"any agreement between myself and Mr Searle in relation to shares the subject of that agreement could not increase my relevant interest in those shares so there can be no question of the [proxy and share sale agreement] between myself and Mr Searle resulting in a breach of s606"*.
40. SFH submitted that the shareholders' agreement was discharged by reason of the doctrine of frustration, or was abandoned, prior to 23 August 2013. In short, it submitted that, as no shares were owned by CFCL, the situation contemplated by the shareholders' agreement was frustrated. It also submitted, in short, that the shareholders' agreement had been abandoned because parties who were also directors of STI must be taken to have acquiesced in the court orders, consultation anticipated by the agreement had not taken place, and clauses of the agreement had not been complied with. Accordingly, SFH submitted that the proxy and the share sale agreement contravened s606.
41. We are satisfied that the circumstances surrounding the proxy and share sale agreement are unacceptable in either case so we do not need to determine whether the shareholders' agreement is in effect or not.

**Unacceptable circumstances**

42. The proxy gives Kevin Reichelt power to vote the shares beyond the ways contemplated in the shareholders' agreement which STI shareholders had approved. Under the agreement, parties were obliged to vote shares in a particular way in support of the election of directors, but were otherwise free to vote the shares as they wished. The proxy removed from Mr Searle any ability to vote the shares and extended to Mr Reichelt complete control over the voting of those shares. Regardless of the status of the proxy, the share sale agreement had the same effect.
43. Separately, the disposal of the shares by the 2013 share sale agreement was not conducted in compliance with the right of first refusal contained in the 2010 shareholders' agreement. Under the shareholders' agreement, each of CFCL and the 'management shareholders' (who included Mr Searle, RIQ and Redheart) were entitled to participate in the purchase of the shares of another party who was a selling shareholder. Mr Reichelt submitted that SFH had previously been offered the shares by Mr Searle and declined to purchase them. He also submitted: *"I do not believe that other Management Shareholders wish to acquire the shares or exercise pre-emptive rights in that respect under the Shareholder Agreement."* This is not the same as offering the shares. By removing from other parties to the shareholders' agreement an opportunity to participate, the possibility of the shares being dispersed more widely was excluded.

44. The grant of an immediate proxy and disposal of shares other than in accordance with the right of first refusal were circumstances STI shareholders would not have contemplated at the time of the February 2011 approval.
45. If the shareholders' agreement is not (and was not at relevant times) in effect, the proxy and share sale agreement increased the voting power of Mr Reichelt and Redheart in STI from 12.28% to 25.98% in contravention of s606 and have an effect on the control of STI contrary to principles in s602, in that:
  - (a) the acquisition of voting shares did not take place in an efficient, competitive and informed market and
  - (b) as far as practicable shareholders did not having a reasonable and equal opportunity to participate in the benefits.
46. Alternatively, even if the shareholders' agreement is (and was at relevant times) in effect, the proxy and share sale agreement give voting and disposal powers in Mr Searle's and RIQ's shares to Redheart (and Mr Reichelt) that were not covered by the item 7 approval obtained on 23 February 2011 and have an effect on the control of STI contrary to principles in s602, in that:
  - (a) the acquisition of voting shares did not take place in an efficient, competitive and informed market and
  - (b) as far as practicable shareholders who were parties to the shareholders' agreement did not having a reasonable and equal opportunity to participate in the benefits.

## DECISION

### Declaration

47. It appears to us that the circumstances are unacceptable:
  - (a) having regard to the effect that we are satisfied the circumstances have had, are having, will have or are likely to have on:
    - (i) the control, or potential control, of STI or
    - (ii) the acquisition, or proposed acquisition, by a person of a substantial interest in STI or
  - (b) having regard to the purposes of Chapter 6 set out in s602 or
  - (c) if the shareholders' agreement is not (and was not at relevant times) in effect, because they constituted a contravention of section 606.
48. Accordingly, we made the declaration in Annexure B and consider that it is not against the public interest to do so. We had regard to the matters in s657A(3).

### Orders

49. Following the declaration, we made the final orders in Annexure C.<sup>4</sup>

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<sup>4</sup> *Post script*: varied on 14 November 2013 (Annexure D)

## Takeovers Panel

### Reasons – STI-Global Limited [2013] ATP 12

50. Under s657D the Panel's power to make orders is very wide. The Panel is empowered to make 'any order'<sup>5</sup> if 4 tests are met:
- (a) it has made a declaration under s657A. This was done on 7 November 2013.
  - (b) it must not make an order if it is satisfied that the order would unfairly prejudice any person. We are satisfied that our orders do not unfairly prejudice any person.
  - (c) it gives any person to whom the proposed order would be directed, the parties and ASIC an opportunity to make submissions. This was done on 4 November 2013 and submissions and rebuttals were made. STI was invited to, and did, make a submission.
  - (d) it considers the orders appropriate to either protect the rights and interests of persons affected by the unacceptable circumstances, or any other rights or interests of those persons. We are satisfied that our orders do this.
51. The orders remove the unacceptable circumstances by cancelling the proxy and share sale agreement (should that be necessary, given the dispute about their ongoing existence). The consequence is that Mr Reichelt will not be able to exercise any of Mr Searle's or RIQ's rights and powers as shareholders, which orders the applicant sought.
52. The orders require STI to hold the adjourned shareholders' meeting between 25 November 2013 and 10 December 2013 (as requested by STI).<sup>6</sup>
53. Mr Searle submitted that the reconvened shareholders meeting should take place as soon as practicable after 8 November 2013. He suggested either 8 or 11 November. STI requested 33 days. It submitted that its constitution required that notice of the reconvened meeting be given as in the case of the original meeting, because the original meeting had been adjourned for 30 days or more. We have allowed the time STI submitted was required for the rescheduled meeting.
54. The applicant also sought that Mr Reichelt and Redheart be restrained from acquiring any rights from RIQ or Mr Searle pursuant to the share sale agreement. We do not think we need to make this order.
55. We make no costs orders. We did, however, consider whether a costs order against the applicant might be appropriate for the reasons in paragraphs 56 to 58.

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<sup>5</sup> Including a remedial order but other than an order requiring a person to comply with a provision of Chapters 6, 6A, 6B or 6C

<sup>6</sup> *Post script*: Varied to extend the date for holding the meeting to no later than 16 December 2013 at the further request of STI (Annexure D)



**Other matters**

*Material information*

56. SFH's application did not detail the role of the shareholders' agreement. The only reference to it in the application suggested that it was not relevant. Subsequently, in rebuttal submissions, SFH submitted that the shareholders' agreement had been discharged or abandoned and so was not relevant. The item 7 approval was not referred to at all in the application.
57. The shareholders' agreement and item 7 approval are relevant to the circumstances, despite our finding that unacceptable circumstances exist either way. In our view they should have formed part of the material given to the Panel.
58. The procedural rules make it clear that applications which are unnecessarily lengthy are strongly discouraged but provide specifically that any document intended for the Panel must be accompanied by any relevant material (unless already provided).<sup>7</sup>

*ASIC referral*

59. We became concerned about the circumstances in which SFH came to hold its STI shares, in that it may have acquired shares otherwise than in accordance with the Item 7 approval given on 23 February 2011. We note that this was an issue raised by Mr Reichelt in response to the application.
60. Under Regulation 18 of the *Australian Securities and Investments Commission Regulations 2001*:
  - (1) *The Panel may refer a matter to the Commission for the Commission to consider with a view to making an application.*
  - (2) *If the Panel refers a matter to the Commission, the reference must be made:*
    - (a) *in writing; and*
    - (b) *in sufficient detail to allow the Commission to make a decision about the matter.*
61. We have referred this matter to ASIC under Regulation 18 for ASIC to consider whether to make an application to the Panel.

**John Fast**

**President of the sitting Panel**

**Decision dated 7 November 2013**

**Reasons published 22 November 2013**

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<sup>7</sup> Procedural rule 2.1.1(f) and note 1

## Takeovers Panel

Reasons - STI-Global Limited  
[2013] ATP 12

### Advisers

Party	Advisers
Kevin Reichelt	N/A
Donald Searle	N/A
Sasser Family Holdings, Inc	Allens



**Australian Government**

**Takeovers Panel**

**Annexure A**

**CORPORATIONS ACT  
SECTION 657E  
INTERIM ORDERS**

**STI-GLOBAL LIMITED**

Sasser Family Holdings, Inc made an application to the Panel dated 23 October 2013 in relation to the affairs of STI-Global Limited (**STI-Global**).

The Panel ORDERS:

1. That the STI-Global shareholders' meeting scheduled for 31 October 2013 is adjourned to a date to be determined by STI-Global that is not earlier than 8 November 2013.
2. These interim orders have effect until the earliest of:
  - (i) further order of the Panel
  - (ii) the determination of the proceedings and
  - (iii) 2 months from the date of these interim orders.

**Alan Shaw  
Counsel  
with authority of John Fast  
President of the sitting Panel  
Dated 29 October 2013**



**Australian Government**

**Takeovers Panel**

**Annexure B**

**CORPORATIONS ACT  
SECTION 657A  
DECLARATION OF UNACCEPTABLE CIRCUMSTANCES**

**STI-GLOBAL LIMITED**

**CIRCUMSTANCES**

1. STI-Global Limited (**STI-Global**) is an unlisted public company, with more than 50 members.
2. Donald Searle is the sole director and shareholder of RIQ Pty Ltd (**RIQ**). He has a relevant interest of 13.69% in STI-Global, held directly and through RIQ.
3. Kevin Reichelt, a director of STI-Global, is one of two directors and a 50% shareholder in Redheart Investments Pty Ltd (**Redheart**). He has a relevant interest of 12.28% in STI-Global, held directly and through Redheart.
4. On 23 August 2013, Donald Searle appointed Kevin Reichelt as his proxy and RIQ authorised Kevin Reichelt as a corporate representative in relation to the STI-Global shares held by them.
5. On 26 August 2013, Kevin Reichelt, Redheart, Donald Searle and RIQ entered into a deed of appointment with an attached term sheet. The term sheet involved the sale of the 13.69% interest held by Donald Searle and RIQ in STI-Global to Redheart over a two year period. The deed of appointment irrevocably appointed Kevin Reichelt as proxy for Donald Searle and RIQ for all future meetings of STI-Global's shareholders, prior to completion of the share sale.
6. There is a dispute about whether the proxy arrangements and share sale agreement described in paragraphs 15 and 6 are still in effect, although there is no dispute that they were valid at the time of execution. The Panel considers that they are likely to be still in effect. It is unclear whether they may be terminated from 10 November 2013 (being the date 30 days after notice of default was given).
7. Redheart, Donald Searle and RIQ, among others, are parties to a shareholders' agreement in relation to STI-Global dated 30 December 2010. Through a right of first refusal and an agreement to vote in a certain manner, the shareholders' agreement created a relevant interest in Donald Searle's and RIQ's shares, held by, among others, Redheart.<sup>8</sup>

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<sup>8</sup> And Kevin Reichelt under s608(3)

## Takeovers Panel

### Reasons – STI-Global Limited [2013] ATP 12

8. Entry into the shareholders' agreement was approved under item 7 of s611 by STI-Global shareholders at a meeting on 23 February 2011.<sup>9</sup>
9. There is a dispute about whether the shareholders' agreement is still in effect.
10. The proxy arrangements give Kevin Reichelt power to vote the shares beyond the ways contemplated in the shareholders' agreement.
11. Separately, the share sale was not conducted in compliance with the right of first refusal in the shareholders' agreement, removing from other parties to that agreement an opportunity to participate and excluding the possibility of the shares being dispersed more widely.
12. If the shareholders' agreement is not (and was not at relevant times) in effect, the proxy arrangements and share sale agreement increased the voting power of Kevin Reichelt and Redheart in STI-Global from 12.28% to 25.98% in contravention of s606 and have an effect on the control of STI-Global contrary to principles in s602, in that:
  - (a) the acquisition of voting shares did not take place in an efficient, competitive and informed market and
  - (b) as far as practicable shareholders did not have a reasonable and equal opportunity to participate in the benefits.
13. Alternatively, even if the shareholders' agreement is (and was at relevant times) in effect, the proxy arrangements and share sale agreement give voting and disposal powers in Donald Searle's and RIQ's shares to Redheart (and Kevin Reichelt) that were not covered by the item 7 approval obtained on 23 February 2011 and have an effect on the control of STI-Global contrary to principles in s602, in that:
  - (a) the acquisition of voting shares did not take place in an efficient, competitive and informed market and
  - (b) as far as practicable shareholders who were parties to the shareholders' agreement did not have a reasonable and equal opportunity to participate in the benefits.
14. It appears to the Panel that the circumstances are unacceptable :
  - (a) having regard to the effect that the Panel is satisfied the circumstances have had, are having, will have or are likely to have on:
    - (i) the control, or potential control, of STI-Global or
    - (ii) the acquisition, or proposed acquisition, by a person of a substantial interest in STI-Global or
  - (b) having regard to the purposes of Chapter 6 set out in s602 or
  - (c) if the shareholders' agreement is not (and was not at relevant times) in effect, because they constituted or gave rise to a contravention of section 606.

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<sup>9</sup>All references are to the *Corporations Act 2001* (Cth) unless otherwise specified

15. The Panel considers that it is not against the public interest to make a declaration of unacceptable circumstances. It has had regard to the matters in s657A(3).

**DECLARATION**

The Panel declares that the circumstances constitute unacceptable circumstances in relation to the affairs of STI-Global.

**Alan Shaw  
Counsel  
with authority of John Fast  
President of the sitting Panel  
Dated 7 November 2013**



**Australian Government**

**Takeovers Panel**

## **Annexure C**

### **CORPORATIONS ACT**

#### **SECTION 657D**

#### **ORDERS**

### **STI-GLOBAL LIMITED**

The Panel made a declaration of unacceptable circumstances on 7 November 2013.

### **THE PANEL ORDERS**

1. The:
  - (a) proxy form dated 23 August 2013 under which Donald Searle appointed Kevin Reichelt as his proxy in relation to his shares in STI-Global Limited (**STI-Global**)
  - (b) appointment of corporate representative dated 23 August 2013 under which RIQ Pty Ltd (**RIQ**) appointed Kevin Reichelt as its representative to exercise powers in relation to shares in STI-Global and
  - (c) deed of appointment dated 26 August 2013 between Donald Searle, RIQ, Kevin Reichelt and Redheart Investments Pty Ltd, including the attached term sheet, are cancelled with effect from the date of these orders.
2. STI-Global must re-convene and hold the shareholders' meeting adjourned from 31 October 2013:
  - (a) no earlier than 25 November 2013 and
  - (b) no later than 10 December 2013.

**Alan Shaw**  
**Counsel**  
**with authority of John Fast**  
**President of the sitting Panel**  
**Dated 7 November 2013**



**Australian Government**

**Takeovers Panel**

## **Annexure D**

# **CORPORATIONS ACT SECTION 657D VARIATION OF ORDERS**

## **STI-GLOBAL LIMITED**

The Panel made a declaration of unacceptable circumstances on 7 November 2013.

## **VARIATION**

The Panel orders that the orders made on 7 November 2013 are varied as follows:

1. 10 December 2013 in Order 2(b) is replaced with 16 December 2013.

**Alan Shaw**  
**Counsel**  
**with authority of John Fast**  
**President of the sitting Panel**  
**Dated 14 November 2013**