



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP16/38

Wednesday, 15 June 2016

Ainsworth Game Technology Limited 01 & 02 - Undertakings

The Panel has accepted undertakings from Ainsworth Game Technology Limited (**AGI**) (Annexure A) and Mrs Margarete Ainsworth and Votrait No. 1019 Pty Ltd (an entity controlled by Mrs Ainsworth) (Annexure B) in relation to the applications by the Australian Securities and Investments Commission (see [TP16/32](#)) and Fortress Centaurus Global Master Fund Ltd (see [TP16/34](#)).

On 23 February 2016, AGI announced that Mr Leonard Ainsworth had entered into a share sale and purchase agreement pursuant to which Mr Ainsworth agreed to sell 52.52% in AGI to Novomatic for \$2.75 cash per share (the **Transaction**).

Implementation of the Transaction requires, among other things, shareholder approval under item 7 of s611.¹ Mr Ainsworth will retain a holding of 1.19% in AGI following the Transaction. Mrs Ainsworth (through Votrait) holds 8.96% of AGI. If those holdings were combined, Mr and Mrs Ainsworth would hold 10.15% of AGI following the Transaction.

The notice of meeting disclosed (among other things) that the independent directors of AGI had not at the time concluded that any shareholders were excluded from voting on the basis of section 12(2)(c) – ie, an association provision of the Act.

On 13 May 2016, ASIC made an application to the Panel and on 17 May 2016, Fortress made an application to the Panel, each seeking a declaration of unacceptable circumstances in respect of the affairs of AGI. Both applications concerned voting of Mrs Ainsworth on the resolution to approve the Transaction pursuant to item 7 of s611 (the **Resolution**). Fortress' application also concerned voting of Mr Ainsworth's sons. The Panel directed that the applications be heard together.

Following receipt of submissions and rebuttals, the Panel informed the parties of its preliminary view that it was prepared to infer that Mr and Mrs Ainsworth are associates in relation to the affairs of AGI and, on this basis, Novomatic would not

¹ References are to the *Corporations Act 2001* (Cth) unless otherwise indicated

have the benefit of item 7 of s611 if the Transaction completed and Mrs Ainsworth had voted in favour of the Resolution.

Alternatively, if an association is not established, the Panel was inclined to accept that Mrs Ainsworth was sufficiently interested in the outcome of the Resolution by virtue of her connection or closeness of relationship with Mr Ainsworth such that her voting in favour of the Resolution would give rise to unacceptable circumstances, having regard to the principles set out in s602.

The Panel was also inclined to consider that AGI shareholders will not have the information required to vote on the Resolution, and the market in AGI shares will not be efficient, competitive and informed, unless informed that Mrs Ainsworth was precluded from voting in favour of the Resolution.

Following the Panel's preliminary view, it has accepted the following undertakings.

Mrs Ainsworth and Votrait have undertaken that they will:

- (a) not vote on the Resolution and will withdraw the vote already submitted by Votrait and
- (b) not dispose of, transfer, grant a security interest over or otherwise deal with any shares or interests in shares in AGI held by Votrait (and, in the case of Mrs Ainsworth, shares or interests in shares in Votrait), until the vote on the Resolution has occurred.

AGI has undertaken that it will:

- (a) adjourn the general meeting of shareholders at which the Resolution will be considered until a date no earlier than 27 June 2016
- (b) disregard any votes cast by Votrait in favour of the Resolution
- (c) announce that (among other things) Votrait is excluded from voting. It will also dispatch the announcement to AGI shareholders by express post or (where email addresses are available) by email and
- (d) keep a record of any votes cast by any of Mr Ainsworth's sons on the Resolution.

The Panel notes the submission of AGI that Mr Stephen Ainsworth, one of Mr Ainsworth's sons, will not vote his holding of 0.02% of AGI on the Resolution.

This brings the Panel proceedings to an end.

Details of its preliminary views and the reasons for them will be available in due course when the Panel publishes its reasons for decision.

The Panel appreciates the cooperative way in which all parties have conducted the matter and the offer of undertakings to resolve the issues addressed by them.

A copy of each of the undertakings is attached.

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ANNEXURE A

**AUSTRALIAN SECURITIES AND
INVESTMENTS COMMISSION ACT 2001 (CTH) SECTION 201A
UNDERTAKING**

AINSWORTH GAME TECHNOLOGY LIMITED 01 & 02

1. AGI undertakes to the Panel that it will:
 - 1.1. adjourn the Meeting until a date no earlier than 27 June 2016
 - 1.2. as soon as practicable and by no later than 9.00am (AEST) on 10 June 2016, release an ASX announcement (**Announcement**), in a form approved by the Panel, disclosing:
 - 1.2.1. that Votrait will be excluded from voting in favour of the Resolution
 - 1.2.2. how AGI shareholders, who have already submitted a proxy form in respect of the Resolution, may change their vote
 - 1.2.3. the collective holding of Leonard Ainsworth and Margarete Ainsworth following successful completion of the Transaction and explaining that this holding could represent a blocking stake for the purposes of Chapter 6A² and the implications of that blocking stake and
 - 1.2.4. that the Meeting is adjourned, in accordance with the requirements of paragraph 1.1 of this undertaking
 - 1.3. as soon as practicable and by no later than 14 June 2016 dispatch the Announcement to AGI shareholders by express post or (where email addresses are available) by email
 - 1.4. disregard any votes cast by Votrait in favour of the Resolution and
 - 1.5. keep a record of any votes cast by any of the Sons on the Resolution and how those votes were cast, and keep that record for a period of 12 months and provide the same to the Panel on request.

² References are to the *Corporations Act 2001* (Cth), unless otherwise indicated

2. AGI agrees to confirm in writing to the Panel when it has satisfied its obligations under these undertakings.
3. In these undertakings the following terms have the corresponding meaning:

AGI	Ainsworth Game Technology Limited ACN 068 516 665
Meeting	Proposed meeting of AGI shareholders to consider the Resolution to be held on 27 June 2016 (or any adjournment or postponement of that meeting)
Resolution	Proposed resolution of AGI shareholders to approve the Transaction pursuant to item 7 of s611 of the <i>Corporations Act 2001</i> (Cth)
Sons	Geoffrey Ainsworth, Stephen Ainsworth, Harold Ainsworth, Paul Ainsworth, Simon Ainsworth, Kjerulf Ainsworth and Christian Ainsworth including companies controlled by any one or more of them
Transaction	Proposed sale of 52.52% of AGI by Leonard Ainsworth to Novomatic AG, as announced by AGI on 23 February 2016
Votraint	Votraint No. 1019 Pty Ltd ACN 075 045 313

**Signed by Graeme Campbell
with the authority, and on behalf, of Ainsworth Game Technology Limited
Dated 10 June 2016**



Australian Government

Takeovers Panel

ANNEXURE B

**AUSTRALIAN SECURITIES AND
INVESTMENTS COMMISSION ACT 2001 (CTH) SECTION 201A
UNDERTAKINGS**

AINSWORTH GAME TECHNOLOGY LIMITED 01 & 02

1. Mrs Margarete Ainsworth and Votrait undertake to the Panel that they will promptly, and by no later than 10 June 2016, arrange the withdrawal and cancellation of Votrait's vote on the Resolution lodged with Computershare Investor Services.
2. Mrs Margarete Ainsworth and Votrait undertake to the Panel that they will not vote (including by person, proxy, representative or any other method) any shares in AGI held by Votrait in favour of the Resolution.
3. Mrs Margarete Ainsworth undertakes to the Panel that, until the vote on the Resolution has occurred, she will not, and will procure that each of her associates does not, dispose of, transfer, grant a security interest over or otherwise deal with any shares or interests in shares in AGI held by Votrait or shares or interests in shares in Votrait.
4. Votrait undertakes to the Panel that, until the vote on the Resolution has occurred, it will not, and will procure that each of its associates does not, dispose of, transfer, grant a security interest over or otherwise deal with any shares or interests in shares in AGI held by Votrait.
5. Each of Mrs Margarete Ainsworth and Votrait agrees to confirm in writing to the Panel when she (it) has satisfied her (its) obligations under these undertakings.

6. In these undertakings the following terms have the corresponding meaning:

AGI	Ainsworth Game Technology Limited ACN 068 516 665
Resolution	Proposed resolution of AGI shareholders to approve the proposed sale of 52.52% of AGI by Mr Ainsworth to Novomatic AG, as announced by AGI on 23 February 2016 pursuant to item 7 of s611 of the <i>Corporations Act 2001</i> (Cth) at a meeting to be held on 17 June 2016 (or any postponement or adjournment of that meeting).
Votrait	Votrait No. 1019 Pty Ltd ACN 075 045 313

Signed by Margarete Charlotte Ainsworth
Dated 9 June 2016

Signed by M. C. Ainsworth
with the authority, and on behalf, of
Votrait No. 1019 Pty Ltd
Dated 9 June 2016