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1 March 2022

Update on Proposed Scheme – Release of Scheme Booklet

Westoz Investment Company Limited (**Westoz** or the **Company**) (ASX: WIC) is pleased to provide the following update on the status of the proposed scheme of arrangement (**Scheme**) under which WAM Capital Limited (**WAM Capital**) (ASX: WAM) has proposed to acquire all the Westoz shares that it does not currently own.

A copy of the Scheme Implementation Agreement was announced to the Australian Securities Exchange (**ASX**) on 23 December 2021.

On 28 February 2022, the Supreme Court of Western Australia (**Court**) ordered the convening of a meeting of Westoz shareholders to consider and if thought fit, approve the Scheme (**Scheme Meeting**). The Scheme Meeting will be held at **10am (Perth time) on Monday, 4 April 2022**.

Release of Scheme Booklet

Westoz is pleased to advise that the Notice of Access for the Scheme Booklet including the Independent Expert's Report and the Notice of Meeting for the Scheme Meeting will be dispatched to Westoz shareholders on or before 3 March 2022.

Westoz shareholders will receive a Notice of Access which will provide details about how to view or download the Scheme Booklet and lodge their proxies for the Scheme Meeting.

Westoz shareholders who wish to receive a printed copy of the Scheme Booklet may request one by calling Anthony Hewett on +61 8 9488 1445 or via email ahewett@westoz.com

A copy of the Scheme Booklet including the Independent Expert's Report follows this announcement.

Scheme Meeting

The Scheme Meeting will be held at **10am (Perth time) on Monday, 4 April 2022**.

In order to minimise health risks associated with the COVID-19 pandemic, the Scheme Meeting will be conducted entirely virtually.

Westoz shareholders will be able to participate, vote and ask questions in the Scheme Meeting virtually. Shareholders and their proxies, attorneys or corporate representatives will not be able to attend the physical location of the Scheme Meeting but will be able to participate via the Computershare Meeting Platform.

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Independent Expert's Conclusion

The Independent Expert, BDO Corporate Finance (WA) Pty Ltd, has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Westoz shareholders in the absence of a superior proposal. The Independent Expert's conclusions should be read in context with the full Independent Expert's Report and Scheme Booklet.

Recommendation

The directors of Westoz continue to recommend that Westoz shareholders vote in favour of the Scheme in the absence of a superior offer and subject to the Independent Expert concluding and continuing to conclude, that the Scheme is in the best interest of Westoz shareholders.

Each director who holds a relevant interest in Westoz shares intends to vote in favour of the scheme in the absence of a superior offer and subject to the Independent Expert concluding and continuing to conclude that, the Scheme is in the best interest of Westoz shareholders.

WAM Capital has advised that the Wilson Asset Management Group members who hold Westoz shares are in favour of the Scheme, however will abstain from voting on the Scheme at the Scheme Meeting.

Further Information

Westoz encourages all Westoz shareholders to read the Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme at the Scheme Meeting.

For further information please contact Anthony Hewett, Company Secretary on 08 9488 1445, Monday to Friday from 7:00am to 3:00pm (Perth time).

This announcement has been approved for release by the Board of Westoz Investment Company Limited.

For further information please contact:

Anthony Hewett
Company Secretary
Westoz Investment Company Limited
ahewett@westoz.com
08 9488 1445

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Westoz Investment Company Limited

ACN 113 332 942

Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition of all your fully paid ordinary shares in Westoz Investment Company Limited by WAM Capital Limited

Your Westoz Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Westoz Shareholders, you

VOTE IN FAVOUR

of the Proposed Transaction with

WAM Capital Limited

ACN 086 587 395

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Westoz Shareholders, in the absence of a Superior Proposal.

This is an important document and requires your prompt attention. You should read it in its entirety before you decide how to vote on the Scheme. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

Legal Adviser to Westoz

Legal Adviser to WAM Capital

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Important Information

This Scheme Booklet contains important information

The purpose of this Scheme Booklet is to explain the terms of the Scheme, the manner in which the Scheme will be considered and implemented (if the Scheme Conditions are satisfied), and to provide such information as is prescribed or otherwise material for Westoz Shareholders when deciding whether or not to vote in favour of the Scheme. This Scheme Booklet includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme. You should read this Scheme Booklet in its entirety before making a decision on whether or not to vote in favour of the Scheme.

Investment decisions

This Scheme Booklet is for Westoz Shareholders collectively and does not take into account an individual's investment objectives, financial situation, taxation position or other particular needs.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme, Westoz Shares or New WAM Capital Shares. If you are in any doubt about what you should do, you should seek independent legal, financial or other professional advice before making any investment decision in relation to the Scheme.

Responsibility for information

The information concerning Westoz contained in this Scheme Booklet, including financial information and information as to the views and recommendations of the Westoz Directors, has been provided by Westoz and is the responsibility of Westoz. Neither WAM Capital, nor any WAM Capital officers, nor its advisers, nor the advisers of Westoz assume any responsibility for the accuracy or completeness of that information.

The WAM Capital Information has been provided by WAM Capital and is the responsibility of WAM Capital. Neither Westoz, nor any Westoz officers, nor its advisers, nor the advisers of WAM Capital assume any responsibility for the accuracy or completeness of that information.

BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045 and Australian Financial Services Licence No. 316 158) (**BDO**) has prepared the Independent Expert's Report set out in Annexure A of this Scheme Booklet and takes responsibility for that report. WAM Capital, Westoz and their respective advisers (except for BDO) do not assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

The information regarding the Australian taxation implications of the Scheme contained in Section 12 of this Scheme Booklet is general in nature only. WAM Capital, WAM Capital Directors, Westoz, Westoz Directors and their respective advisers do not assume any responsibility for the accuracy or completeness of the information set out in Section 12 of this Scheme Booklet.

Role of ASIC, ASX, and the Court

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and lodged with, and registered by, ASIC under section 412(6) of the Corporations Act. Westoz has requested ASIC provides statements, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides those statements, they will be produced to the Court on the Second Court Date.

A copy of this Scheme Booklet has been lodged with ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure D.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any Westoz Shareholder may appear at the Second Court Hearing, expected to be held at 10:00am (WST) on 8 April 2022.

Any Westoz Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Westoz a notice of appearance in the prescribed form together with any affidavit that the Westoz Shareholder proposes to rely on.

The notice of appearance and affidavit must be served on Westoz at its address for service at least one day before the Second Court Hearing. The address for service is c/- Steinepreis Paganin, Level 4, The Read Buildings, 16 Milligan Street, Perth Western Australia 6000.

Important notice associated with Court order under section 411(1) of the Corporations Act

The Court is not responsible for the contents of this Scheme Booklet and the fact that under section 411(1) of the Corporations Act the Court ordered on 28 February 2022 that a meeting of Westoz Shareholders be convened by Westoz to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

(a) has formed any view as to the merits of the proposed Scheme or as to how Westoz Shareholders should vote (on this matter, Westoz Shareholders must reach their own decision); or

(b) has prepared, or is responsible for, the content of this Scheme Booklet.

Forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages expected to result from the Scheme are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Westoz, WAM Capital and/or the Combined Group to be materially different from future results, performance or achievements expressed or implied by such statements. The results, performance and achievements of Westoz, WAM Capital and/or the Combined Group and the change of a Scheme Shareholder's ownership of Westoz Shares and New WAM Capital Shares are subject to various risks that are summarised in Section 11 of this Scheme Booklet and that may be beyond the control of Westoz, WAM Capital and/or the Combined Group.

As a result, the actual results, performance or achievements of Westoz, WAM Capital and the Combined Group following implementation of the Scheme, as well as the actual advantages and disadvantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet reflect views only as of the date of this Scheme Booklet. None of Westoz, WAM Capital, the Westoz Directors or the WAM Capital Directors or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur and you are cautioned not to place undue reliance on such forward-looking statements.

All written and oral forward-looking statements attributable to Westoz or WAM Capital or any person acting on their behalf are qualified by this cautionary statement. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, neither Westoz nor WAM Capital give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

Ineligible Overseas Shareholders

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements that may be different to those applicable in other jurisdictions. Neither this Scheme Booklet nor the Scheme constitute or are intended to constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Scheme Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. WAM Capital and Westoz disclaim all liabilities to such persons.

No action has been taken to register or qualify the New WAM Capital Shares or otherwise permit a public offering of such securities in any jurisdiction outside Australia.

Restrictions in certain jurisdictions outside Australia may make it impractical or unlawful for New WAM Capital Shares to be issued under the Scheme to, or received under the Scheme by, Westoz Shareholders in those jurisdictions.

Any Westoz Shareholder whose address as shown in the Westoz Register on the Record Date is outside of Australia or its external territories will be an Ineligible Overseas Shareholder for the purposes of the Scheme, unless WAM Capital is satisfied, acting reasonably, that it is permitted to allot and issue New WAM Capital Shares to that Scheme Shareholder under the Scheme by the laws of that holder’s country of residence, either unconditionally or after compliance with conditions which WAM Capital in its sole discretion regards as acceptable and not unduly onerous or impracticable.

Ineligible Overseas Shareholders will not receive New WAM Capital Shares. Instead, all Ineligible Overseas Shareholders will have the New WAM Capital Shares that would otherwise have been issued to them under the Scheme issued to the Sale Agent, as nominee in trust for the Scheme Shareholders, for sale on market following implementation of the Scheme.

Nominees, custodians and other Scheme Shareholders who hold Westoz Shares on behalf of a beneficial owner resident in Australia or its external territories may forward this Scheme Booklet (or accompanying documents) to such beneficial shareholder but may not forward this Scheme Booklet to any person in any other country without the consent of WAM Capital.

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Privacy and entitlement to inspect Westoz Registers

Personal information may be collected by Westoz and WAM Capital in the process of implementing the Scheme. This information may include the name, contact details, security holding details of Westoz Shareholders, and the names of individuals appointed to act as proxy, attorney or corporate representative by a Westoz Shareholder at the Scheme Meeting. The primary purpose for collecting this personal information is to assist Westoz and WAM Capital to conduct the Scheme Meeting and implement the Scheme.

Any personal information collected may be disclosed to Westoz's and WAM Capital's respective share registries, advisers, print and mail service providers and related bodies to the extent necessary to effect the Scheme. Westoz Shareholders are entitled under section 173 of the Corporations Act to inspect and obtain copies of personal information collected. Westoz Shareholders should contact Computershare in the first instance if they wish to access their personal information.

Defined terms

Capitalised terms and certain other terms used in this Scheme Booklet are defined in the Glossary of defined terms in Section 17 of this Scheme Booklet.

The Independent Expert's Report set out in Annexure A has its own defined terms and those terms are sometimes different to the defined terms in the Glossary.

Currency

All references in this Scheme Booklet to "$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

Data in charts, graphs and tables

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

Implied Value

Any reference to the implied value of the Scheme Consideration should not be taken as an indication that Westoz Shareholders will receive cash. Westoz Shareholders should note that the implied value of the Scheme Consideration is not fixed and will change from time to time based on a ratio between the market price of WAM Capital Shares and the Westoz NTA, both of which can experience movements over time. This also applies to Ineligible Overseas Shareholders whose Scheme Consideration will be remitted to the Sale Agent to sell. The amount of Cash Proceeds received by Ineligible Overseas Shareholders will depend on the number of New WAM Capital Shares remitted to the Sale Agent on their behalf and the market price and available volume of WAM Capital Shares at the time of sale by the Sale Agent.

External websites

Unless expressly stated otherwise, the content of the websites of WAM Capital and Westoz do not form part of this Scheme Booklet and Westoz Shareholders should not rely on any such content.

Reference to time

All references in this document to time relate to Australian Western Standard Time (WST) being the time in Perth, Western Australia, unless otherwise specified.

Date of this document

This document is dated 28 February 2022.

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1. Important dates and times

Key events and the expected timing in relation to the approval and implementation of the Scheme are set out in the table below.

Event	Date
First Court Date – this is the date the Court made orders convening the Scheme Meeting	10:00am (WST) on 28 February 2022
Scheme Consideration Calculation Date	31 March 2022
Latest time and date for lodgement of completed proxy forms for the Scheme Meeting	10:00am (WST) on 2 April 2022
Time and date for determining eligibility to attend and vote at the Scheme Meeting	10:00am (WST) on 2 April 2022
Scheme Meeting to be held at virtually (online only) *Westoz Shareholders will be able to participate in the Scheme Meeting, vote and ask questions, from smartphones, tablets or desktop devices through an online platform, details of which are set out in Section 5.2.*	10:00am (WST) on 4 April 2022
Announcement of the Scheme Consideration to the ASX[1]	No later than 6 April 2022
If the Scheme is approved by the Requisite Majorities of Westoz Shareholders, the expected timetable for implementing the Scheme is:	
Second Court Date for approval of the Scheme *Westoz to tell ASX of its intention to lodge the court order with ASIC on the next Business Day*	10:00am (WST) 8 April 2022
Effective Date of the Scheme and last day of trading of Westoz Shares on ASX *Westoz to lodge the court order with ASIC and tell ASX*	11 April 2022
Suspension of trading of Westoz Shares on ASX	Close of trading on 11 April 2022
Commencement of trading of New WAM Capital Shares on ASX on a deferred settlement basis	12 April 2022
Record Date for determining entitlements to the Scheme Consideration[2]	13 April 2022
Implementation Date for the issue of Scheme Consideration to Scheme Shareholders	21 April 2022
Commencement of trading of New WAM Capital Shares on ASX on a normal settlement basis	22 April 2022
Termination of official quotation of Westoz Shares on ASX	22 April 2022 (or as otherwise determined by ASX)

The above dates and times are indicative only and, amongst other things, are subject to the time at which each Scheme Condition is satisfied and the dates on which all necessary Court

[1] Refer to Section 14.4 for further details.

[2] The Scheme Consideration is subject to rounding for fractional entitlements. Ineligible Overseas Shareholders will not be entitled to receive any New WAM Capital Shares and will instead receive Cash Proceeds from the sale by the Sale Agent of the New WAM Capital Shares which an Ineligible Overseas Shareholder would otherwise have been entitled to receive.

and regulatory approvals are obtained. Westoz has the right to vary any or all of these dates and times, subject to the approval of such variation by ASX, the Court and WAM Capital, where required.

Any variation to the above dates and times will be announced to ASX (and accordingly, details of any variations will be available on ASX's website (www.asx.com.au)) and will be published on Westoz's website (https://westozfunds.com.au/westoz-investment-company-limited/).

The exact number of New WAM Capital Shares to be issued to you will not be confirmed until you receive your holding statement following the Implementation Date. It is your responsibility to confirm your holding of New WAM Capital Shares before you trade them to avoid the risk of committing to sell more than will be issued to you.

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2. Scheme Highlights

2.1 What is the proposal?

WAM Capital Limited (**WAM Capital**) has made a proposal to acquire all of the Shares in Westoz Investment Company Limited (**Westoz**) by way of the Scheme.

WAM Capital and Westoz have agreed to implement the Scheme proposal under a procedure set out in the Corporations Act called a scheme of arrangement. This is a Court-supervised process under which Westoz Shareholders have the opportunity to vote for or against the proposed Scheme (or abstain from voting) and if the Scheme is approved by the Court then the Scheme will be binding on Westoz and Westoz Shareholders (including Westoz Shareholders who vote against the Scheme, abstain from voting at or do not attend the Scheme Meeting).

The Scheme Meeting to consider the Scheme will be held **virtually (online only) at 10:00am (WST) on 4 April 2022.**

Westoz Shareholders will be able to participate in the Scheme Meeting, vote and ask questions, from smartphones, tablets or desktop devices through an online platform, details of which are set out in Section 5.2.

If the Scheme is approved by the requisite majorities of Westoz Shareholders and by the Court, subject to satisfaction or waiver of the Scheme Conditions WAM Capital will acquire all of the Westoz Shares in exchange for New WAM Capital Shares to be issued as the Scheme Consideration.

The number of New WAM Capital Shares to be offered for each Westoz Share will be determined by a formula, based on the ratio of the volume weighted average price of WAM Capital Shares (**WAM Capital VWAP**) on the Calculation Date and a 7.5% premium to the Westoz NTA on the Calculation Date. The Calculation Date for this ratio is 31 March 2022, or such other time as the parties agree in writing. It is a condition precedent that at the Calculation Date, the Westoz NTA has not fallen more than 10% compared to the Westoz NTA announced on the ASX on 22 December 2021 (being $1.35 per share) and the WAM Capital Share Price Premium is between 12.5% and 25.0% on the Calculation Date.

Westoz and WAM Capital also intend that all Westoz Shareholders receiving New WAM Capital Shares under the Scheme will be eligible to receive the WAM Capital FY2022 7.75 cents per share fully franked interim dividend announced by WAM Capital on 4 February 2022. It is a condition of the Scheme that Westoz will not pay an interim dividend and consequently the dividend target for Westoz has been withdrawn.

If the Scheme is not approved by the requisite majorities of Westoz Shareholders at the Scheme Meeting or by the Court at the Second Court Hearing, the Proposed Transaction will not proceed and Westoz will continue to operate as a stand-alone entity, listed on ASX.

WAM Capital and Ozgrowth Limited (ASX: OZG) are proposing to enter into a similar transaction to the Proposed Transaction. The Proposed Transaction is independent of that transaction and the two are not inter-conditional. The Proposed Transaction will proceed whether or not the transaction between WAM Capital and Ozgrowth Limited proceeds and vice versa.

2.2 Reasons to vote in favour of or against the Scheme

1.	The Westoz Directors have unanimously recommended that Westoz Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Westoz Shareholders and, subject to the same qualifications, intend on voting all Westoz Shares held or controlled by or for them in favour of the Scheme

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2.	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Westoz Shareholders, in the absence of a Superior Proposal.
3.	No Superior Proposal has emerged as at the date of this Scheme Booklet and the Westoz Board is not aware of any Superior Proposal.
4.	The trading price of Westoz Shares may fall in the near future should the Scheme not be implemented and in the absence of a Superior Proposal.
5.	No brokerage will be payable on the transfer of your Westoz Shares under the Scheme.
6.	If the Scheme does not proceed, Westoz Shareholders will continue to be exposed to risks associated with an investment in Westoz, including the potential for the market price of Westoz Shares to be less than the underlying asset value and lower liquidity of any holding.
7.	As outlined in Section 7.1(g), the Scheme Consideration represents an attractive premium over the trading prices of Westoz Shares prior to the Announcement Date.
8.	The consideration available under the Scheme allows existing Westoz Shareholders to participate in and benefit from the combination of the companies. The Combined Group is expected to benefit from corporate and operating synergies with cost reductions across legal and accounting services, investor relations and compliance and the removal of duplication of expenses such as ASX listing fees, share registry fees, audit fees, compliance costs and other public listed company costs.
9.	Westoz and WAM Capital also intend that all Westoz Shareholders receiving New WAM Capital Shares under the Scheme will be eligible to receive the WAM Capital FY2022 7.75 cents per share fully franked interim dividend announced by WAM Capital on 4 February 2022.
10.	No termination fee is payable to WFM by Westoz if the Scheme is implemented.
11.	Scheme Shareholders may be eligible for CGT rollover relief.

These reasons are discussed in more detail in Section 7.1.

2.3 Reasons why you may choose to vote against the Scheme

1.	The exact value of the Scheme Consideration upon implementation of the Scheme is not certain.
2.	You may disagree with the opinion of the Independent Expert and the recommendation of the Westoz Directors.
3.	Your percentage interest in the Combined Group will be less than your current interest in Westoz.
4.	If the Scheme is implemented you will no longer be a shareholder of Westoz, Westoz Funds Management will cease to be the investment manager of Westoz and you will not have access to the Westoz Funds Management investment style.
5.	You may consider that there is the potential for a Superior Proposal to emerge for Westoz in the foreseeable future.
6.	A performance fee may be payable to WAM Capital in circumstances where no fee would be payable under current management arrangements.

7.	A termination fee is payable under the WAM Capital Management Agreement in the unlikely event that the WAM Capital Management Agreement is terminated by the Combined Group.
8.	The tax consequences of the Scheme may not suit your current financial position.

These reasons are discussed in more detail in Section 7.2.

2.4 Independent Expert's conclusion

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Westoz Shareholders, in the absence of a Superior Proposal.

The Westoz Directors unanimously recommend that, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that the Scheme is in the best interests of Westoz Shareholders, Westoz Shareholders vote in favour of the Scheme.

Before making a decision about the Scheme, Westoz Shareholders should read this Scheme Booklet in its entirety and if you are in doubt about what action you should take, contact your financial, legal, taxation or other professional adviser.

2.5 Other relevant considerations

(a) **The exact value of the Scheme Consideration upon implementation of the Scheme is not certain**

The exact value of the Scheme Consideration that would be realised by individual Westoz Shareholders upon implementation of the Scheme is not certain, as it will depend on the ratio of the WAM Capital Shares VWAP on the Calculation Date and a 7.5% premium to the Westoz NTA on the Calculation Date. The value of realising the New WAM Capital Shares once issued will depend on the market price at which they trade on ASX at the relevant time.

The ratio for the Scheme Consideration will be determined as at the Calculation Date (31 March 2022) and will be announced to the ASX by no later than 6 April 2022. It is a condition precedent that at the Calculation Date, the Westoz NTA has not fallen more than 10% compared to the Westoz NTA announced on the ASX on 22 December 2021 (being $1.35 per share) and the WAM Capital share price premium to NTA remaining between 12.5% and 25.0%.

The Scheme Consideration will be calculated using the formula disclosed in this Scheme Booklet, and illustrative worked examples have been provided at Section 7.1(g) to assist Westoz Shareholders in understanding how this formula will be applied.

During the period from the date of this Scheme Booklet until the Scheme Meeting, Westoz will announce to the ASX on a weekly basis an indicative calculation of the Scheme Consideration based on the then prevailing Westoz NTA and 1-day VWAP of WAM Capital at the same time as Westoz releases its weekly NTA update.

(b) **The Scheme is subject to conditions**

In addition to the need to obtain Westoz Shareholder approval by the Requisite Majorities and Court approval, the Scheme is subject to a number of other conditions. The Scheme Conditions are summarised in Section 13.5 and are set out in full in clause 3.1 of the Scheme Implementation Agreement.

All the Scheme Conditions need to be satisfied (or alternatively, waived, in the case of certain conditions that are capable of being waived) in order for the Scheme to proceed.

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The Westoz Board has reviewed the Scheme Conditions and does not consider them to be unduly onerous or inconsistent with market practice for a transaction of this nature.

As to the date of this Scheme Booklet, Westoz is not aware of any circumstances which would cause the Scheme Conditions not to be satisfied. An update as to the status of the Scheme Conditions will be provided at the Scheme Meeting.

(c) **The Scheme may be implemented even if you vote against it**

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme will be implemented if it is approved by the Requisite Majorities of Westoz Shareholders and the Court and if all of the other Scheme Conditions are satisfied or (if applicable) waived. If this occurs and you are a Westoz Shareholder on the Record Date, WAM Capital will acquire your Westoz Shares and you will receive the Scheme Consideration, even though you did not vote on, or voted against, the Scheme.

(d) **Costs**

Westoz has incurred significant costs in responding to WAM Capital's proposal to acquire Westoz Shares and negotiating that proposal to the point that it is capable of being submitted to Westoz Shareholders as the Scheme for their consideration. These costs include negotiating the Scheme Implementation Agreement, retaining professional advisers (including financial, legal and tax advisers), facilitating WAM Capital's access to due diligence, engaging the Independent Expert, considering regulatory matters and preparing this Scheme Booklet.

If the Scheme is implemented, Westoz's Transaction Costs (as defined in the Scheme Implementation Agreement) will be factored into the Westoz NTA calculations used to determine the Scheme Consideration (see Section 14 for further details about how these amounts will be calculated). If the Scheme is not implemented, Westoz will still incur total external costs of approximately $300,000 which will be paid in the 2022 financial year.

(e) **The exact value of the Scheme Consideration upon implementation of the Scheme is not certain**

The exact value of the Scheme Consideration that would be realised by individual Westoz Shareholders upon implementation of the Scheme is not certain, as it will depend on the ratio of the WAM Capital Shares VWAP on the Calculation Date and a 7.5% premium to the Westoz NTA on the Calculation Date. The value of realising the New WAM Capital Shares once issued will depend on the market price at which they trade on ASX at the relevant time.

The ratio for the Scheme Consideration will be determined as at the Calculation Date (31 March 2022) and will be announced to the ASX by no later than 6 April 2022. It is a condition precedent that at the Calculation Date, the Westoz NTA has not fallen more than 10% compared to the Westoz NTA announced on the ASX on 22 December 2021 (being $1.35 per share) and the WAM Capital share price premium to NTA remaining between 12.5% and 25.0%.

The Scheme Consideration will be calculated using the formula disclosed in this Scheme Booklet, and illustrative worked examples have been provided at Section 7.1(g) to assist Westoz Shareholders in understanding how this formula will be applied.

(f) **Warranties by Westoz Shareholders under the Scheme**

The effect of the Scheme is that all Scheme Shareholders, including those who vote against the Scheme and those who do not vote, will be deemed to have warranted

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to Westoz, both in their own right and for the benefit of WAM Capital, that, as at the Implementation Date, their Scheme Shares are fully paid and not subject to any of the encumbrances specified in the Scheme. The terms of the warranty are set out in clause 10.1 of the Scheme. The Scheme is set out in Annexure B.

You should ensure that these warranties can be given by you prior to, and remain correct as at, the Implementation Date.

2.6 What you should do next:

(a) **Step 1: Read this document in full**

You should read and carefully consider the information included in this Scheme Booklet in full to help you make an informed decision as to how to vote in relation to the Scheme. If you have any doubt as to what action you should take, please contact your financial, legal, taxation or other professional adviser immediately.

(b) **Step 2: Vote on the Scheme**

As a Westoz Shareholder, it is your right to vote on whether the Scheme should be approved, and therefore, whether the Scheme should proceed. You should note that the Scheme is subject to the Scheme Conditions. Even if Westoz Shareholders approve the Scheme, it is possible that the Scheme will not be implemented if the other Scheme Conditions have not been satisfied or waived.

You can vote in person at the virtual Scheme Meeting (online only) scheduled for **10:00am (WST) on 4 April 2022**, or by returning a validly completed proxy voting form by not later than **10:00am (WST) on 2 April 2022**. Full details of how to vote are set out in Section 5.

For further information

If you have any questions after reading this document, please call the Company Secretary of Westoz, Anthony Hewett on +61 8 9321 7877 between 7.00 am and 3.00 pm (WST), Monday to Friday.

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3. Letter from Westoz

28 February 2022

Dear Westoz Shareholder

On behalf of the board of Westoz, I am pleased to present you with the opportunity to consider and vote on the Scheme outlined in this Scheme Booklet.

On 23 December 2021, Westoz Investment Company Limited (ASX:WIC) and WAM Capital Limited (ASX:WAM) announced that they had entered into a Scheme Implementation Agreement in relation to WAM Capital's proposed acquisition of Westoz (**Proposed Transaction**).

The Proposed Transaction will be conducted through a scheme of arrangement between Westoz and the Westoz Shareholders. Scheme Shareholders (other than Ineligible Overseas Shareholders) will receive New WAM Capital Shares as the Scheme Consideration.

The number of New WAM Capital Shares to be offered for each Westoz Share will be determined by a formula, based on the ratio of the WAM Capital VWAP on the Calculation Date and a 7.5% premium to the Westoz NTA.

Westoz and WAM Capital also intend that all Westoz Shareholders receiving New WAM Capital Shares under the Scheme will be eligible to receive the WAM Capital FY2022 7.75 cents per share fully franked interim dividend announced by WAM Capital on 4 February 2022.[3] It is a condition of the Scheme that Westoz will not pay an interim dividend and consequently the dividend target for Westoz has been withdrawn.

Westoz Shareholders should be aware that the exact value of the Scheme Consideration is not known at the date of this Scheme Booklet. The ratio for the Scheme Consideration will be determined as at the Calculation Date (expected to be 31 March 2022) and will be announced to the ASX by no later than 6 April 2022. The value of New WAM Capital Shares issued as Scheme Consideration will fluctuate with their share price from time to time.

It is a condition precedent that at the Calculation Date, the Westoz NTA has not fallen more than 10% compared to the Westoz NTA announced on the ASX on 22 December 2021 (being $1.35 per share) and the WAM Capital Share Price Premium is between 12.5% and 25.0%. The Scheme Consideration will be calculated using the formula disclosed in this Scheme Booklet, and illustrative worked examples have been provided (see Section 7.1(g)) to assist Westoz Shareholders to understand how this formula will be applied.

This formula is based on the WAM Capital VWAP and the Westoz NTA at a future point in time as well as other inputs disclosed in this Scheme Booklet. There is a risk that the value of the Scheme Consideration on the Implementation Date will be lower than at the time you vote on the Scheme. During the period from the date of this Scheme Booklet until the Scheme Meeting, Westoz will announce to the ASX on a weekly basis an indicative calculation of the Scheme Consideration based on the then prevailing Westoz NTA and 1-day VWAP of WAM Capital at the same time as Westoz releases its weekly NTA update.

Recommendation of Westoz Directors

The Westoz Directors have considered the advantages and disadvantages of the Scheme and concluded that the Scheme is in the best interests of Westoz Shareholders.

The Westoz Directors recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Westoz Shareholders. Subject to those same qualifications, each Westoz Director intends to vote all of the Westoz Shares held or controlled by them in favour of the Scheme.

In reaching their recommendation, the Westoz Directors considered a number of factors, including that:

[3] Further information on the WAM Capital FY2022 fully franked interim dividend, and Westoz Shareholders' ability to receive this, is set out in Section 13.14.

- the Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Westoz Shareholders, in the absence of a Superior Proposal;
- no Superior Proposal has emerged as at the date of this Scheme Booklet and the Westoz Board is not aware of any Superior Proposal;
- the trading price of Westoz Shares may fall in the near future should the Scheme not be implemented and in the absence of a Superior Proposal;
- no brokerage will be payable on the transfer of your Westoz Shares under the Scheme;
- as outlined in Section 7.1(g), the Scheme Consideration represents an attractive premium over the trading prices of Westoz Shares prior to the Announcement Date;
- the consideration available under the Scheme allows existing Westoz Shareholders to participate in and benefit from the combined synergies of the companies. The Combined Group is expected to benefit from corporate and operating synergies with cost reductions across legal and accounting services, investor relations and compliance and the removal of duplication of expenses such as ASX listing fees, share registry fees, audit fees, compliance costs and other public listed company costs;
- Westoz and WAM Capital also intend that all Westoz Shareholders receiving New WAM Capital Shares under the Scheme will be eligible to receive the value of the WAM Capital FY2022 7.75 cents per share fully franked interim dividend announced by WAM Capital on 4 February 2022[4];
- no termination fee is payable to WFM by Westoz if the Scheme is implemented; and
- Scheme Shareholders may be eligible for CGT rollover relief.

These key reasons to vote in favour of the Scheme are set out in further detail in Section 7.1 of this Scheme Booklet.

There are also reasons why you may choose to vote against the Scheme, including that:

- you may disagree with the opinion of the Independent Expert and the recommendation of the Westoz Directors;
- your percentage interest in the Combined Group will be less than your current interest in Westoz;
- If the Scheme is implemented you will no longer be a shareholder of Westoz, Westoz Funds Management will cease to be the investment manager of Westoz and you will not have access to the Westoz Funds Management investment style;
- the exact value of the Scheme Consideration upon implementation of the Scheme is not certain;
- a performance fee may be payable to WAM Capital in circumstances where no fee would be payable under current management arrangements;
- a termination fee is payable under the WAM Capital Management Agreement in the unlikely event that the WAM Capital Management Agreement is terminated by the Combined Group; and
- the tax consequences of the Scheme may not suit your current financial position.

These reasons why you may choose to vote against the Scheme are set out in further detail in Section 7.2 of this Scheme Booklet.

[4] Further information on the WAM Capital FY2022 fully franked interim dividend, and Westoz Shareholders' ability to receive this, is set out in Section 13.14.

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Your vote is important

The Scheme requires the agreement by the Requisite Majorities of Westoz Shareholders and the approval of the Court in order to proceed. The virtual Scheme Meeting will be held at 10:00am (WST) on 4 April 2022.

Westoz Shareholders will be able to participate in the virtual Scheme Meeting, vote and ask questions, from smartphones, tablets or desktop devices through an online platform, details of which are set out in Section 5.2.

Your vote is important regardless of how many Westoz Shares you own. If you are unable to attend the virtual Scheme Meeting, we encourage you to vote by completing and returning your personalised Proxy Form enclosed with this Scheme Booklet in accordance with the directions on that form. Further information regarding the Scheme Meeting and details of how to vote are set out in Section 5 of this Scheme Booklet and in the notice convening the Scheme Meeting in Annexure D.

Before making a decision about the Scheme, you should read this Scheme Booklet in its entirety (including the Independent Expert's Report) and if you are in doubt about what action you should take, contact your legal, financial or other professional adviser.

Yours sincerely

Jay Hughes

Non-Executive Chairman

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4. Letter from WAM Capital

Dear Westoz Shareholders

We are pleased to have worked with the Westoz Directors to deliver this merger of Westoz Investment Company Limited and WAM Capital Limited for Westoz Shareholders.

The WAM Capital Board believes the Scheme will result in a superior merged entity that will deliver the significant benefits to shareholders that Chairman Jay Hughes has detailed in his letter, and leverage Wilson Asset Management's proven investment strategy and shareholder engagement.

Westoz and WAM Capital intend that all Westoz Shareholders receiving New WAM Capital Shares under the Scheme will be eligible to receive the WAM Capital FY2022 7.75 cents per share fully franked interim dividend, payable on 17 June 2022.

We look forward to welcoming Westoz Shareholders to the Wilson Asset Management family following the successful integration of Westoz with WAM Capital in April 2022.

I encourage you to read the Scheme Booklet carefully and vote for the merger of Westoz and WAM Capital.

If you have any questions, please call the Company Secretary of Westoz, Anthony Hewett on +61 8 9321 7877 between 7.00 am and 3.00 pm (WST), Monday to Friday. Alternatively, contact your financial, legal, taxation or other professional adviser.

Yours faithfully,

Geoff Wilson

Chairman

WAM Capital Limited

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5. Details of the Scheme Meeting and How to Vote

5.1 Next Steps

You should read and carefully consider the information included in this Scheme Booklet in full to help you make an informed decision as to how to vote in relation to the Scheme.

For further information in relation to the Scheme, please contact the Company Secretary of Westoz, Anthony Hewett, on +61 8 9321 7877 between 7.00 am and 3.00 pm (WST), Monday to Friday.

If you have any doubt as to what action you should take, please contact your financial, legal, taxation or other professional adviser immediately.

5.2 Voting at the Scheme Meeting

As a Westoz Shareholder, it is your right to vote on whether the Scheme should be approved, and therefore, whether the Scheme should proceed.

You should note that the Scheme is subject to the Scheme Conditions. Even if Westoz Shareholders approve the Scheme, it is possible that the Scheme will not be implemented if the Scheme Conditions have not been satisfied or (if applicable) waived.

The Scheme Meeting will be held virtually at 10:00am (WST) on 4 April 2022.

For instructions on how to participate online please view the online meeting user guide at http://www.computershare.com.au/virtualmeetingguide.

Westoz Shareholders will be able to participate in the virtual Scheme Meeting, vote and ask questions, from smartphones, tablets or desktop devices through an online platform, details of which are set out below.

For the Scheme to be implemented, it is necessary that the Requisite Majorities of Westoz Shareholders vote in favour of the resolution to approve the Scheme at the Scheme Meeting.

Westoz Shareholders may vote at the virtual Scheme Meeting either by attending the virtual Scheme Meeting, or by proxy, attorney or, in the case of a corporation, by corporate representative.

Voting at the Scheme Meeting will be by poll.

Details on how to vote are set out briefly in the table below. Further details are set out in the Notice of Scheme Meeting (attached at Annexure D).

Means	Voting instructions
Participating in the Scheme Meeting virtually	If you wish to vote in person, you may attend the virtual Scheme Meeting commencing at **10:00am (WST) on 4 April 2022.** *To participate in the meeting, you can log in by entering the following URL https://meetnow.global/MHCSQNQ on your computer, tablet or smartphone.* *Online registration will open 30 minutes before the meeting.* *To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.* *To participate in the meeting online follow the instructions below.*

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Means	Voting instructions
	1. Click on 'Join Meeting Now'. *2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 three hours prior to the meeting to obtain their login details.* *3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.* *4. Accept the Terms and Conditions and 'Click Continue'.* Westoz Shareholders and their proxies will be able to ask questions and vote on the resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the chair during the Scheme Meeting. For instructions on how to participate online please view the online meeting user guide at http://www.computershare.com.au/virtualmeetingguide.
By Proxy	To appoint a proxy to vote on your behalf in respect of the Scheme, you can complete the enclosed personalised Proxy Form in accordance with the instructions and return it to Computershare in the envelope enclosed. Alternatively, you can lodge your proxy online in accordance with the instructions on the Proxy Form. If your proxy is signed by an attorney, please also enclose the authority under which the proxy is signed (or a certified copy of the authority). A proxy may be an individual or a body corporate. Proxy Forms and powers of attorney must be received by the Westoz Registry by no later than 10:00am (WST) on 2 April 2022 (or if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting). Proxy Forms and powers of attorney received after this time will not be valid. Accordingly, you should ensure that it is posted, delivered or lodged online in sufficient time for it to be received by Computershare by that time. If you are entitled to cast two or more votes, you may appoint two proxies. You may specify the proportion or the number of votes that each proxy is appointed to exercise. If numbers or proportions of votes are not specified, each proxy may exercise half of the votes you are entitled to cast. Fractions of votes will be disregarded. If you hold Westoz Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the Proxy Form. Appointing a proxy will not preclude you from attending the virtual Scheme Meeting and voting at the virtual Scheme Meeting instead of your proxy. In this scenario the appointment of your proxy is not revoked but your proxy must not speak or vote at the meeting while you are so present.
By Power of Attorney	Your vote may be cast by a duly authorised attorney. An attorney need not be a Westoz Shareholder. If you intend to appoint an attorney to attend the Scheme Meeting and vote on your behalf, you may do so by providing a power of attorney duly executed by you in the presence of at least one witness, and specifying your name, the company (that is, Westoz), and the attorney, and also specify the meeting at which the appointment may be used. The appointment may be a standing one. The original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed must be received by Computershare by no later than 10:00am (WST) on 2 April 2022.

Means	Voting instructions
	The power of attorney must be delivered by posting it in the envelope provided (for use in Australia) in accordance with the instructions set out in the Proxy Form. Your appointment of an attorney does not preclude you from attending and voting at the Scheme Meeting. The appointment of your attorney is not revoked merely by your attendance and taking part in the Scheme Meeting, but if you vote on a resolution, the attorney is not entitled to vote, and must not vote, as your attorney on that resolution.
By Corporate Representative	A Westoz Shareholder or proxy that is a body corporate may appoint an individual to act as its representative at the Scheme Meeting. To vote by corporate representative at the Scheme Meeting, a corporate Westoz Shareholder or proxy should obtain an "Appointment of Corporate Representative" form from Computershare and complete that form in accordance with its instructions. Corporate representative appointment forms should be provided to Computershare by no later than 10:00am (WST) on 2 April 2022.
Further Information	For further information, please contact the Company Secretary of Westoz, Anthony Hewett, on +61 8 9321 7877 between 7.00 am and 3.00 pm (WST), Monday to Friday.

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6. Frequently asked questions

This Section provides summary answers to some basic questions that Westoz Shareholders may have in relation to the Scheme. This Section should be read in conjunction with the whole Scheme Booklet.

What is the Scheme?	A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Scheme is a scheme of arrangement under the Corporations Act between Westoz and Westoz Shareholders, pursuant to which Westoz is asking Westoz Shareholders to consider and vote on a proposal that WAM Capital will acquire all the Westoz Shares held by Westoz Shareholders as at the Record Date (3:00pm (WST) on 13 April 2022) in exchange for the Scheme Consideration. The Scheme Consideration comprises New WAM Capital Shares which will trade on the ASX. Ineligible Overseas Shareholders will receive Cash Proceeds instead of New WAM Capital Shares as set out in Sections 14.8 and 14.9. The number of New WAM Capital Shares to be offered for each Westoz Share will be determined by a formula, based on the ratio of the WAM Capital VWAP on the Calculation Date and a 7.5% premium to the Westoz NTA. The indicative Calculation Date for this ratio is 31 March 2022 or such other date as the parties agree. It is a condition precedent that at the Calculation Date, the Westoz NTA has not fallen more than 10% compared to the Westoz NTA announced on the ASX on 22 December 2021 (being $1.35 per share) and the WAM Capital Share Price Premium is between 12.5% and 25.0%. See further the answers to the questions below, *"What will I receive if the Scheme is implemented?"*, and *"What if I am an Ineligible Overseas Shareholder?"*. *Refer to Section 14 for further information*.
What is the effect of the Scheme?	If the Scheme is approved and implemented: • all Westoz Shares will be transferred to WAM Capital; • Westoz will become a wholly owned subsidiary of WAM Capital, change its name and will be delisted from the ASX; • all Scheme Shareholders (other than Ineligible Overseas Shareholders) will receive the Scheme Consideration irrespective of whether they voted for or against the Scheme, abstained from voting or attended the Scheme Meeting at all; and • Ineligible Overseas Shareholders will receive Cash Proceeds instead of New WAM Capital Shares as their Scheme Consideration irrespective of whether they voted for or against the Scheme. *Refer to Sections 13.12, 13.13 and 14 for further information*.
Who is WAM Capital?	WAM Capital Limited (ASX: WAM) is a listed investment company (**LIC**) managed by Wilson Asset Management. Listed in August 1999, WAM Capital provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small to medium sized businesses. WAM Capital's stated investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital. *Refer to Section 9 for further information.*

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Who is entitled to participate in the Scheme?	Westoz Shareholders on the Westoz Share Register as at 3:00pm (WST) on the Record Date are entitled to participate in the Scheme. If the Scheme is approved and implemented, Scheme Shareholders (other than Ineligible Overseas Shareholders) will receive New WAM Capital Shares as their Scheme Consideration. Ineligible Overseas Shareholders will not receive New WAM Capital Shares but will instead receive Cash Proceeds as their Scheme Consideration after their proportional share of brokerage and other costs are deducted from the Cash Proceeds. *Refer to Sections 13.2 and 14 for further information.*
What does the Independent Expert say about the Scheme?	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Westoz Shareholders, in the absence of a Superior Proposal. *The Independent Expert's Report is set out in Annexure A to this Scheme Booklet and you are encouraged to read it in full.*
What do the Westoz Directors recommend?	The Westoz Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Westoz Shareholders, Westoz Shareholders vote in favour of the Scheme. Each Westoz Director who holds or controls Westoz Shares intends to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Westoz Shareholders. *Refer to Sections 2.2 and 7.1 for further information on the reasons for the Westoz Directors' recommendation.*
What are the Scheme Conditions?	The Scheme Conditions are described in Section 13.5. The Scheme will only be implemented if, amongst other things: • the Requisite Majorities of Westoz Shareholders approve the Scheme; • the Court approves the Scheme; and • the remainder of the Scheme Conditions are satisfied or waived. At the date of this Scheme Booklet the Westoz Directors are not aware of any Scheme Condition that is likely to prevent the Scheme becoming Effective and the Proposed Transaction progressing. *Refer to Sections 13.5 and 13.6 for further information.*
What happens if one or more of the Scheme Conditions are not satisfied or waived?	The Scheme will not be implemented, and Westoz and WAM Capital will continue as separate entities, with each company bearing its own costs incurred as a result of the Proposed Transaction.
What happens if the Scheme does not proceed?	If the Scheme does not proceed: • you will not receive the Scheme Consideration; • Westoz will remain listed on the ASX; • you will keep your Westoz Shares and continue to participate in the potential benefits of, and continue to be exposed to the risks associated with, an investment in Westoz; and • the trading price of Westoz Shares may fall in the absence of a Superior Proposal.

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Under what scenarios can Westoz or WAM Capital terminate the transaction?	The Scheme Implementation Agreement provides for situations where either Westoz or WAM Capital have the right to terminate it and the Proposed Transaction. These include the Scheme not being approved by the Requisite Majorities of Westoz Shareholders, the Court refusing to approve the Scheme and if the remainder of the Scheme Conditions are not satisfied or waived by the relevant time. *Refer to Section 15.4 for further information.*
What will I receive if the Scheme is implemented?	Scheme Shareholders (other than Ineligible Overseas Shareholders) will receive New WAM Capital Shares as the Scheme Consideration. The number of New WAM Capital Shares to be offered for each Westoz Share will be determined by a formula, based on the ratio of the WAM Capital VWAP on the Calculation Date and a 7.5% premium to the Westoz NTA. The exact Scheme Consideration is not known at the date of this Scheme Booklet. The ratio for the Scheme Consideration will be determined as at the Calculation Date (expected to be 31 March 2022) and will be announced to the ASX by no later than 6 April 2022. It is a condition precedent that at the Calculation Date, the Westoz NTA has not fallen more than 10% compared to the Westoz NTA announced on the ASX on 22 December 2021 (being $1.35 per share) and the WAM Capital Share Price Premium is between 12.5% and 25.0%. The Scheme Consideration will be calculated using the formula disclosed in this Scheme Booklet, and illustrative worked examples have been provided (see Section 7.1(g)) to assist Westoz Shareholders to understand how this formula will be applied. This formula is based on the WAM Capital VWAP and the Westoz NTA at a future point in time as well as other inputs disclosed in this Scheme Booklet. There is a risk that the value of the Scheme Consideration on the Implementation Date will be lower than at the time you vote on the Scheme. During the period from the date of this Scheme Booklet until the Scheme Meeting, Westoz will announce to the ASX on a weekly basis an indicative calculation of the Scheme Consideration based on the then prevailing Westoz NTA and 1-day VWAP of WAM Capital at the same time as Westoz releases its weekly NTA update. If the Scheme becomes Effective, New WAM Capital Shares will be issued on the Implementation Date, which is expected to be 21 April 2022.
What if I am an Ineligible Overseas Shareholder?	New WAM Capital Shares will not be issued to Ineligible Overseas Shareholders under the Scheme. New WAM Capital Shares that would otherwise have been issued to Ineligible Overseas Shareholders will instead be issued to the Sale Agent who will then sell these shares on ASX, and Westoz will pay the Ineligible Overseas Shareholders their proportion of the Cash Proceeds received from that sale (net of costs including brokerage). *Refer to Section 14.8 for further information*.
Will I have to pay brokerage fees or stamp duty?	Scheme Shareholders will not be required to pay brokerage or stamp duty on the transfer of their Westoz Shares.

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	Brokerage fees will however be incurred by Ineligible Overseas Shareholders whose attributable New WAM Capital Shares will be issued to and sold by the Sale Agent, and the Cash Proceeds of the sale remitted to them (net of costs including brokerage). *Refer to Section 14.9 for further information*.
Can I sell my Westoz Shares now?	Westoz Shareholders may sell their Westoz Shares at the prevailing market price, on market at any time before the close of trading on ASX on the Effective Date, which is expected to be 2:00pm (WST) on 11 April 2022. If Westoz Shareholders sell their Westoz Shares before the Effective Date of the Scheme (the last day of trading in Westoz Shares before suspension) they will not receive New WAM Capital Shares. *Refer to the Scheme of Arrangement set out in Annexure B of this Scheme Booklet for further information.*
When can I start trading my New WAM Capital Shares on ASX?	Following the Scheme becoming Effective, trading on ASX of New WAM Capital Shares is expected to commence on a deferred settlement basis on market open on 12 April 2022. Following implementation of the Scheme, trading on ASX of New WAM Capital Shares is expected to commence on a normal settlement basis on market open on 22 April 2022.
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held virtually at 10:00am (WST) on 4 April 2022. Westoz Shareholders will be able to participate in the Scheme Meeting, vote and ask questions, from smartphones, tablets or desktop devices through an online platform, details of which are set out in Section 5.2. For instructions on how to participate online please view the online meeting user guide at http://www.computershare.com.au/virtualmeetingguide. *Refer to the Notice of Scheme Meeting set out in Annexure D of this Scheme Booklet for further information.*
Who is entitled to vote at the Scheme Meeting?	Westoz Shareholders who are recorded as members on the Westoz Share Register as at 10:00am (WST) on 2 April 2022, are entitled to vote at the Scheme Meeting. WAM Capital has advised Westoz that Wilson Asset Management Group members who hold Westoz Shares will abstain from voting on the Scheme at the Scheme Meeting. A confirmatory statement to that effect is made by WAM Capital in Section 9. *Refer to Sections 4 and 9.18 for further information.*
Is voting compulsory?	Voting is not compulsory. However, your vote is important in deciding whether the Scheme is approved. Westoz Shareholders are strongly encouraged to vote. Westoz Shareholders who cannot attend the virtual Scheme Meeting may complete and return the personalised Proxy Form (enclosed with this Scheme Booklet) or alternatively appoint a representative with a power of attorney. Westoz Shareholders will be able to participate in the Scheme Meeting, vote and ask questions, from smartphones, tablets or desktop devices through an online platform, details of which are set out in Section 5.2. *Refer to Section 5 for further information.*
What voting majorities are	For the Scheme to be approved by Westoz Shareholders, votes in favour of the Scheme must be received from:

required to approve the Scheme?	• a majority in number (more than 50%) of Westoz Shareholders present and voting at the Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate Westoz Shareholders, by corporate representative); and • Westoz Shareholders who together hold at least 75% of the total number of votes cast on the Scheme Resolution.
How do Westoz's substantial shareholders intend to vote?	As at the date of this Scheme Booklet, none of the Company's substantial shareholders has indicated to the Company how they intend to vote the Westoz Shares controlled by them at the Scheme Meeting. Should any of the substantial holders provide the Company with an intention statement following the date of this Scheme Booklet, this will be announced to ASX.
Will the Scheme be a taxable transaction for Australian tax purposes?	Section 12 provides a description of the general Australian tax consequences of the Scheme for certain Scheme Shareholders. You should consult with your own tax adviser regarding the consequences of disposing of Westoz Shares under the Scheme, in light of current tax laws and your particular personal circumstances. *Refer to Section 12 for further information*.
What will be the strategy of the Combined Group?	Westoz and WAM Capital are both listed investment companies. The Combined Group will continue to pursue investment activities, primarily investing in listed equities to achieve its stated objectives. *Refer to Section 9.22 for further information*.
What are the benefits of WAM Capital acquiring Westoz to form the Combined Group?	The Combined Group is expected to benefit from corporate and operating synergies with cost reductions across legal and accounting services, investor relations and compliance and the removal of duplication of expenses such as ASX listing fees, share registry fees, audit fees, compliance costs and other public listed company costs. *Refer to Section 2 for the reasons why Westoz Directors recommend that you vote in favour of the Scheme and Section 10.2 for further information.*
What will the Combined Group be called?	The Combined Group will operate under the name of WAM Capital Limited. If the Scheme is approved, the board of the Combined Group will consider as soon as practicable issues such as whether WAM Capital will form a tax consolidated group with Westoz and the management of the assets held within Westoz. Although the WAM Capital Board expects that all the assets of the Combined Group will be managed in a similar way to those of WAM Capital, the board of the Combined Group will only be able to make definitive decisions once it has all the necessary information available to it and upon implementation of the Scheme. *Refer to Section 9.22 for further information.*
What will the dividend policy of the Combined Group be?	The WAM Capital Board has a clear dividend policy in place for its shareholders. The WAM Capital Board is committed to paying a stream of fully franked dividends to shareholders, provided the Combined Group has sufficient profit reserves and franking credits and it is within prudent business practices. The Combined Group's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. *Refer to Section 9.22 for further information.*

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What other information is available?	For further information, contact the Company Secretary of Westoz, Anthony Hewett, on +61 8 9321 7877 between 7.00 am and 3.00 pm (WST), Monday to Friday. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

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7. Key Considerations Relevant to Your Vote

7.1 Key reasons to vote in favour of the Scheme

This Section summarises the key reasons why the Westoz Directors recommend that Westoz Shareholders vote in favour of the Scheme.

This Section should be read in conjunction with Sections 7.2, 7.3 and 11, which describe the disadvantages and risks associated with the Scheme, implications if the Scheme does not proceed and risk factors associated with an investment in New WAM Capital Shares.

(a) **The Westoz Directors unanimously recommend that Westoz Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Westoz Shareholders**

Before agreeing to implement the Scheme in accordance with the Scheme Implementation Agreement between WAM Capital and Westoz, the Westoz Directors considered:

(i) the advantages and disadvantages of the Scheme, as summarised in this Section;

(ii) the implications of the Scheme not being approved, as summarised in Section 7.3; and

(iii) the potential for alternative Superior Proposals to arise after the announcement of the Proposed Transaction between Westoz and WAM Capital. No Superior Proposal has emerged as at the Date of this Scheme Booklet.

The Westoz Directors consider that the Scheme will deliver greater benefits to Westoz Shareholders than any other alternative currently available, including Westoz continuing as a standalone entity.

The Westoz Directors consider that the reasons to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme. Therefore, the Westoz Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Westoz Shareholders, Westoz Shareholders vote in favour of the Scheme. Subject to those same qualifications, each Westoz Director intends to vote to approve the Scheme in respect of any Westoz Shares they own or control.

(b) **The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Westoz Shareholders, in the absence of a Superior Proposal**

BDO Corporate Finance (WA) Pty Ltd, as Independent Expert, has considered the terms of the Scheme and has concluded that the Scheme is fair and reasonable and therefore in the best interests of Westoz Shareholders, in the absence of a Superior Proposal.

The Scheme is considered fair because the Independent Expert has determined that the value of a Westoz Share (on a control basis) (being $1.341) falls within the lower range of the value of the Scheme Consideration (being a low of $1.300 and a high of $1.663).

The Scheme is considered reasonable by the Independent Expert because the position of Westoz Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. In addition, the Independent Expert

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also considered a range of other advantages Westoz Shareholders may wish to take into account in considering whether to approve the Scheme:

(i) the Scheme Consideration represents a significant premium over pre-announcement prices;

(ii) larger funds to spread operating and administrative costs across;

(iii) opportunity for Westoz Shareholders to realise their investments at a premium to pre-tax NTA;

(iv) the Scheme provides Westoz Shareholders with improved share market liquidity for their shares;

(v) no termination fee payable to the Manager; and

(vi) exposure to Wilson Asset Management expertise.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Westoz Directors recommend that Westoz Shareholders read the Independent Expert's Report in full.

(c) **No Superior Proposal has emerged as at the Date of this Scheme Booklet**

In deciding to recommend the Proposed Transaction, the Westoz Directors were cognisant of other potential alternatives to the Proposed Transaction which remain open for Westoz to consider if the Proposed Transaction does not proceed. However, in exploring alternatives, no Superior Proposals have emerged. It therefore remains the view of the Westoz Directors that it is unlikely that a Superior Proposal will transpire. However, any offer capable of acceptance will be considered and put to Westoz Shareholders should it emerge, subject to the terms of the Scheme Implementation Agreement.

(d) **The trading price of Westoz Shares may fall in the near future should the Scheme not be implemented and in the absence of a Superior Proposal**

If the Scheme is not implemented, Westoz Shares will remain quoted on the ASX and will continue to be subject to the risk factors in Sections 11.2, 11.3 and 11.4 including market volatility as a result of general stock market movements and the impact of general economic conditions in the markets in which Westoz operates. As such, if the Scheme is not implemented, it is possible that the price at which Westoz Shares trade will fall.

(e) **No brokerage will be payable on the transfer of your Westoz Shares under the Scheme.**

If the Scheme is implemented, Westoz Shareholders will be able to realise their investment in Westoz without incurring any brokerage costs.

(f) **If the Scheme does not proceed, Westoz Shareholders will continue to be exposed to risks associated with an investment in Westoz, including the potential for the market price of Westoz Shares to be less than the underlying asset value and lower liquidity of any holding**

The share price of Westoz has historically consistently traded at a discount to the underlying Westoz NTA and the liquidity of Westoz Shares has been less than that of WAM Capital. If the Scheme does not proceed, these conditions may recur.

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(g) **The implied value of the Scheme Consideration represents an attractive premium over the trading prices of Westoz Shares prior to the Announcement Date**

The implied value of the Scheme Consideration represents an attractive premium for Westoz Shareholders above trading levels before the Announcement Date.

The table below sets out the ratio for calculating the number of New WAM Capital Shares which would be issued to each Scheme Shareholder, based on the NTA per Westoz Share and the WAM Capital Shares closing share price as at 22 December 2021:

Assumptions	
Westoz 21 December 2021 NTA per share	$1.350
WAM Capital 21 December 2021 closing share price	$2.21
Scheme Consideration (WAM Capital Shares per Westoz Share)	***0.657***

The implied value of Scheme Consideration as at that date represents a premium of approximately:

(i) 20.6% to the closing price of Westoz Shares on that date;

(ii) 21.9% to the one-week VWAP of Westoz Shares up to that date; and

(iii) 22.6% to the one-month VWAP of Westoz Shares prior to that date.

Westoz Shareholders should note that the Scheme Consideration will change from time to time based on movements in the WAM Capital Share price, and movements in the Westoz NTA which are both inputs into the calculation of the Scheme Consideration ratio. The table below sets out the Scheme Consideration based on potential movements in WAM Capital's Share price and a Westoz NTA of $1.350 per share.

WAM Capital Share Price	Scheme Consideration (WAM Capital Shares per Westoz Share)
$2.00	0.726
$2.05	0.708
$2.10	0.691
$2.15	0.675
$2.20	0.660
$2.25	0.645
$2.30	0.631

During the period from the date of this Scheme Booklet until the Scheme Meeting, Westoz will announce to the ASX on a weekly basis an indicative calculation of the Scheme Consideration based on the then prevailing Westoz NTA and WAM Capital Share Price at the same time as Westoz releases its weekly NTA update.

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(h) **All-scrip consideration under the Scheme allows existing Westoz Shareholders to participate in and benefit from the combination of the companies**

The Combined Group is expected to benefit from corporate and operating synergies with cost reductions across legal, accounting, investor relations, and compliance and the removal of duplication of expenses such as ASX listing fees, share registry fees, audit fees, compliance costs and other public listed company costs.

(i) **Westoz and WAM Capital also intend that all Westoz Shareholders receiving New WAM Capital Shares under the Scheme will be eligible to receive the WAM Capital FY2022 7.75 cents per share fully franked interim dividend**

Further information on the WAM Capital FY2022 7.75 cents per share fully franked interim dividend, and Westoz Shareholders' ability to receive this, is set out in Section 13.14.

(j) **No termination fee is payable to WFM by Westoz if the Scheme is implemented.**

The current WFM Management Agreement does not contain a termination fee. It is a condition precedent of the Scheme that termination of the WFM Management Agreement is required. Analysis of similar transactions involving LICs have indicated that generally, a termination fee is payable to the previous investment manager of the fund. The absence of any termination fee payable is an advantage as this lowers the resultant transaction related costs to Westoz Shareholders.

(k) **Scheme Shareholders may be eligible for CGT rollover relief**

If the Scheme is implemented, Scheme Shareholders may benefit from Australian CGT rollover relief, provided they qualify. Notwithstanding, you are urged to seek professional taxation advice in relation to your own personal circumstances.

For further detail regarding the general Australian tax consequences of the Scheme, please refer to Section 12 of this Scheme Booklet. Taxation laws in Australia are complex and you are encouraged to read Section 12 carefully and seek independent professional advice about your individual circumstances.

7.2 Reasons why you may choose to vote against the Scheme

This Section summarises the potential disadvantages and risks to Westoz Shareholders if the Scheme becomes Effective and the Proposed Transaction occurs.

The Westoz Directors consider that these disadvantages and risks are out-weighed by the advantages of the Scheme (as set out in Section 7.1), and that the Scheme is in the best interests of Westoz Shareholders.

Further details of the following potential disadvantages and risks, and other potential risks, are set out in Section 11.

(a) **You may disagree with the recommendation by the Independent Expert and the Westoz Directors**

Notwithstanding the unanimous recommendation by the Westoz Directors, and the conclusion reached by the Independent Expert that the Scheme is fair and reasonable and therefore in the best interests of Westoz Shareholders, in the absence of a Superior Proposal, you may believe that the Scheme is not in your best interests or believe that the Scheme Consideration is inadequate.

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(b) **Your percentage interest in the Combined Group will be less than your current interest in Westoz**

Although the Proposed Transaction is expected to provide additional value through the combination of the two listed investment companies and their respective investment portfolios, given the proportional shareholding of Westoz Shareholders in the Combined Group (approximately 9%)[5], the larger portion of this value will flow to current WAM Capital Shareholders. However, while a larger share of the benefits will flow to WAM Capital's existing shareholders, in the absence of the Proposed Transaction, no value from synergies will arise for Westoz Shareholders.

(c) **If the Scheme is implemented you will no longer be a shareholder of Westoz, Westoz Funds Management will cease to be the investment manager of Westoz and you will not have access to the Westoz Funds Management investment style**

The risk profile and risk of investment for Westoz Shareholders will change and you may consider the risk profile and risk of investment of the Combined Group, which includes risks relating to both WAM Capital and Westoz, to be a disadvantage relative to that of Westoz as a standalone entity.

The results, performance and achievements of Westoz, WAM Capital and/or the Combined Group and the change of a Scheme Shareholder's ownership of Westoz Shares and New WAM Capital Shares are subject to various risks that are summarised in Section 11 of this Scheme Booklet and that may be beyond the control of Westoz, WAM Capital and/or the Combined Group.

(d) **You may consider that there is the potential for a Superior Proposal to emerge for Westoz in the foreseeable future**

You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. The implementation of the Proposed Transaction would mean that Westoz Shareholders would not be able to obtain the benefit of any such Superior Proposal. However, since the Announcement Date and up to the date of this Scheme Booklet, no Superior Proposal has been received, nor are the Westoz Directors aware of any such intention of a party to make such a proposal.

It is important to note that shareholders in the Combined Group will still have an opportunity to realise a control premium in the event of any future change of control transaction for the Combined Group.

(e) **The exact value of the Scheme Consideration upon implementation of the Scheme is not certain**

The exact value of the Scheme Consideration that would be realised by individual Westoz Shareholders upon implementation of the Scheme is not certain, as it will depend on the price at which the New WAM Capital Shares trade on ASX.

The Scheme Consideration comprises New WAM Capital Shares, with the ratio of New WAM Capital Shares to be issued in consideration for each Westoz Share held to be determined as at the Calculation Date. This exposes Westoz Shareholders to the risk that the effective value they receive for their Westoz Shares may move adversely from the market value of the Scheme Consideration on the date of the Scheme Meeting. Alternatively, if there is an increase in the relative price of WAM Capital Shares after implementation of the Scheme then the effective value they

[5] The 9% figure assumes the Combined Group has a total of 1,015,837,552 WAM Capital Shares on issue following implementation of the Scheme, that there are no Ineligible Overseas Shareholders and that WAM Capital does not acquire any Westoz Shares outside of the Scheme.

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receive for their Westoz Shares may move favourably from the market value of the Scheme Consideration on the date of the Scheme Meeting.

In addition, the Sale Agent will be issued the New WAM Capital Shares that would otherwise be issued to Ineligible Overseas Shareholders and will sell them on market as soon as reasonably practicable after the Implementation Date (refer to Sections 14.8 and 14.9). Although the quantum of these sales is expected to be limited, it is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period.

(f) **A performance fee may be payable to WAM Capital in circumstances where no fee would be payable under current management arrangements.**

As summarised in Sections 8.5 and 9.6, the managers of Westoz and WAM Capital are eligible to receive fees for the respective portfolio management services. The 20% performance fee that WAM Capital charges is calculated based on outperformance of the fund against the S&P/ASX All Ordinaries Accumulation Index (only if the value of the fund increased over that period). Westoz's 20% performance fee on the other hand, is calculated on outperformance over a 10% threshold.

This means that in a year where both funds grow by less than 10%, and WAM Capital manages to outperform its benchmark, a performance fee would be payable for shareholders in WAM Capital while no performance fee is payable for shareholders in Westoz. The reverse could also be true in a year when both funds grow by more than 10% but WAM Capital does not outperform its benchmark.

The following summarises fees structures and provides worked examples of performance fees under various scenarios:

	Westoz	WAM Capital
Management Fee	1.0% per annum (excl. GST)	1.0% per annum (excl. GST)
Performance Fee	20.0% (excl. GST)	20.0% (excl. GST)
Benchmark/Hurdle rate	10.0% hurdle rate.	Outperformance of the S&P/ASX All Ordinaries Accumulation Index. Where the S&P/ASX All Ordinaries Accumulation Index is negative, the performance fee is calculated on the positive investment portfolio performance only. Where the investment portfolio performance is negative, no performance fee is payable.
Recoupment of Prior Underperformance	No recoupment of prior underperformance.	No recoupment of prior underperformance.

Worked examples of performance fee scenarios:

	Westoz	WAM Capital
Worked example – Management Fees	In return for the performance of its duties WFM as Westoz's investment manager would be	In return for the performance of its duties the WAM Capital Investment Manager would be entitled to be paid

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	entitled to be paid a monthly Management Fee equal to approximately 0.083333% per month or 1% per annum (excl. GST) of the Value of the Portfolio (calculated on the last business day of each month and paid at the end of each month in arrears). As a worked example, assuming an initial Portfolio value of $100,000,000 at 1 July 2021, and nil performance return on the investment portfolio each month, the aggregate Management Fee payable on the value of the portfolio for the period 1 July 2021 to 30 June 2022 would be approximately $1,000,000 (excl. GST) or 1% of the initial Value of the Portfolio for the period. The Management Fee is to be paid to WFM regardless of the performance of Westoz. Management Fees would increase if the Portfolio value increases, and decreases if the Portfolio value decreases, over the period.	a monthly Management Fee equal to approximately 0.0833334% per month or 1% per annum (excl. GST) of the Value of the Portfolio (calculated on the last business day of each month and paid at the end of each month in arrears). As a worked example, assuming an initial Portfolio value of $100,000,000 at 1 July 2021, and nil performance return on the investment portfolio each month, the aggregate Management Fee payable on the value of the portfolio for the period 1 July 2021 to 30 June 2022 would be approximately $1,000,000 (excl. GST) or 1% of the initial Value of the Portfolio for the period. The Management Fee is to be paid to the WAM Capital Investment Manager regardless of the performance of WAM Capital. Management Fees would increase if the Portfolio value increases, and decreases if the Portfolio value decreases, over the period.
Worked example 1 – Performance Fee	In addition to the monthly Management Fee, WFM as Westoz's investment manager is entitled to be paid a Performance Fee of 20% (excl. GST) of the Portfolio's performance above 10%. The calculation of both the Management and Performance Fees are explained in full in section 8.5 As a worked example, assuming a Performance Calculation Period of 1 July 2021 to 30 June 2022, an initial Value of the Portfolio of $100,000,000, and a Value of the Portfolio at the end of the Performance Calculation Period 15% higher than at the beginning of $115,000,000, there would be a an aggregate outperformance of $5,000,000 and in this instance, a performance fee payable at 20% of this amount equating to $1,000,000 (excl. GST) for the Performance Calculation Period as the Portfolio has exceeded a 10% return.	In addition to the monthly Management Fee, the WAM Capital Investment Manager is entitled to be paid a Performance Fee of 20% (excl. GST) of the Portfolio's outperformance of the S&P/ASX All Ordinaries Accumulation Index or in circumstances where the S&P/ASX All Ordinaries Accumulation Index return is negative, the absolute performance of the Portfolio. The calculation of both the Management and Performance Fees are explained in full in section 9.6. As a worked example, assuming a Performance Calculation Period of 1 July 2021 to 30 June 2022, an initial Value of the Portfolio of $100,000,000, and a Value of the Portfolio at the end of the Performance Calculation Period 15% higher than at the beginning of $115,000,000: a) If the S&P/ASX All Ordinaries Accumulation Index return is 12% per annum for the Performance Calculation Period, there would be an aggregate outperformance of $3,000,000; and b) In this instance, there would be a performance fee payable at 20% of this amount equating to $600,000 (excl. GST) for the Performance Calculation Period

		as the Portfolio has outperformed the benchmark.
Worked example 2 – Performance Fee	As a worked example, assuming a Performance Calculation Period of 1 July 2022 to 30 June 2023, an initial Value of the Portfolio of $115,000,000, and a Value of the Portfolio at the end of the Performance Calculation Period that is 5% higher than at the beginning of $120,750,000, in this instance, there would be no performance fee payable for the Performance Calculation Period as the Portfolio has not exceeded a 10% return.	As a worked example, assuming a Performance Calculation Period of 1 July 2022 to 30 June 2023, an initial Value of the Portfolio of $115,000,000, and a Value of the Portfolio at the end of the Performance Calculation Period that is 5% higher than at the beginning of $120,750,000: a) If the S&P/ASX All Ordinaries Accumulation Index return is 10% per annum for the Performance Calculation Period, there would be an aggregate underperformance of $5,750,000; and b) In this instance, there would be no performance fee payable for the Performance Calculation Period as the Portfolio has underperformed the benchmark.
Worked example 3 – Performance Fee	As a worked example, assuming a Performance Calculation Period of 1 July 2022 to 30 June 2023, an initial Value of the Portfolio of $120,750,000, and a Value of the Portfolio at the end of the Performance Calculation Period that is 15% higher than at the beginning of $138,862,500, there would be an aggregate outperformance of $6,037,500; and in this instance, there would be a performance fee payable at 20% of this amount equating to $1,207,500 (excl. GST) for the Performance Calculation Period as the Portfolio has exceeded a 10% return.	As a worked example, assuming a Performance Calculation Period of 1 July 2022 to 30 June 2023, an initial Value of the Portfolio of $120,750,000, and a Value of the Portfolio at the end of the Performance Calculation Period that is 15% higher than at the beginning of $138,862,500: a) If the S&P/ASX All Ordinaries Accumulation Index return is 5% per annum for the Performance Calculation Period, there would be an aggregate outperformance of $12,075,000; and b) In this instance, there would be a performance fee payable at 20% of this amount equating to $2,415,000 (excl. GST) for the Performance Calculation Period as the Portfolio has outperformed the benchmark.
Worked example 4 – Performance Fee	As a worked example, assuming a Performance Calculation Period of 1 July 2021 to 30 June 2022, an initial Value of the Portfolio of $100,000,000, and a Value of the Portfolio at the end of the Performance Calculation Period that has not changed in value from the beginning being $100,000,00, in this instance, there would be no performance fee payable for the Performance Calculation Period as the Portfolio has not exceeded a 10% return.	As a worked example, assuming a Performance Calculation Period of 1 July 2021 to 30 June 2022, an initial Value of the Portfolio of $100,000,000, and a Value of the Portfolio at the end of the Performance Calculation Period that has not changed in value from the beginning being $100,000,000: a) If the S&P/ASX All Ordinaries Accumulation Index return is negative 10% per annum for the Performance Calculation Period, there would be an aggregate

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		outperformance of $10,000,000; and b) In this instance, although there has been outperformance against the benchmark, there would be no performance fee payable to the WAM Capital Investment Manager for the Performance Calculation Period as a performance fee is only payable on positive performance of the Portfolio.

(g) **A termination fee is payable under the WAM Capital Management Agreement**

Under the WAM Capital Management Agreement, WAM Capital may terminate Wilson Asset Management's role as the investment manager by giving Wilson Asset Management at least 3 months' written notice. If the WAM Capital Management Agreement is so terminated, WAM Capital must pay to Wilson Asset Management an additional fee equal to the aggregate fees paid to Wilson Asset Management in respect of the 3-month period up to the date of termination (equivalent to approximately 0.25% of the gross assets of WAM Capital). As discussed above, the WFM Management Agreement does not have a termination fee, therefore this is a disadvantage of approving the Scheme. However, WAM Capital has indicated that it is highly unlikely that it will terminate the WAM Capital Management Agreement, given the role of Wilson Asset Management as WAM Capital's investment manager since inception, and its role as investment manager broadly across the Wilson Asset Management Group.

(h) **The tax consequences of the Scheme may not suit your current financial position**

If the Scheme is implemented, you may incur a tax liability on the transfer of your Westoz Shares. Please refer to Section 12 for further information on the tax implications.

All Westoz Shareholders are strongly advised to seek independent professional tax advice about their particular circumstances including, for foreign tax resident Westoz Shareholders, the foreign tax consequences.

7.3 Implications if the Scheme is not implemented

This Section outlines potential implications for Westoz and Westoz Shareholders if the Scheme is not implemented.

(a) **You will not receive the Scheme Consideration**

Each Westoz Shareholder will retain their Westoz Shares and will not receive any New WAM Capital Shares.

(b) **Westoz will remain listed on ASX and continue to operate as a standalone entity**

If the Scheme is not implemented, Westoz will remain listed on ASX and will continue to run its business in the same manner in which it is currently operating. Westoz Shareholders will therefore continue to be exposed to the risks and benefits of owning Westoz Shares, including many of the risks set out in Section 11.

(c) **Transaction costs will be incurred**

If the Scheme is not implemented, Westoz will still be required to bear transaction costs of approximately $300,000.

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8. Profile of Westoz

This Section of the Scheme Booklet contains information in relation to Westoz as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

8.1 Introduction

Westoz Investment Company Limited (ASX:WIC) is an ASX listed investment company formed in 2005 and admitted to the official list of the ASX in 2009.

Westoz's portfolio is managed by Westoz Funds Management Pty Ltd (AFSL no. 285607), a 100% owned subsidiary of Euroz Hartleys Group Limited. Listed Securities and unlisted securities are held by Zero Nominees Pty Ltd as custodian. Zero Nominees Pty Ltd holds these securities as trustee under a bare trust arrangement for the benefit of Westoz.

Further information can be found at westozfunds.com.au/westoz-investment-company-limited/ and in the Independent Expert's Report.

8.2 Investment Objectives and Strategy

The Company's objective is to generate a positive return over the medium to long-term, regardless of the movements of the broader share market, from an actively managed portfolio of small cap to mid cap ASX listed investments, and provide shareholders with a consistent stream of dividends.

The Manager may invest in the following types of investments:

(a) Listed Securities and unlisted securities;

(b) rights to subscribe for or convert to securities (whether or not such rights are tradeable on a securities exchange);

(c) securities for the purpose of short selling;

(d) warrants or options to purchase any investment and warrants or options to sell any investment;

(e) discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;

(f) deposits with any bank;

(g) debentures, unsecured notes, loan stock, bonds, promissory notes, certificates of deposit, interest bearing accounts, certificates of indebtedness issued by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or any Australian government authority, or, if authorised by its Directors, a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;

(h) units or other interest in cash management trusts; and

(i) any other investment, or investment of a particular kind, approved by the Westoz Board in writing.

Analysis undertaken to select investments typically includes:

(a) an assessment of the past and projected revenue, costs and profits of the company;

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(b) the nature of the assets of the business and the appropriateness of assigned values;

(c) the mix between tangible and intangible assets;

(d) the cash flow profile of the business;

(e) the present value of the anticipated cash flow;

(f) the projected earnings and cash flow per share;

(g) an assessment of various parameters to determine an appropriate value, including rate of return on equity employed, price to earnings ratio, price to book value and the internal rate of return over the short, medium and long term;

(h) the amount of capital expenditure required (if any); and

(i) an assessment of the management team in place to deliver on the company's objectives.

Performance of the portfolio is generated from investments in suitable securities. However, diversification of holdings will be used to limit the risk where the actual performance of individual securities does not meet expectations. Risk control features of the Westoz portfolio include:

(a) no one stock will represent more than 20% of the total Westoz portfolio value at the time of acquisition;

(b) it is anticipated that the Westoz portfolio will consist of between 10 and 25 securities, although more or less may be held depending on the number of securities identified that are expected to meet the performance expectations;

(c) where suitable stocks can not be identified, the portfolio may invest in cash. Whilst unlikely over the medium term, the Westoz portfolio may consist from time to time of significant cash deposits;

(d) any short positions will not represent more than 20% of the total Westoz portfolio value; and

(e) leverage may be employed in the portfolio, but total exposure will not exceed 120% of the Westoz portfolio value.

For instruments for which there is currently no active market, the Company uses valuation methods generally accepted in the industry. Some of the inputs to those methods may not be market observable and are therefore estimated based on assumptions. In the case of unlisted equities, recent transactional evidence is obtained to support the valuation.

8.3 Investment portfolio as at 31 December 2021

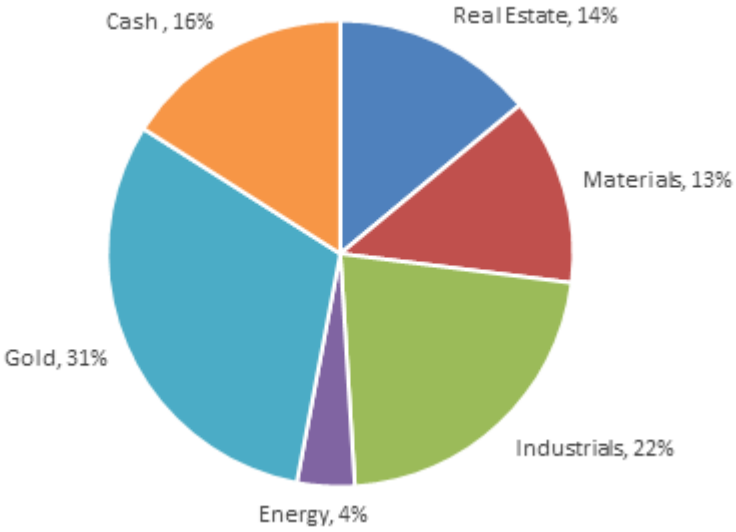
Westoz's investment allocation by portfolio holdings and by sector as at 31 December 2021 is shown below:

Code	Company	%
ORR	Orecorp	13%
WAF	West African Resources	11%
NWH	NRW Holdings	9%
EHL	Emeco Group	9%
FRI	Finbar Group	6%

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Code	Company	%
NIC	Nickel Mines	6%
FFX	Firefinch	5%
CWP	Cedar Woods Properties	4%
PPC	Peet	3%
KCN	Kingsgate	3%
JMS	Jupiter Mines	3%
NMT	Neometals Ltd	3%
	Other	9%
	Cash	16%
	Total	**100%**

Westoz's investment allocation by sector as at 31 December 2021 is shown below:



The key portfolio metrics and performance figures of Westoz as at 31 December 2021 are shown below:

Westoz Portfolio Metrics	31 December 2021
Share price ($ per share)	$1.31
NTA before tax (cents per share)	140.1c
NTA before unrealised tax (cents per share)	140.4c
NTA after tax (cents per share)	134.4c
Market capitalisation ($ million)	$175m
Gross assets ($ million)	$190m

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8.4 Leverage and short selling

Westoz has the ability to use short selling as a strategy to try to improve returns and to manage risk. The short sale of a security can involve much greater risk than buying a security, as losses on the securities purchased are restricted at most to the amount invested, whereas losses on a short position can be much greater than the initial value of the security.

Short selling will also incur interest and other costs on the securities borrowed by Westoz. For a short sale to be profitable, the return from the strategy must exceed these costs and, where losses are incurred on the strategy, these costs will increase the losses.

With a view to managing the risks associated with short selling, the Westoz investment portfolio's exposure to short positions must not exceed 20% of the value of the portfolio, without Westoz Board approval. However, the strategy has had minimal impact on the portfolio's performance since inception, with no short positions reported at 2020 and 2021 balance dates.

WFM, as Westoz's investment manager, does not use leverage in the form of borrowings or derivatives.

8.5 Westoz Fees

Westoz pays management and (depending on the performance of the fund) performance fees to WFM as investment managers. These and the termination fees are summarised below.

(a) **Management Fee**: Under the WFM Management Agreement, the Company must pay WFM a monthly management fee equal to 0.083333% of the portfolio value (**WFM Management Fee**). This equates to 1% per annum of portfolio value. The WFM Management Fee must be paid to WFM monthly in arrears within 20 days of the end of each month;

(b) **Performance Fee:** The Company must, during the term, pay WFM a fee in respect of each twelve month Performance Calculation Period ('**PCP**') of 20% of OP (**WFM Performance Fee**), where the following formula calculates OP:

OP = EP – [IP x 1.10];

Where:

(i) OP is a dollar value not less than zero and is the amount to be used in calculating the WFM Performance Fee;

(ii) EP is the portfolio value on the last day of the PCP;

(iii) IP is the greater of:

A. Where there is no preceding PCP the portfolio value on the commencement date, or where there is a preceding PCP, the portfolio value on the last day of the preceding PCP; and

B. The number of shares on issue in the Company at the start of the PCP multiplied by $1.00.

If the amount calculated is a negative value, no WFM Performance Fee is payable in respect of that PCP.

In the calculation of the WFM Performance Fee for a PCP, a change in the value of the portfolio as a result of a non-investment cash flows either positive or negative caused by the Company will be disregarded or adjusted for that calculation period in a manner determined by the auditor of the Company at the conclusion of that PCP.

Termination Fee
No termination fee is payable under the WFM Management Agreement. Westoz may terminate the WFM Management Agreement by giving 3 months' written notice to WFM if at any time after the initial term the shareholders of Westoz pass an ordinary resolution approving the termination of the WFM Management Agreement at a general meeting.

8.6 Performance of Westoz

Westoz's investment portfolio has returned on average 13.5% per annum since inception, outperforming the S&P/ASX All Ordinaries Accumulation Index by 5.3% per annum.

The below table represents the historical performance of the Westoz investment portfolio in the period to 31 December 2021 in comparison to the S&P/ASX All Ordinaries Accumulation Index. The percentages in the table show the percentage increase in the value of the portfolio and the S&P/ASX All Ordinaries Accumulation Index over the periods shown. The performance of the investment portfolio is shown before expenses, fees, taxes and capital management initiatives when comparing to the S&P/ASX All Ordinaries Accumulation Index, which is shown before expenses, fees and taxes. Westoz's historical performance to 31 December 2021 is as follows:

Performance at 31 December 2021	FYTD	1 yr %pa	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception % pa (Jun-05)
Westoz Investment Portfolio	15.7%	11.7%	19.2%	16.1%	11.0%	13.5%
S&P/ASX All Ordinaries Accumulation Index	4.6%	17.7%	14.8%	10.4%	11.0%	8.2%
Investment Portfolio Outperformance	11.1%	-6.0%	4.4%	5.7%	0.0%	5.3%

Investment portfolio performance is before expenses, fees, taxes and capital management initiatives to compare with the relevant index, which is before expenses, fees and taxes.

The graph below illustrates the annual historical performance of Westoz, compared against the S&P/ASX All Ordinaries Accumulation Index. The graph illustrates Westoz's annual investment portfolio performance (calculated before expenses, fees and taxes and the impact of capital management initiatives); Westoz's pre-tax net tangible asset (NTA) performance, adjusted for dividends but after the cash outflow of tax paid (franking credits generated for shareholders); and Westoz's total shareholder return (TSR), excluding the benefit of franking credits paid on fully franked dividends to shareholders since the first full year as a listed entity, being the 2011 financial year.

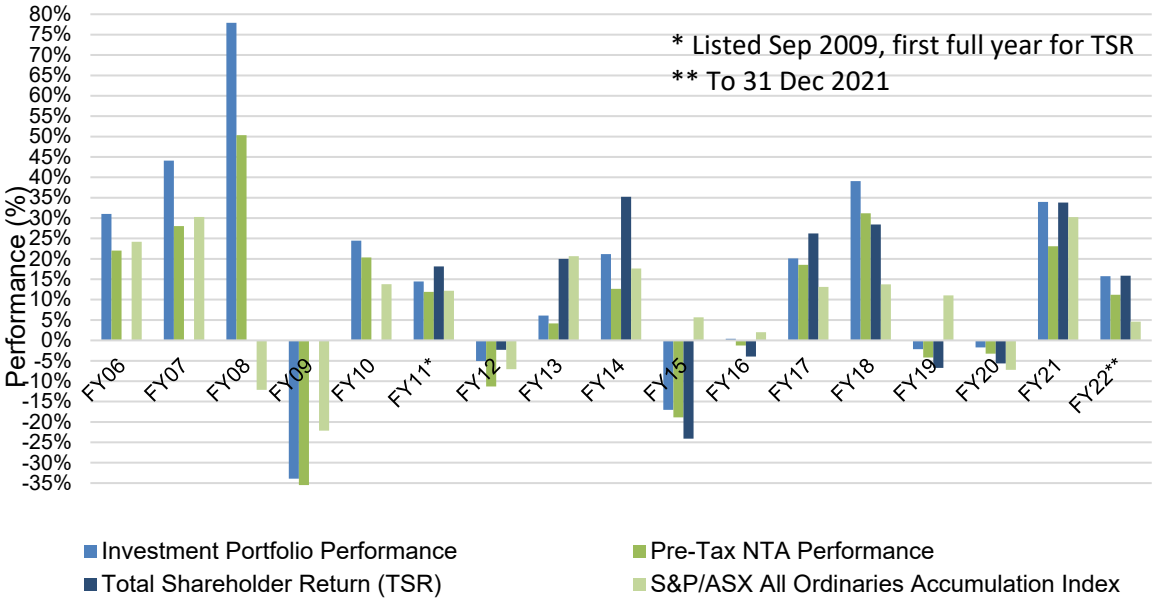
The pre-tax NTA performance of Westoz is calculated after the impact of capital management initiatives.

The above performance measures are compared against the S&P/ASX All Ordinaries Accumulation Index (which is calculated before fees, and expenses and taxes).

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Westoz annual historical performance, since inception



Year	Investment Portfolio Performance	Pre-Tax NTA Performance	Total Shareholder Return (TSR)	S&P/ASX All Ordinaries Accumulation Index
FY06	31.0%	22.0%		24.2%
FY07	44.1%	28.0%		30.3%
FY08	77.9%	50.3%		-12.1%
FY09	-33.9%	-38.3%		-22.1%
FY10	24.5%	20.3%		13.8%
FY11*	14.4%	11.9%	18.1%	12.2%
FY12	-5.1%	-11.3%	-2.3%	-7.0%
FY13	6.1%	4.2%	20.0%	20.7%
FY14	21.2%	12.7%	35.2%	17.6%
FY15	-17.0%	-18.9%	-24.1%	5.7%
FY16	0.4%	-1.3%	-3.9%	2.0%
FY17	20.1%	18.5%	26.2%	13.1%
FY18	39.1%	31.2%	28.4%	13.7%
FY19	-2.2%	-4.2%	-6.7%	11.0%
FY20	-1.7%	-3.3%	-5.6%	-7.2%
FY21	34.0%	23.1%	33.8%	30.2%
FY22**	15.7%	11.2%	15.9%	4.6%

*Listed September 2009, first full year for TSR

**To December 2021

Notes:

1. Westoz's gross performance is calculated before expenses, fees and taxes and the impact of capital management initiatives.
2. Westoz's pre-tax NTA performance is adjusted for dividends paid, but is after the cash outflow of tax paid (franking credits generated for shareholders) and the impact of capital management initiatives.
3. Westoz's total shareholder return measures the tangible value shareholders gain from share price growth and dividends paid over the period, before the value of any franking credits distributed to shareholders through fully franked dividends.

4. The performance of the S&P/ASX All Ordinaries Accumulation Index is based on trading data prepared using IRESS. IRESS has not consented to the use of this data in this Scheme Booklet. The S&P/ASX All Ordinaries Accumulation Index has been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index, or Westoz.

The information concerning Westoz's past performance in this Section is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Westoz's future performance.

8.7 Directors of Westoz

The directors of Westoz as at the date of this Scheme Booklet are as follows:

Jay Hughes (Non-Executive Chairman)	Mr Hughes is non-executive chairman of the Company and serves on the Company's Audit Committee. He is an executive director of Euroz Hartleys Group Limited, and non-executive chairman of Westoz Funds Management Pty Ltd and non-executive chairman of Ozgrowth Limited. Mr Hughes was appointed to the Westoz Board on 11 March 2005.
Simon Joyner (Non-Executive Director)	Mr Joyner was appointed as an Independent non-executive director of the Company on 6 July 2016 and serves on the Company's Audit Committee. He is also a non-executive director of Ozgrowth Limited. Mr Joyner has a Bachelor of Commerce Degree, a Graduate Diploma in Applied Finance and Investment and a Diploma of Financial Planning. He is also a Fellow of FINSIA, the Financial Services Institute of Australia. Mr Joyner has been involved in the Financial Services Industry since 1985. He established Keysbrook Financial Services which was a founding firm of Shadforth Financial Group that was subsequently purchased by IOOF in 2014. Mr Joyner is now managing director of management consulting firm Aberfoyle Partners, assisting businesses across the financial services industry.
Terry Budge (Non-Executive Director)	Mr Budge is a non-executive director of the Company and serves on the Company's Audit Committee. He is also a director of Tiller Rides Pty Ltd and Argenica Therapeutics Limited. He was a director of Aspen Group Limited from 6 May 2005 to 23 November 2012. He was also Chancellor of Murdoch University from 2006 to 2013 (appointed to Senate 1 June 2004). Mr Budge holds a Bachelor of Economics from Monash University and is a Graduate of the Advanced Management Program from Harvard Business School. Mr Budge was appointed to the Westoz Board on 6 April 2005.

8.8 Westoz Funds Management Key Personnel

Jay Hughes	Mr Hughes commenced as a non-executive director of the Manager in May 2005 and has sat on its Investment Committee since this time. He commits approximately 25% of this time to this role. Mr Hughes holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He was recognised as an affiliate of ASX in December 2000 and was admitted in May 2004 as a Practitioner Member (Master Stockbroking) of the Stockbrokers and Financial Advisers Association.
Dermot Woods	Mr Woods is an executive director of the Manager and is responsible for sourcing, analysing and implementing investment ideas. He is a member of the Manager's Investment Committee. He commits 100% of his time to this role. Mr Woods has over twenty four years of investment experience in international equity markets as an equity analyst and a portfolio manager. Prior to joining Westoz Funds Management, Mr Woods was an industrial equity analyst with Euroz Securities. Prior to joining

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	Euroz, Mr Woods was an institutional stockbroker for Merrion Capital in Dublin. Mr Woods commenced his investment career with HSBC Asset Management in London where he specialised in European equities. Mr Woods holds a Bachelor of Commerce Degree in Accounting and Business from Edinburgh University and has completed the Chartered Financial Analyst (CFA) program and been awarded the CFA designation.
Philip Rees	Mr Rees is a non-executive director of the Manager and sits on its Investment Committee and commits approximately 25% of his time to this role. Mr Rees has worked in a range of roles focussed on Australian investment markets since 1987. He was the Director of Investments with the Government Employees Superannuation Board in Western Australia for a 6 year period to September 2000. During this period, he oversaw a major restructuring of that entity's investment portfolio and directly managed funds in Australian equity and fixed interest markets. Prior to this period, Mr Rees was involved in the management of an Australian equity portfolio with Suncorp and in the analysis of equities for a stockbroker focussed on servicing the Australian institutional market. Mr Rees has also been involved as chief investment officer of a listed pooled development fund and has managed a number of successful venture capital investments. Mr Rees has a Bachelor of Commerce Degree and is a Chartered Financial Analyst. He is also a Senior Fellow of FINSIA, a Certified Practicing Accountant and a Fellow of the Governance Institute of Australia.

8.9 Conflicts management protocol

The following interests of the Westoz Directors have been publicly disclosed since before the formal approach by WAM Capital to Westoz (and Ozgrowth):

(a) each of the Westoz Directors has a director or indirect interest in Westoz Shares as set out in Section 8.12;

(b) Westoz's non-executive chairman, Jay Hughes, is:

(i) an executive director of Euroz Hartleys Group Limited (**Euroz**), which holds approximately 26.25% of the issued Westoz Shares and approximately 41.29% of the issued shares in Ozgrowth and is the 100% owner of the Manager, WFM;

(ii) the non-executive chairman of Ozgrowth Limited; and

(iii) the non-executive chairman of the Manager, WFM; and

(c) Simon Joyner is an independent non-executive director of both Westoz and Ozgrowth; and

(d) WFM receives management fees and performance fees for providing investment management services to Westoz under the WFM Management Agreement.

Prior to execution of the Scheme Implementation Agreement, the Westoz Board formally adopted a Conflicts Management Protocol (**Protocol**), to ensure that a process was in place for consideration of the draft Scheme Implementation Agreement by the Westoz Board and (if executed), its implementation to pursue the proposed Scheme.

Under the Protocol, the Westoz Board determined that none of the personal interests or potential conflicts outlined above meant that any of the Westoz Directors or relevant WFM staff

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should be excluded from deliberations in relation to the negotiating process for the Scheme and any other potential transaction, and that it was appropriate for each of the Westoz Directors to participate in the negotiating process and make a recommendation on the Scheme, including for the following reasons:

(a) in relation to their personal holdings of Westoz Shares (if any), their interests in the outcome of the Scheme or any other potential transaction are not materially different from those of other Westoz Shareholders; and

(b) in relation to their relationships with Euroz, Ozgrowth and WFM, the interests of Euroz in the outcome of the Scheme or any other potential transaction are not materially different from those of other Westoz Shareholders. The Westoz Board determined that the benefits that Euroz will receive if the Scheme is implemented are:

(i) in relation to its holding of Westoz Shares, identical to the benefits which will be received by other Westoz Shareholders;

(ii) in relation to its ownership interest in Ozgrowth, not relevant as the Proposed Transactions were being negotiated separately and independently by the respective Boards of Westoz and Ozgrowth, and were not proposed to be inter-conditional; and

(iii) in relation to termination benefits which its wholly owned subsidiary WFM will receive on termination of the WFM Management Agreement in connection with the Scheme:

A. these are on commercial arm's length terms, which were agreed on entry into the WFM Management Agreement prior to WAM Capital approaching Westoz in relation to the Proposed Transaction;

B. will be payable on the same terms whether the Scheme or some other potential transaction is implemented; and

C. are not different than performance fees which WFM would be entitled to whether or not the Scheme or some other potential transaction is implemented.

The Protocol provides that the Westoz Board would continue to monitor the situation and meet again if it considers that terms of the proposed Scheme or any other potential transaction change, or any other matter arises, which means that the potential impact of any of the above matters on any of the Westoz Directors' ability to participate in board discussions and decisions relating to Westoz's response to the Scheme or any other potential transaction.

8.10 Westoz's issued securities

As at the date of this Scheme Booklet, Westoz has 133,686,000 Westoz Shares on issue, and no securities convertible into Westoz Shares on issue.

8.11 Westoz's substantial shareholders

Based on information lodged with ASX, Westoz had the following substantial shareholders as at the date of this Scheme Booklet:

Westoz Shareholder	Number of Westoz Shares held	Percentage of issued Westoz Shares
Euroz Hartleys Group Limited	35,220,541	26.25

Wilson Asset Management Group	9,952,711[6]	7.44
Geoffrey Francis Brown	8,930,850	6.90

As at the date of this Scheme Booklet, none of the Company's substantial shareholders has indicated to the Company how they intend to vote the Westoz Shares controlled by them at the Scheme Meeting.

Should any of the substantial holders provide the Company with an intention statement following the date of this Scheme Booklet, this will be announced to ASX.

8.12 Interests of Westoz Directors in Westoz Shares and WAM Capital Shares

The Westoz Directors have Relevant Interests in the following Westoz Shares.

Director	Westoz Shares
Jay Hughes	1,045,000
Simon Joyner	415,500
Terry Budge	215,748
Total	**1,676,248**

No Westoz Director has a Relevant Interest in any WAM Capital Shares.

8.13 Intentions of the Westoz Board if the Scheme does not proceed

If the Scheme is not approved by the Requisite Majorities or the Scheme is not approved by the Court, or if any of the other Scheme Conditions set out in Section 13.5 are not satisfied or waived (if applicable), the Scheme will not proceed. In those circumstances, the Proposed Transaction will not proceed and Westoz will continue to operate as a standalone entity, listed on ASX.

8.14 Westoz Share trading history

The closing price for Westoz Shares on ASX on 22 December 2021 (being the last trading day prior to the Announcement Date) was $1.185.

On the Last Practicable Date, the closing price of Westoz Shares on ASX was $1.265.

During the three month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of Westoz Shares on ASX were, respectively, $1.365 on 20 January 2022 and $1.165 on 30 November 2022.

Set out below is the volume weighted average price (**VWAP**) of Westoz Shares for various periods up to and including the Last Practicable Date:

	10 Days	20 days	30 days	90 days
VWAP	$1.287	$1.290	$1.282	$1.290

[6] Based on the substantial holding notice lodged by the Wilson Asset Management Group on or around 28 June 2021. As at 24 February 2022. Wilson Asset Management Group members hold 10,201,528 Westoz Shares, being approximately 7.631% of the issued Westoz share capital.

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8.15 Westoz announcements and reports

As a disclosing entity, Westoz is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Westoz is subject to the ASX Listing Rules which require continuous disclosure of any information Westoz has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Westoz announcements are available on its website (https://westozfunds.com.au/westoz-investment-company-limited/) as well as the ASX website (www.asx.com.au). Further announcements concerning developments at Westoz may be made and placed on these websites after the date of this Scheme Booklet.

In addition, Westoz is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to Westoz may be obtained from, or inspected at, an ASIC office.

Westoz will provide a copy of each of the following documents, free of charge, to anyone who asks for them before the Scheme is approved by the Court. The following documents can also be obtained from the ASX website (www.asx.com.au) or from the Westoz website (https://westozfunds.com.au/westoz-investment-company-limited/):

(a) the half yearly financial report of Westoz for the half year ended 31 December 2021 (being the half yearly financial report most recently lodged with ASIC by Westoz before lodgement of a copy of this Scheme Booklet with ASIC for registration);

(b) the annual financial report of Westoz for the year ended 30 June 2021 (being the annual financial report most recently lodged with ASIC by Westoz before lodgement of a copy of this Scheme Booklet with ASIC for registration); and

(c) any continuous disclosure announcements made by Westoz after the date of the lodgement of the annual report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

The following table summarises material announcements made by Westoz to ASX since 25 February 2022 (being the date of lodgement of the half yearly report referred to in paragraph (a)).

Date Lodged	Description of Document (ASX announcement header)
25 February 2022	Half Yearly Report and Accounts

8.16 Risk factors

Risk factors relating to Westoz and its business are discussed in Section 11.

8.17 Litigation

As at the Last Practicable Date, Westoz is not involved in any legal proceedings. The Westoz Directors are not aware of any legal proceedings pending or threatened against Westoz.

8.18 Financial information

The following information has been extracted from the audited financial statements of Westoz for the financial years ended 30 June 2021 and 2020 and the reviewed half year statements ended 31 December 2021.

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The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act. The financial information also complies with the recognition and measurement requirements of IFRSs and interpretations issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 31 December 2021 and the date of this Scheme Booklet, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Westoz, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years, other than as otherwise disclosed in the 31 December 2021 financial statements and subsequent filings on ASX.

Copies of Westoz's reviewed financial statements for the half year ended 31 December 2021 and its audited financial statements for the financial years ended 30 June 2021 and 2020 are available on the Westoz website (https://westozfunds.com.au/westoz-investment-company-limited/). Copies will also be provided by Westoz, free of charge, to any Westoz Shareholder who requests it before the Scheme Meeting.

(a) **Statement of financial position**

Set out below is Westoz's statement of financial position as at 31 December 2021, 30 June 2021 and 2020.

	31 December 2021 $	30 June 2021 $	30 June 2020 $
Assets			
Cash and cash equivalents	30,388,255	23,614,884	16,851,806
Other assets	53,825	570,585	87,271
Income tax receivable	-	226,065	-
Financial assets at fair value through profit or loss:			
- Listed Equities	159,093,900	149,835,455	127,660,234
Deferred tax assets	-	-	4,094,890
Total assets	**189,535,980**	**174,248,239**	**148,694,201**
Liabilities			
Trade and other payables	2,253,951	1,972,679	1,403,311
Dividend payable	-	-	4,015,059
Income tax payable	234,478	-	-
Deferred tax liabilities	7,416,415	5,299,297	-
Total liabilities	**9,904,844**	**7,271,976**	**5,418,370**
Net assets	**179,631,136**	**166,975,388**	**143,275,831**

	31 December 2021 $	30 June 2021 $	30 June 2020 $
Equity			
Contributed equity	143,346,043	143,346,043	143,495,304
Profit reserve	61,363,473	65,373,802	43,488,933
Accumulated loss	(25,078,380)	(41,744,457)	(43,708,406)
Total equity	**179,631,136**	**166,975,388**	**143,275,831**

(b) **Statement of comprehensive income**

Set out below is Westoz's statement of comprehensive income as at 31 December 2021, 30 June 2021 and 2020.

	31 December 2021 $	30 June 2021 $	30 June 2020 $
Revenue			
Interest revenue	79,480	73,088	118,999
Dividend revenue	1,771,750	4,325,148	4,072,198
Total Revenue	**1,851,230**	**4,398,236**	**4,191,197**
Changes in the fair value of investments at fair value through profit or loss	24,521,234	43,072,910	(5,493,995)
Total Income	**26,372,464**	**47,471,146**	**(1,302,798)**
Expenses			
Management and performance fees	(2,940,848)	(8,654,155)	(1,571,284)
Directors' fees	(62,500)	(110,000)	(110,000)
Professional fees	(13,306)	(77,524)	(78,413)
Share registry costs	(19,615)	(29,607)	(32,460)
ASX fees	(66,139)	(65,017)	(66,138)
Other expenses	(7,054)	(77,443)	(73,245)
Total Expenses	**(3,109,462)**	**(9,012,496)**	**(1,931,540)**
Profit/(Loss) before income tax expense	**23,263,002**	**38,458,650**	**(3,234,338)**
Income tax benefit / (expense)	(6,596,925)	(10,596,929)	2,033,056
Net profit/(loss) attributable to members of the company	**16,666,077**	**27,860,471**	**(1,201,282)**
Other comprehensive income	**-**	**-**	**-**

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Total comprehensive income for the period	**16,666,077**	**27,860,471**	**(1,201,282)**
Net profit/(loss) attributable to members of the company	**16,666,077**	**27,860,471**	**(1,201,282)**

(c) **Statement cash flows**

Set out below is Westoz's statement of cash flows as at 31 December 2021, 30 June 2021 and 2020.

	31 December 2021 $	30 June 2021 $	30 June 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received	79,481	73,088	118,999
Dividends received	1,771,750	4,361,398	4,035,948
Payments to suppliers (inclusive of GST)	(576,965)	(9,503,103)	(1,938,747)
Income tax paid	(4,018,890)	(1,425,114)	(1,796,945)
Net cash flows (used in)/from operating activities	**(2,744,624)**	**(6,493,731)**	**419,255**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments at fair value through profit or loss	57,764,018	114,068,019	134,045,972
Payments for purchases of investments at fair value through profit or loss	(44,235,694)	(92,635,237)	(140,033,140)
Net cash flows from/(used in) investing activities	**13,528,324**	**21,432,782**	**(5,987,168)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares, net of issue costs	-	-	970,608
Share buyback	-	(149,261)	(269,616)
Dividends paid	(4,010,329)	(8,026,712)	(8,049,320)
Net cash flows used in financing activities	**(4,010,329)**	**(8,175,973)**	**(7,348,328)**
Net (decrease) / increase in cash held	6,773,371	6,763,078	(12,916,241)
Cash and cash equivalents at the beginning of the period	23,614,884	16,851,806	29,768,047
Cash and cash equivalents at the end of the period	**30,388,255**	**23,614,884**	**16,851,806**

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8.19 Material events since 31 December 2021

Within the knowledge of the Westoz Directors and other than as disclosed in this Scheme Booklet, including the reviewed and audited financial statements contained in Section 8.18, there has not been any other material change in the financial position of Westoz since 31 December 2021.

8.20 Forecast Financial information

Westoz has given careful consideration as to whether a reasonable basis exists to produce further reliable and meaningful forecast financial information with respect to Westoz. It has been determined that, as the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist having regard to the requirements of applicable law, policy, and market practice.

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9. Profile of WAM Capital

9.1 Introduction

The information contained in this Section has been prepared by WAM Capital. The information concerning WAM Capital and the intentions, views and opinions contained in this Section are the responsibility of WAM Capital. Westoz and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

9.2 Overview of WAM Capital

(a) Investment Objectives and Strategy

WAM Capital Limited, one of Australia's leading LICs, is managed by Wilson Asset Management (International) Pty Limited (AFSL no. 247333) (**Wilson Asset Management** or **WAM Capital Investment Manager**). Listed in August 1999, WAM Capital provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small-to-medium sized businesses. WAM Capital's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital.

No material changes to the investment strategy are presently contemplated. Any material changes would be made with the approval of the WAM Capital Board, after consultation with the WAM Capital Investment Manager. WAM Capital will notify its shareholders of any material changes to its investment strategy through the ASX and on the WAM Capital website.

(b) Objectives and Investment Process

The investment objectives of WAM Capital are to:

- deliver investors a stream of fully franked dividends;
- provide capital growth; and
- preserve capital of the company.

The above is not intended to be a forecast. It is merely the investment objectives of WAM Capital. WAM Capital may not be successful in meeting these objectives.

WAM Capital provides investors with access to WAM Capital Investment Manager's two distinctive investment processes:

- a research-driven process focused on identifying undervalued growth companies; and
- a market-driven process that takes advantage of market mispricing opportunities.

Research-driven investing

The research-driven investment process involves diligent and deep research that focuses on free cash flow, return on equity and the quality of a company. The investment universe is filtered to remove companies that do not demonstrate growth and value characteristics. Each remaining company is then carefully rated with respect to management, earnings growth potential, valuation and industry position. This process is summarised in the illustration below.

The research-driven investment process seeks to provide investors with exposure to undervalued growth companies. The research-driven investment process is also

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centred on extensive company research, including meeting with senior executives of the potential investee companies.



Wilson Asset Management will only invest in a security identified by its research-driven investment process if it can identify a catalyst that, in the WAM Capital Investment Manager's view, has not yet been factored into the value of that security and is likely to change the market's valuation of that security (Catalyst). A Catalyst can be information or news about the equity investment that the WAM Capital Investment Manager believes will have an impact on the valuation of the investment.

The WAM Capital Investment Manager will assess the potential effect and likelihood of a Catalyst impacting an entity, including whether the Catalyst could drive that entity's share price up or down. Potential Catalysts include:

- events, for example, earnings surprises, management changes, acquisitions or strategy updates; and

- liquidity events, for example, as a result of a share issue or sell down by an existing holder.

An example of a research-driven investment opportunity is an investment in a company experiencing increased demand for its goods or services in circumstances where the WAM Capital Investment Manager has identified shortages in supply across the market as a Catalyst that it considers has the potential to create a large growth opportunity for the company.

In this example, the research-driven investment process could generate returns if, after taking a stake in the company, the Catalyst identified by the WAM Capital Investment Manager (i.e. the shortages in supply across the market) does in fact result in the company experiencing continued growth, multiple profit upgrades (which in turn increases its capacity to meet increased demand), leading to an increase in the company's share price.

This investment process could result in a loss if the Catalyst does not increase the share price as the WAM Capital Investment Manager had expected. As a result, the example company's share price could decrease due to regulatory change that causes a material increase to its cost of production, resulting in a profit downgrade.

Market-driven investing

The market-driven investment process takes advantage of short-term mispricing opportunities in the Australian equity market, rather than investing in any individual companies or a portfolio of companies for a prolonged period of time.

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Investment opportunities may be derived from:

- Taking part in placements, initial public offerings, block trades and rights issues.

- Trading securities based on market themes and trends. Themes or trends are used to screen and identify trading opportunities. Once an opportunity has been identified, the WAM Capital Investment Manager will undertake detailed research into the security before taking a position. Research may include meeting with the company, sell-side analysts and industry contacts as well as modelling of the relevant company's earnings drivers, sensitivities and operating leverage.

- Participating in corporate transactions (such as takeovers, mergers, schemes of arrangements, corporate spin-offs and restructuring). Once a corporate transaction opportunity is identified, detailed research is undertaken to assess the terms and conditions of the announced transaction and the liquidly of the underlying securities, to determine if the corporate transactions presents a favourable risk/reward opportunity. By way of example, company B (**Bidder**) announces an intention to make a takeover offer (**Offer**) of company T (**Target**). The WAM Capital Investment Manager, following detailed research, forms the view that the proposed Offer is likely to cause the Target's share price to increase and the Bidder's share price to decrease. To take advantage of the transaction in this example, the WAM Capital Investment Manager could buy the Target's securities and short sell the Bidder's securities.

- Taking advantage of other corporate transactions to identify arbitrage opportunities. This may include participation in share buy-backs. For example, if a company announces an off-market share buy-back and the company's share price is trading below the price announced in the buy-back this could generate an arbitrage opportunity. The WAM Capital Investment Manager would make a return by buying shares below the buy-back price and then subsequently selling those shares into the buyback at a higher price than they were purchased for.

- Taking advantage of arbitrage opportunities involving hybrid securities including preference shares and convertible notes. For example, the WAM Capital Investment Manager may purchase hybrid securities that are approaching their conversion or repayment date. This strategy is utilised if the WAM Capital Investment Manager believes there is a high probability that the securities will be repaid or converted in accordance with their terms and at a premium to the market price at the time of purchase.

- Short selling. For example, the WAM Capital Investment Manager may participate in short selling if the WAM Capital Investment Manager believes a security is mispriced and there is likely to be decline in the company's share price. This strategy would normally be applied with analysis undertaken around a market theme or trend as detailed above.

Once an investment opportunity has been identified, the WAM Capital Investment Manager undertakes a detailed assessment in order to identify any perceived mispricing in the relevant securities. The WAM Capital Investment Manager will then analyse risk and return potential and liquidity. Similar to its research-driven investment process, Wilson Asset Management will, in most cases, seek to identify a Catalyst before investing in a security identified by its market-driven investment process.

An example of a market-driven investment opportunity is an investment in a company through a share placement to sophisticated and professional investors undertaken at a discount to the prevailing share price. In this example the placement is not available to retail investors and would allow WAM Capital to purchase shares at a discount to where they are currently trading in the market.

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The WAM Capital Investment Manager may become aware of opportunities, like the placement example, through its relationship with stockbrokers. It will then undertake a detailed analysis of the relevant company and the proposed placement terms, including assessing the amount of capital being raised compared to the free float, the size of the discount to the current share price, the use of funds and the liquidity of the underlying security.

In this example, the market-driven investment process could generate returns if after the placement shares are allotted, the WAM Capital Investment Manager sells them at a higher price than what they were purchased at under the placement. The example investment would result in a loss if, after the allotment of the placement shares, the company's share price falls, and stays below, the price at which the shares were purchased in the placement.

An example of themes or trends that could be used in the market-driven investment process are companies benefiting from increasing demand from overseas buyers for infant formula, vitamins and cosmetics, companies benefiting from a falling Australian dollar or companies that may benefit from media deregulation. In these examples if the theme or trend continued it would have the potential to lead to increases in company revenues or reduction in cost base leading to profit upgrades, increased sell-side coverage and interest in the stock or sector or increased demand from other investors leading to share price appreciation.

In this example, the market-driven investment process could generate returns if, after taking a stake in the company, the theme identified continued to play out leading to the share price increasing for the reasons specified above. The investment would result in a loss if the market theme or trend stopped occurring, i.e. demand from overseas buyers for infant formula, vitamins and cosmetics decreased, the Australian dollar stopped falling and started appreciating or media de-regulation was delayed or cancelled.

(c) **Investment Principles**

WAM Capital's investment philosophy is exemplified by the following broad principles:

- (**permitted investments**) the universe of potential investments for WAM Capital will be all securities quoted on the ASX, bills of exchange, other negotiable investments, debentures and other permitted investments identified in Section 9.2(d) below. The prime focus is on ASX listed entities that exhibit the investment characteristics outlined below. WAM Capital believes a higher percentage of these entities are found in small to medium industrial companies but size is not a limiting factor for inclusion in WAM Capital's portfolio;

- (**industry/sector limits**) WAM Capital's philosophy is to invest predominantly in industrial companies with an emphasis on companies that are under-researched and mispriced, a tendency more pronounced in the small to medium end of the market as measured by market capitalisation. WAM Capital seeks to manage investment risk by spreading investments over a range of industry sectors;

- (**number of securities**) WAM Capital's priority is to undertake investments on a portfolio basis. While all investments will be considered on a case-by-case basis, WAM Capital will usually refrain from taking a majority position in investee entities. This assists WAM Capital to diversify its investments and so reduce its exposure to abnormal falls in the market price of any single investment. WAM Capital believes it achieves acceptable diversification by owning securities in 80-100 investee entities;

- (**average size of long positions**) single stock exposure is typically initiated at less than 5% and aggregate gross exposure is 100% of the WAM Capital investment portfolio. The average position weighting within the WAM Capital investment portfolio for any one security will be 1% to 5% of the value of the

portfolio. Actual weightings may be higher or lower and are based on the WAM Capital Investment Manager's level of conviction in each security as well as market movements from time-to-time.

An investment within the WAM Capital portfolio is continually reviewed by the investment team and will be formally reviewed if it obtains a position weighting of greater than 20% of the value of the portfolio;

- (**liquidity management**) WAM Capital reasonably expects to be able to realise approximately 80% of its assets, at the value ascribed to those assets in calculating its net asset value, within 10 business days. As WAM Capital is a listed investment company, its ability to sell shares in its investment portfolio will be a function of the turnover of the shares at the time of sale. WAM Capital manages this risk by typically maintaining single stock exposure between 1-5% of the value of its portfolio and regularly monitoring its portfolio in accordance with the Wilson Asset Management investment process as set out in this Section, to assess the necessity and risk of investments and identifying appropriate opportunities for disposal if required;

- (**cash exposure limits**) maximum exposure is 100% of the WAM Capital portfolio, however historically has on average been 31.6% of the value of the WAM Capital investment portfolio. As at 31 January 2022, the cash and cash equivalents of WAM Capital was 13.1% of the value of the WAM Capital investment portfolio;

- (**geographic exposure limits**) WAM Capital only invests in securities quoted on a securities exchange located outside Australia if the WAM Capital Board considers that the reporting obligations and trading procedures applicable to that exchange are no less rigorous than those of ASX. Historically, WAM Capital has had limited exposure to international listed securities. As at 31 January 2022, 1.3% of its portfolio consisted of international securities (in the US and New Zealand);

- (**investment objectives**) WAM Capital looks to concentrate on absolute returns and preservation of capital; and

- (**short selling**) to achieve this objective, WAM Capital's mandate to the WAM Capital Investment Manager includes the ability to short sell securities, offering investors potential downside protection. This is a distinguishing feature of WAM Capital. The WAM Capital portfolio's exposure to short positions must not exceed 50% of its value without WAM Capital Board approval, however historically on average short positions have not exceeded 5-10% of the WAM Capital investment portfolio. Further detail is included at Section 9.2(e).

(d) **Permitted Investments**

WAM Capital Investment Manager may invest in:

- ASX-listed securities;

- listed securities on any other markets where the WAM Capital Investment Manager and the WAM Capital Board are comfortable that the reporting and disclosure standards of that stock market are at least equivalent to the ASX;

- warrants and options over permitted investments;

- discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any state or territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia;

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- deposits with any bank or corporation declared to be an authorised dealer in the short-term money market;
- debentures, unsecured notes, loan stock, bonds, promissory notes, certificates of deposit, interest bearing accounts, certificates of indebtedness and any other evidence of indebtedness issued by any bank or by the Commonwealth of Australia, any state or territory of Australia, or any governmental organisation;
- body or instrumentality of Australia, or, if authorised by its directors, a corporation of at least an investment grade credit rating granted by a recognised credit rating agency in Australia; and
- units or other interests in cash management trusts.

(e) **Leverage and short selling**

WAM Capital has the ability to use short selling as a strategy to try to improve returns and to manage risk. The short sale of a security can involve much greater risk than buying a security, as losses on the securities purchased are restricted at most to the amount invested, whereas losses on a short position can be much greater than the initial value of the security.

Short selling will also incur interest and other costs on the securities borrowed by WAM Capital. For a short sale to be profitable, the return from the strategy must exceed these costs and, where losses are incurred on the strategy, these costs will increase the losses.

With a view to managing the risks associated with short selling, the WAM Capital investment portfolio's exposure to short positions must not exceed 50% of the value of the portfolio, without WAM Capital Board approval. However, in line with the historical implementation of the WAM Capital Investment Manager's strategy, the exposure to short positions within the WAM Capital portfolio at any given time is expected to be less than 5% to 10% of the WAM Capital investment portfolio.

The following examples illustrate how short selling may result in a loss or a profit. Both examples assume the WAM Capital Investment Manager short sells 10,000 shares of ABC Limited (**ABC Shares**) at $100 per ABC Share and later closes the position by entering into an equal and opposite trade. We have assumed that the costs associated with the short sales in each example are also the same (i.e. borrowing costs and commissions totalling $300 and $250 in interest receivable).

Example 1: Potential loss

WAM Capital short sells 10,000 shares of ABC @ $100 and closes the position when the share price rises to $120 by entering into an equal and opposite trade.

Trade	Number of shares	Share price ($)	Total income/(loss)
Opening sell	10,000	$100	$1,000,000
Borrowing cost and commission			($300)
Interest receivable			$250
Closing buy	10,000	$120	($1,200,000)
Loss			**($200,050)**

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Example 2: Potential gain

WAM Capital short sells 10,000 shares of ABC @ $100 and closes the position when the share price falls to $80.

Trade	Number of shares	Share price ($)	Total income/(loss)
Opening sell	10,000	$100	$1,000,000
Borrowing cost and commission			($300)
Interest receivable			$250
Closing buy	10,000	$80	($800,000)
Gain			**$199,950**

The WAM Capital Investment Manager does not use leverage in the form of borrowings or derivatives. The WAM Capital Investment Manager may become leveraged only through the use of short selling. Short selling may also have the effect of magnifying gains and losses in a similar manner to financial leverage or use of derivatives.

(f) **Performance of WAM Capital**

WAM Capital's investment portfolio has returned on average 16.4% per annum over more than 20 years, outperforming the S&P/ASX All Ordinaries Accumulation Index by 7.7% per annum.

The below table and graph are presented on the same basis as the table and graph in Section 8.6 in respect of Westoz.

The below table represents the historical performance of the WAM Capital investment portfolio in the period to 31 December 2021 in comparison to the S&P/ASX All Ordinaries Accumulation Index. The percentages in the table show the percentage increase in the value of the portfolio and the S&P/ASX All Ordinaries Accumulation Index over the periods shown. The performance of the investment portfolio is shown before expenses, fees, taxes and capital management initiatives when comparing to the S&P/ASX All Ordinaries Accumulation Index, which is shown before expenses, fees and taxes. WAM Capital's historical performance to 31 December 2021 is as follows:

Performance at 31 December 2021	FYTD	1 yr %pa	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception % pa (Aug-99)
WAM Capital Investment Portfolio	4.8%	17.1%	16.4%	10.9%	14.8%	16.4%
S&P/ASX All Ordinaries Accumulation Index	4.6%	17.7%	14.8%	10.4%	11.0%	8.7%
Investment Portfolio Outperformance	**+0.2%**	**-0.6%**	**+1.6%**	**+0.5%**	**+3.8%**	**+7.7%**

Investment portfolio performance is before expenses, fees, taxes and capital management initiatives to compare with the relevant Index, which is before expenses, fees and taxes.

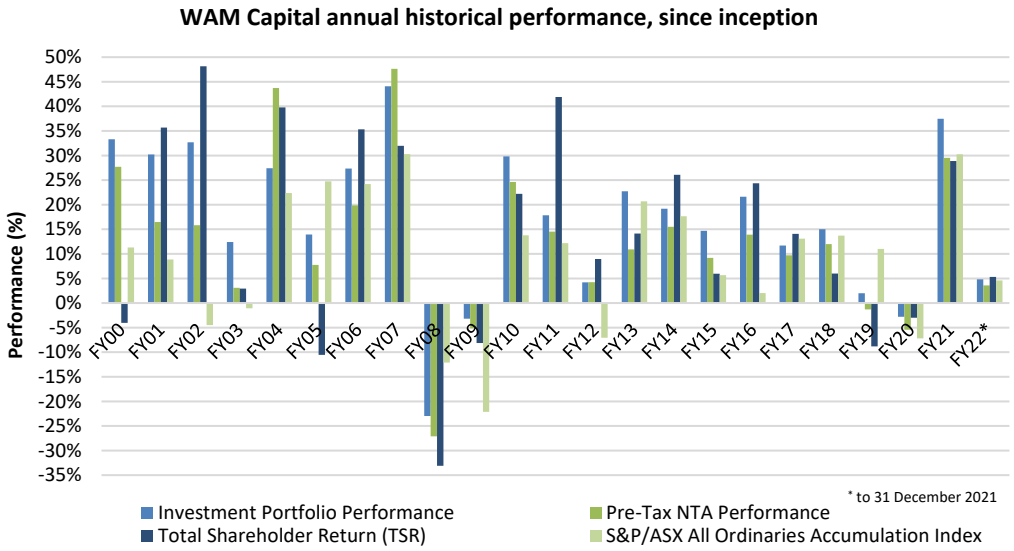
The graph below illustrates the annual historical performance of WAM Capital, compared against the S&P/ASX All Ordinaries Accumulation Index. The graph illustrates WAM Capital's annual investment portfolio performance (calculated before expenses, fees and taxes and the impact of capital management initiatives); WAM Capital's pre-tax net tangible asset (NTA) performance, adjusted for

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dividends but after the cash outflow of tax paid (franking credits generated for shareholders); and WAM Capital's total shareholder return (TSR), excluding the benefit of franking credits paid on fully franked dividends to shareholders since inception in August 1999.

The pre-tax NTA performance of WAM Capital is calculated after the impact of capital management initiatives.

The above performance measures are compared against the S&P/ASX All Ordinaries Accumulation Index (which is calculated before fees, and expenses and taxes).



Year	Investment Portfolio Performance	Pre-Tax NTA Performance	Total Shareholder Return (TSR)	S&P/ASX All Ordinaries Accumulation Index
FY00	33.3%	27.7%	-4.0%	11.3%
FY01	30.2%	16.5%	35.7%	8.8%
FY02	32.7%	15.8%	48.2%	-4.5%
FY03	12.4%	3.1%	2.9%	-1.1%
FY04	27.4%	43.7%	39.8%	22.4%
FY05	13.9%	7.8%	-10.5%	24.7%
FY06	27.4%	19.8%	35.3%	24.2%
FY07	44.1%	47.6%	32.0%	30.3%
FY08	-23.0%	-27.1%	-33.1%	-12.1%
FY09	-3.2%	-5.1%	-8.1%	-22.1%
FY10	29.8%	24.6%	22.2%	13.8%
FY11	17.8%	14.5%	41.9%	12.2%
FY12	4.2%	4.2%	9.0%	-7.0%
FY13	22.7%	10.9%	14.1%	20.7%
FY14	19.2%	15.5%	26.1%	17.6%
FY15	14.7%	9.2%	6.0%	5.7%
FY16	21.6%	13.9%	24.4%	2.0%
FY17	11.7%	9.7%	14.1%	13.1%
FY18	15.0%	12.0%	6.0%	13.7%
FY19	2.0%	-1.3%	-8.8%	11.0%
FY20	-2.8%	-5.4%	-3.0%	-7.2%
FY21	37.5%	29.5%	28.9%	30.2%
FY22*	4.8%	3.6%	5.3%	4.6%

*Financial year to 31 December 2021.

Notes:

1. WAM Capital's gross performance is calculated before expenses, fees and taxes and the impact of capital management initiatives.
2. WAM Capital's pre-tax NTA performance is adjusted for dividends paid, but is after the cash outflow of tax paid (franking credits generated for shareholders) and the impact of capital management initiatives.
3. WAM Capital's total shareholder return measures the tangible value shareholders gain from share price growth and dividends paid over the period, before the value of any franking credits distributed to shareholders through fully franked dividends.
4. The performance of the S&P/ASX All Ordinaries Accumulation Index is based on trading data prepared using IRESS. IRESS has not consented to the use of this data in this Scheme Booklet. The S&P/ASX All Ordinaries Accumulation Index has been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index, or WAM Capital.

The information concerning WAM Capital's past performance in this Section is given for illustrative purposes only and should not be relied upon as (and is not) an indication of WAM Capital's future performance.

(g) Dividend Policy

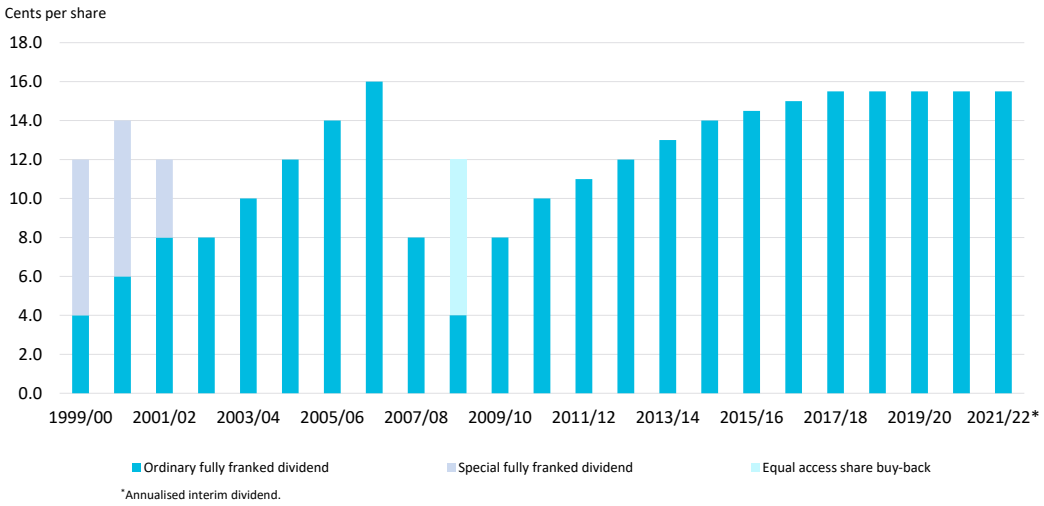
The WAM Capital board is committed to paying a stream of fully franked dividends to shareholders, provided WAM Capital has sufficient profit reserves and franking credits, and it is within prudent business practices to do so.

On 4 February 2022, the WAM Capital Board declared a fully franked interim dividend of 7.75 cents per WAM Capital Share, representing an annualised fully franked dividend yield of 7.1%[7]. As set out in the Scheme Implementation Agreement, Westoz and WAM Capital intend that Scheme Shareholders will be eligible for this WAM Capital fully franked interim dividend in the ordinary course in respect of the financial period ending 31 December 2021. Scheme Shareholders must continue to hold their New WAM Capital Shares on the record date of 7 June 2022 to receive the dividend.

WAM Capital's profits reserve as at 31 December 2021 is 19.7 cents per share and forms part of the NTA of WAM Capital. Since inception in August 1999, WAM Capital has paid $2.695 per share in fully franked dividends to shareholders. Over its 22 year history WAM Capital has returned more than $1.2 billion in dividends and franking credits to shareholders.

[7] Based on the 3 February 2022 WAM Capital Share price of $2.18.

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WAM Capital's ability to generate franking credits is dependent primarily upon the payment of tax on profits and the quantum of fully franked dividends received from investee companies. This is not intended to be a forecast, it is merely an objective of WAM Capital. WAM Capital may not be successful in meeting this objective in the future.

9.3 Directors

The following persons are directors of WAM Capital as at the date of this Scheme Booklet. All directors are non-executive directors:

Geoff Wilson AO **Chairman – non independent (since March 1999)**	**Experience and expertise** Geoff Wilson has over 41 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997 and created Australia's first listed philanthropic wealth creation vehicles, Future Generation Investment Company Limited and Future Generation Global Investment Company Limited. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (**AICD**). **Other directorships** Geoff Wilson is currently Chairman of WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018), WAM Strategic Value Limited (appointed March 2021) and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Investment Company Limited (appointed July 2014) and Future Generation Global Investment Company Limited (appointed May 2015) and a Director of WAM Alternative Assets Limited (appointed September 2020), Global Value Fund Limited (appointed April 2014), Incubator Capital Limited (appointed February 2000), Hearts and Minds Investments Limited (appointed September 2018), Wollongong 2022 Limited (appointed March 2019), Sporting Chance Cancer Foundation, Australian Fund Managers Foundation, Australian Children's Music Foundation, and he is a Member of the Second Bite NSW Advisory Committee. He is the founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.
Kate Thorley	**Experience and expertise** Kate Thorley has over 16 years' experience in the funds management industry and more than 22 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson

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Director – non independent (since August 2016)	Asset Management (International) Pty Limited, Director of WAM Research Limited, WAM Active Limited, WAM Leaders Limited, WAM Microcap Limited, WAM Global Limited and WAM Strategic Value Limited. Kate is also a Director of Future Generation Investment Company Limited and Future Generation Global Investment Company Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CA. She is a Graduate member of the AICD (**GAICD**). **Other directorships** Kate Thorley is a Director of WAM Active Limited (appointed July 2014), WAM Research Limited (appointed August 2014), Future Generation Investment Company Limited (appointed April 2015), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018), Future Generation Global Investment Company Limited (appointed March 2021) and WAM Strategic Value Limited (appointed March 2021).
Dr Philippa Ryan **Director – independent (since April 2018)**	**Experience and expertise** Dr Philippa Ryan is an experienced legal academic with experience in commercial law, corporate governance, finance and technology. Dr Ryan is an honorary associate professor in the Australian National University's (ANU) College of Law and program director of the ANU Master of Laws. She has authored books and articles on blockchain technology, digital economies, and crypto currencies. She is a non-executive director on the Board of Lander and Rogers, a member of the Standards Australia blockchain technical committee, and a member of ASIC's Fintech Advisory Committee. She was lead author of the ISO technical specification for smart contracts. She is a board member of Treasury's Audit Committee. Dr Ryan holds a number of legal and academic qualifications including BA, LLB (Hons), Master of Education, and PhD (Law). **Other directorships** Dr Ryan is a director of Lander and Rogers.
James Chirnside **Director – independent (since February 2003)**	**Experience and expertise** James Chirnside has been involved in financial markets for over 30 years mainly as an equities fund manager across a broad range of sectors. James is currently Chairman and Managing Director of Dart Mining NL. Prior to this, James worked as a fund manager and proprietary metals trader in Sydney, Hong Kong, London, and Melbourne. Between 2002 and 2012, James ran equities fund manager Asia Pacific Asset Management. From 2000-2001, James worked for Challenger Financial Group in Sydney as a product manager responsible for hedge fund investments. During the 1990s, James managed frontier and emerging market hedge funds in Hong Kong and London for Regent Fund Management (now London AIM listed Charlemagne Capital). Between 1988 and 1992, James ran a proprietary trading book for County NatWest Investment Bank, based in London. **Other directorships** James Chirnside is a Director of Cadence Capital Limited (appointed February 2005), Ask Funding Limited (appointed September 2015), Dart Mining NL (appointed June 2015), IPE Limited (appointed August 2018) and Wealth Defender Equities Pty Limited (appointed October 2018).

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Lindsay Mann **Director – independent (since December 2012)**	**Experience and expertise** Lindsay Mann has more than 45 years' financial services experience. He was formerly Chairman of Premium Investors Pty Limited (formerly Premium Investors Limited). Prior to that Lindsay was CEO (Singapore) and Regional Head Asia for First State Investments, the Asian business of Colonial First State Global Asset Management. Prior to this, Lindsay was CEO of AXA Investment Managers in Hong Kong. He is a Fellow of the Institute of Actuaries of Australia and a Graduate member of the AICD. **Other directorships** Lindsay Mann is currently an independent non-executive director and chair of Uniting Ethical Investors Limited, an independent Director of WAM Leaders Limited (appointed March 2016), Wealth Defender Equities Pty Limited (appointed October 2018) and Century Australia Investments Pty Limited (appointed March 2019).
Matthew Pancino **Director – independent (since September 2020)**	**Experience and expertise** Matthew is a noted technology, operations and transformation expert with 30 years' experience gained in leading organisations within the communications, banking and funds management sectors. Matthew is currently a Director, Industry Solutions Practice Lead, Asia Pacific at Google LLC. Matthew has previously served as Chief Technology Officer for the Commonwealth Bank of Australia Group, Chief Executive Officer for Suncorp Business Services, Group Executive – Operations and Chief Information Officer for Perpetual Limited and Head of Transformation at Telstra Corporation Limited. He holds a Bachelor of Science (Computer Science), is a member of the Australian Institute of Company Directors and has completed executive education at INSEAD and Stanford University School of Business. **Other directorships** Matthew Pancino has no other directorships.

9.4 Interests of WAM Capital Board in WAM Capital

As at the Last Practicable Date, WAM Capital's directors and their Associates hold the following Relevant Interests in WAM Capital:

Directors	Ordinary Shares
Geoff Wilson AO[8]	371,613
Kate Thorley[9]	57,491
Dr Philippa Ryan	-
James Chirnside[10]	39,739
Lindsay Mann[11]	63,880
Matthew Pancino	-

[8] Held through GW Holdings Pty Limited as trustee for Edwina Trust, Wilson Foundation Pty Limited as trustee for Wilson Foundation, and Dynasty Peak Pty Limited.

[9] Held through Marche Super Pty Limited as trustee for Marche Super Fund A/C and KAT & ICP Investments Pty Limited.

[10] Held through Billilla Holdings Pty Ltd as trustee for Billilla Super Fund A/C.

[11] Held through RBC Investor Services Australia Nominees Pty Ltd as custodian for Telinko Family Trust.

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9.5 WAM Capital Investment Manager

Established in 1997 by Geoff Wilson AO, the investment manager of WAM, Wilson Asset Management (AFSL no. 247333), is an independently owned investment manager and LIC specialist based in Sydney, Australia. Wilson Asset Management has a strong track record of delivering risk-adjusted returns for shareholders and making a difference for investors and the community for more than 20 years. Wilson Asset Management is responsible for investing more than $5.4 billion in Australian and international companies and alternative assets on behalf of over 120,000 retail investors across eight LICs: WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Strategic Value Limited, WAM Alternative Assets Limited, WAM Research Limited and WAM Active Limited.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian charities and provides all team members with $10,000 each year to donate to charities of their choice. These philanthropic investments are made by the WAM Capital Investment Manager.

Geoff Wilson is the sole director and indirect owner of 100% of the ordinary (voting) shares on issue in the WAM Capital Investment Manager. Kate Thorley is the Chief Executive Officer, company secretary and indirect owner of non-voting preference shares in the WAM Capital Investment Manager. Wilson Asset Management employs over 50 staff and is led by WAM Capital's Chairman and Chief Investment Officer Geoff Wilson and Chief Executive Officer Kate Thorley. The investment team is comprised of 14 experienced investment professionals to manage their respective portfolios. The investment team is supported by high-performing professionals who work across the corporate affairs, finance, and operations teams tasked with delivering shareholders transparency, insights and experiences. Their work adds discipline, depth and reach to Wilson Asset Management's core business and supports the investment strategy and the market-driven investment process of WAM Capital.

WAM Capital's lead portfolio manager is Oscar Oberg. Oscar has more than 14 years' experience in financial markets. Before joining Wilson Asset Management, Oscar worked as a sell-side analyst at CLSA and three years at Grant Thornton working in transaction advisory services. Oscar is also responsible as lead portfolio manager WAM Microcap Limited, WAM Research Limited and WAM Active Limited, and delegates his time equally amongst the four LICs, dedicating more time to any given entity as and when required.

The WAM Capital Investment Manager manages the WAM Capital portfolio in accordance with the WAM Capital Management Agreement. The WAM Capital Investment Manager:

(a) implements the investment strategy, including actively managing the WAM Capital portfolio;

(b) manages the WAM Capital portfolio's exposure to markets and currencies;

(c) calculates the value of the WAM Capital portfolio daily;

(d) regularly updates WAM Capital regarding its portfolio and provides all information necessary for the maintenance of WAM Capital's financial accounts to be completed; and

(e) provides administrative support to assist and ensure the maintenance of WAM Capital's corporate and statutory records, compliance with the Listing Rules and the Corporations Act.

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9.6 WAM Capital Management Agreement

Set out below is a summary of the terms of the investment management agreement between WAM Capital and the WAM Capital Investment Manager.

(a) **Powers of the WAM Capital Investment Manager**

Subject to the Corporations Act, the Listing Rules and any written guidelines issued by WAM Capital from time-to-time, the WAM Capital Investment Manager has the powers necessary to, on behalf of WAM Capital, invest money constituted in or available to the WAM Capital portfolio, and make, hold, realise and dispose of investments within the WAM Capital portfolio. Any investment outside the written guidelines of the WAM Capital Board requires WAM Capital Board approval.

Subject to the above, the WAM Capital Investment Manager has absolute and unfettered discretion to manage the WAM Capital portfolio and to do all things considered necessary or desirable in relation to the WAM Capital portfolio, including, without limitation:

(i) investigation, negotiation, acquisition, or disposal of every investment;

(ii) to sell, realise or deal with all or any of the investments or to vary, convert, exchange or add other investments in lieu of those investments;

(iii) if any investments are redeemed or the capital paid on it is wholly or partly repaid by the entity by which that investment was created or issued, to convert that investment into some other investment or accept repayment of the capital paid or advance on the investment and any other monies payable in connection with that redemption or repayment and to invest any of those monies;

(iv) retain or sell any shares, debentures or other property received by WAM Capital by way of bonus, or in lieu of, or in satisfaction of a dividend in respect of any investments or from amalgamation or reconstruction of any company;

(v) to sell all or some of the rights to subscribe for new securities in an investment, to use all or part of the proceeds of the sale of such rights for the subscription for securities or to subscribe for securities pursuant to those rights; and

(vi) with the approval of WAM Capital, to make or redeem any mortgage, loan or other security.

(b) **Valuations**

The WAM Capital Investment Manager must provide such information regarding the WAM Capital portfolio to WAM Capital to enable WAM Capital to value the portfolio at least monthly.

(c) **Management Fee**

In return for the performance of its duties the WAM Capital Investment Manager is entitled to be paid a monthly management fee equal to 0.0833% of gross assets of the WAM Capital portfolio calculated on the last Friday of each month, or, where the last Friday of a month is not a Business Day, the Business Day immediately preceding the last Friday of that month (comparable to a fee of 1% per annum of the average value of the WAM Capital portfolio) (**Management Fee**).

(d) **Performance Fee**

The WAM Capital Investment Manager is entitled to be paid by WAM Capital a fee (**Performance Fee**) equal to 20% (plus GST) of the base amount (**BA**). Except as

set out below, BA for a Performance Calculation Period is calculated in accordance with the following formula:

$$BA = (FV - IV) - \left[IV \times \frac{(FI - II)}{II} \right]$$

Where:

BA is the base amount to be used in calculating the Performance Fee outlined above;

FV is the Value of the Portfolio, calculated on the last Business Day of the relevant Performance Calculation Period;

IV is the Value of the Portfolio, calculated on the last Business Day of the preceding Performance Calculation Period;

FI is the level of the All Ordinaries Accumulation Index published by ASX on the last Business Day of that Performance Calculation Period; and

II is the level of the All Ordinaries Accumulation Index published by ASX on the last Business Day of the preceding Performance Calculation Period.

The Performance Calculation Period is the 12 month period ending on 30 June each year.

The Value of the Portfolio is the value of all investments included in the portfolio of investments of WAM Capital from time to time.

If the Value of the Portfolio calculated on the last Business Day of a Performance Calculation Period is less than the Value of the Portfolio calculated on the last Business Day of the preceding Performance Calculation Period, no Performance Fee is payable in respect of that Performance Calculation Period.

If the amount calculated for BA above is a negative number, no Performance Fee is payable in respect of that Performance Calculation Period.

If the level of the All Ordinaries Accumulation Index as calculated on the last Business Day of a Performance Calculation Period is less than the level as calculated on the last Business Day of the preceding Performance Calculation Period, the base amount (BA) will be FV - IV.

No performance fee is payable in respect of any performance period where the value of the portfolio has decreased over that period.

Where the ASX or equivalent authority ceases to publish the All Ordinaries Accumulation Index then the published index which most closely resembles it must be used for the purposes of calculation of the Performance Fee.

In calculating the Performance Fee for a Performance Calculation Period, changes in the Value of the Portfolio as a result of the issue of securities, capital reductions, share buybacks, and dividend distributions by WAM Capital will be disregarded or adjusted for that Calculation Period in a manner determined by WAM Capital's auditor at the conclusion of that Performance Calculation Period.

For the year ended 30 June 2021, a performance fee of $15,041,140 inclusive of GST was payable to the WAM Capital Investment Manager (2020:nil). As at 31 December, no performance fee was accrued for WAM Capital.

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(e) **Expenses**

WAM Capital is liable for and must pay out of the WAM Capital portfolio or reimburse the WAM Capital Investment Manager for the following fees, costs and expenses when properly incurred in connection with the investment and management of the WAM Capital portfolio or the acquisition, disposal or maintenance of any investment:

(i) fees payable to any securities exchange, ASIC or other regulatory body;

(ii) all costs, stamp duties, financial institutions duties, bank account debits tax, legal fees and other duties, taxes, fees, disbursements and expenses, commissions and brokerage incurred by WAM Capital or the WAM Capital Investment Manager in connection with:

(A) the acquisition and negotiation of any investment or proposed investment;

(B) any sale or proposed sale, transfer, exchange, replacement or other dealing or proposed dealing with or disposal or proposed disposal of any investment;

(C) the receipt of income or other entitlements from the investments of the WAM Capital portfolio;

(D) the engagement of a custodian to hold an investment on behalf of WAM Capital; and

(iii) outgoings in relation to the WAM Capital portfolio such as rates, levies, duties, taxes and insurance premiums.

Notwithstanding the above, the WAM Capital Investment Manager is solely responsible for payment of the fees of any investment manager engaged by the WAM Capital Investment Manager to assist it in undertaking its duties under the WAM Capital Management Agreement.

(f) **Term of WAM Capital Management Agreement**

The WAM Capital Management Agreement had an initial term of 5 years, and the WAM Capital Investment Manager has since exercised its option to extend the term for further periods of 5 years by giving written notice to WAM Capital of its intention to do so, not more than 6 months and not less than 3 months, prior to the expiration of each term.

WAM Capital Investment Manager most recently exercised this option on 30 April 2019 with the extended term next expiring on 11 August 2024, and intends to continue to do so.

(g) **Termination and termination fee under WAM Capital Management Agreement**

The WAM Capital Management Agreement gives WAM Capital certain termination rights including the right to immediately terminate if:

(i) the WAM Capital Investment Manager goes into liquidation (except for the purpose of amalgamation or reconstruction or some similar purpose);

(ii) a receiver, receiver and manager or controller as appointed to the undertaking of the WAM Capital Investment Manager when such appointment is not disputed in legal proceedings by the WAM Capital Investment Manager within 15 Business Days;

(iii) the WAM Capital Investment Manager neglects after not less than 30 days' notice from WAM Capital to carry out or satisfy any duty imposed on the

WAM Capital Investment Manager by the WAM Capital Management Agreement; or

(iv) the WAM Capital Investment Manager is in fundamental default or breach of its obligations under the WAM Capital Management Agreement and such default or breach is not rectified within 30 days after WAM Capital has notified the WAM Capital Investment Manager in writing to rectify that default or breach.

WAM Capital may also terminate the WAM Capital Management Agreement at any time after expiry of the initial term of 5 years by giving to the WAM Capital Investment Manager at least 3 months' written notice provided that security holders of WAM Capital by ordinary resolution resolve to deliver that notice.

If the WAM Capital Management Agreement is so terminated, WAM Capital must pay to the WAM Capital Investment Manager an additional fee equal to the aggregate fees (including the management fee described at Section 9.6(c) and performance fee described at Section 9.6(d)) paid to the WAM Capital Investment Manager in respect of the 3 month period up to the date of termination. Based on the current monthly management fee described at Section 9.6(c) of 0.0833% of gross assets of the WAM Capital portfolio calculated at month-end or 1% per annum (excluding GST), the termination fee under the WAM Capital Management Agreement would be approximately 0.25% of gross assets.

The WAM Capital Investment Manager may terminate the WAM Capital Management Agreement at any time by giving WAM Capital at least three months' written notice. No fee is payable upon such a termination.

9.7 Investment portfolio as at 31 December 2021

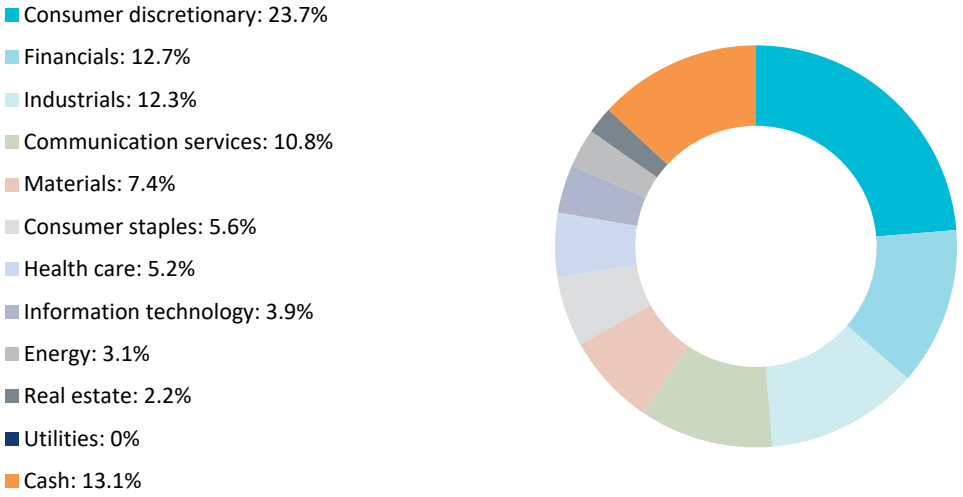
As at 31 December 2021, the top 20 holdings in the investment portfolio of WAM Capital were:

Code	Company	%
AX1	Accent Group Limited	2.4%
IPH	IPH Limited	2.3%
MGH	MAAS Group Holdings Limited	2.3%
CCP	Credit Corp Group Limited	2.2%
BKW	Brickworks Limited	2.0%
ACL	Australian Clinical Labs Limited	2.0%
CAR	Carsales.com Limited	2.0%
EVT	EVENT Hospitality & Entertainment Limited	1.9%
PXA	PEXA Group Limited	1.9%
ARB	ARB Corporation Limited	1.9%
SDF	Steadfast Group Limited	1.9%
IEL	IDP Education Limited	1.8%
ALG	Ardent Leisure Group Limited	1.8%
VEA	Viva Energy Group Limited	1.8%

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Code	Company	%
360	Life360 Inc.	1.8%
ALQ	ALS Limited	1.7%
ALL	Aristocrat Leisure Limited	1.7%
TPG	TPG Telecom Limited	1.6%
PMV	Premier Investments Limited	1.5%
EHE	Estia Health Limited	1.5%

WAM Capital's investment allocation by sector as at 31 December 2021 is shown below:



WAM Capital's key portfolio metrics as at 31 December 2021 are set out in the table below:

WAM Capital Portfolio Metrics	31 December 2021
Share price ($ per share)	$2.23
NTA before tax (cents per share)	188.33c
NTA before unrealised tax (cents per share)	196.02c
NTA after tax (cents per share)	191.78c
Market capitalisation ($ million)	$2,021.5m
Gross assets ($ million)	$1,711.8m

9.8 Capital structure and ownership of WAM Capital

The WAM Capital Shares on issue as at the Last Practicable Date are 926,255,835.

(a) **WAM Capital substantial holders**

As at the Last Practicable Date, WAM Capital had no substantial shareholders.

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(b) **Top 20 WAM Capital Shareholders as at 31 December 2021**

Name	Number of ordinary shares held	% of issued capital held
JOHN NEIL BISHOP & NICHOLAS CHAPMAN ANDERSON <ADARE A/C>	16,678,217	1.840%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,854,366	0.977%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,344,284	0.479%
EHJ INVESTMENTS PTY LTD	3,000,000	0.331%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,899,991	0.320%
EHJ INVESTMENTS PTY LTD	2,823,188	0.311%
SEWETA PTY LIMITED <TRSS A/C>	2,150,000	0.237%
R & R CORBETT PTY LTD <R C CORBETT FAMILY A/C>	1,959,862	0.216%
GOLD TIGER EQUITIES PTY LTD	1,816,972	0.200%
GASWELD PTY LIMITED	1,760,158	0.194%
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	1,627,270	0.180%
ALAMO HOLDINGS LIMITED	1,500,000	0.165%
WILMAR ENTERPRISES PTY LTD	1,487,209	0.164%
MARBEAR HOLDINGS PTY LTD	1,440,300	0.159%
CITICORP NOMINEES PTY LIMITED	1,384,958	0.153%
ENEBER INVESTMENT COMPANY LIMITED	1,322,000	0.146%
NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>	1,293,824	0.143%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,261,043	0.139%
SOUTHERN STEEL INVESTMENTS PTY LTD	1,136,749	0.125%
ALL AMERICAN HOTDOG PTY LTD <LEWNAT PTY LTD SF A/C>	1,117,300	0.123%
Total Top 20 WAM Capital Shareholders	**59,857,691**	**6.602%**

9.9 Valuations and reporting

Valuation of the WAM Capital portfolio uses a framework for valuing financial instruments that is consistent with current industry practice and regulatory requirements. WAM Capital's assets are valued using market accepted practices to accurately and independently price all securities and other assets within the portfolio from time to time.

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Within 14 days after the end of each month, WAM Capital releases to the ASX a statement of the NTA backing per WAM Capital Share as at month end, calculated in accordance with ASX Listing Rules. WAM Capital provides to its shareholders on request, free of charge, a copy of statements released to the ASX of the net tangible asset backing of WAM Capital Shares.

WAM Capital and the WAM Capital Investment Manager also release reports to the ASX on WAM Capital's activities, the portfolio performance, and WAM Capital Investment Manager's investment outlook. These reports are also available on the WAM Capital website https://wilsonassetmanagement.com.au/lic/wam-capital/.

9.10 Key service providers and custody

WAM Capital Investment Manager is the key service provider to WAM Capital, providing investment and administration services. WAM Capital reviews the performance and quality of services on a quarterly basis to ensure performance standards are met and the services remain fit for purpose.

WAM Capital delegates custody of its investments to external custodian Citigroup Pty Limited (AFSL no. 238098) in accordance with the terms of a custodial services arrangement. As a licensed custody provider, Citigroup Pty Limited must comply with all relevant requirements under the Corporations Act and ASIC Regulatory Guidance. WAM Capital monitors Citigroup Pty Limited to ensure its ongoing compliance with the minimum standards of ASIC RG 133, and has a risk management policy in place to deal appropriately with any deficiencies that arise.

WAM Capital retains custody of some of its assets such as cash and certain investments, where applicable.

9.11 Risk management philosophy and approach

WAM Capital Investment Manager is primarily responsible for managing investment portfolio risk. WAM Capital Investment Manager is committed to robust corporate governance practices and has implemented risk policies and controls which are designed to be relevant to WAM Capital's investment strategy and objectives, create value, and provide accountability. WAM Capital Investment Manager continuously monitors the investment portfolio to ensure compliance with the investment strategy and investment guidelines. This ensures, among other things, ongoing monitoring of net and gross exposure within the WAM Capital portfolio.

WAM Capital has adopted a corporate governance charter (available on its website) which sets out the practices to which WAM Capital and each director is committed. The WAM Capital Board is committed to operating effectively and in the best interests of WAM Capital Shareholders. The WAM Capital Board aims to ensure that all its directors and the WAM Capital Investment Manager act with the utmost integrity, objectivity and endeavour to enhance the reputation of WAM Capital. The WAM Capital Board aims to act in a manner designed to create and build sustainable value for WAM Capital Shareholders.

9.12 Financial overview of WAM Capital

This Section 9.12 sets out summary historical information in relation to WAM Capital. This information has been extracted from WAM Capital's audited financial statements for the relevant financial periods and does not take into account the effects of the Scheme.

A. Basis of preparation

The historical financial information in this Section 9.12 has been derived from WAM Capital's audited financial statements for years ended 30 June 2021 and 30 June 2020, which were audited by Pitcher Partners and the reviewed financial information for the half year period to 31 December 2021, which was reviewed by Pitcher Partners.

The financial information in this Section 9.12 is a summary only and is prepared for the purpose of this Scheme Booklet. The historical financial information of WAM Capital is presented in an abbreviated form and does not contain all the disclosures,

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presentation, statements or comparatives that are usually provided in an annual financial report prepared in accordance with the Corporations Act. WAM Capital considers that for the purpose of this Scheme Booklet the historical financial information presented in an abbreviated form is more meaningful to Westoz Shareholders.

Further detail on WAM Capital's financial performance can be found in:

- the Appendix 4E and financial statements for the year ended 30 June 2021 (included in the Annual Financial Report released to the ASX on 19 August 2021);
- the Appendix 4E and financial statements for the year ended 30 June 2020 (included in the Annual Financial Report released to the ASX on 25 August 2020); and
- the Appendix 4D and the interim financial statements for the half-year ended 31 December 2021 (included in the Interim Financial Report released to the ASX on 22 February 2022),

each of which can be found on the WAM Capital website at https://wilsonassetmanagement.com.au/lic/wam-capital/ or the ASX website (www.asx.com.au). Shareholders without internet access can obtain these reports by contacting WAM Capital.

B. WAM Capital's historical income statements

Set out below are WAM Capital's statement of financial performance, statement of financial position and statement of cash flows for the periods ended 31 December 2021 (six month period), 30 June 2021 and 30 June 2020 (each a twelve month period).

All amounts disclosed are presented in Australian dollars and rounded to the nearest dollar, except earnings per share which is disclosed in cents.

(b) Statement of comprehensive income

Statement of Financial Performance	31 Dec 2021 $	30 June 2021 $	30 June 2020 $
Net realised and unrealised gains/(losses) on financial assets	67,507,039	285,626,844	(56,631,902)
Other revenue from operating activities	12,720,359	93,943,426	28,967,203
Management fees	(8,830,308)	(14,883,996)	(13,118,338)
Performance fees	-	(14,015,604)	-
Directors fees	(90,000)	(173,333)	(140,710)
Brokerage expense on share purchases	(2,650,143)	(5,121,104)	(4,811,676)
Expenses paid on borrowed stock	-	(18,770)	(138,909)
Custody fees	(63,446)	(77,342)	(107,464)
ASX listing and chess fees	(131,637)	(250,154)	(228,690)
Share registry fees	(383,514)	(413,073)	(291,044)
Disbursements, mailing and printing	(197,268)	(369,484)	(280,782)
Legal and professional fees	(260,450)	(475,968)	(41,307)

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Statement of Financial Performance	31 Dec 2021 $	30 June 2021 $	30 June 2020 $
ASIC industry funding levy	(34,264)	(55,861)	(54,042)
Other expenses from ordinary activities	(183,052)	(372,781)	(371,378)
Profit/(loss) before income tax	**65,403,316**	**343,342,800**	**(47,249,039)**
Income tax (expense)/benefit	(17,312,368)	(76,727,686)	20,542,072
Profit/(loss) after income tax attributable to members of the Company	**48,090,948**	**266,615,114**	**(26,706,967)**
Other comprehensive income/(loss)			
Other comprehensive income/(loss) for the year, net of tax	-	-	-
Total comprehensive income/(loss) for the year	**48,090,948**	**266,615,114**	**(26,706,967)**
Basic and diluted earnings/(loss) per share	5.42 cents	33.79 cents	(3.70 cents)

(c) **Statement of financial position**

Statement of Financial Position	31 Dec 2021 $	30 June 2021 $	30 June 2020 $
Current assets			
Cash and cash equivalents	286,385,248	149,614,471	203,400,924
Trade and other receivables	1,976,247	29,789,191	20,984,982
Financial assets	1,431,524,349	1,566,906,061	963,612,288
Current tax assets	-	-	22,676,280
Total current assets	**1,719,885,844**	**1,746,309,723**	**1,210,674,474**
Non-current assets			
Deferred tax assets	73,000,025	72,200,056	68,540,392
Total non-current assets	**73,000,025**	**72,200,056**	**68,540,392**
Total assets	**1,792,885,869**	**1,818,509,779**	**1,279,214,866**
Current liabilities			
Trade and other payables	9,790,011	80,983,842	32,857,926
Financial liabilities	-	-	897,913
Current tax liabilities	3,347,849	13,128,785	-

Statement of Financial Position	31 Dec 2021 $	30 June 2021 $	30 June 2020 $
Total current liabilities	**13,137,860**	**94,112,627**	**33,755,839**
Non-current liabilities			
Deferred tax liabilities	38,438,805	27,179,121	23,778,042
Total non-current liabilities	**38,438,805**	**27,179,121**	**23,778,042**
Total liabilities	**51,576,665**	**121,291,748**	**57,533,881**
Net assets	**1,741,309,204**	**1,697,218,031**	**1,221,680,985**
Equity			
Issued capital	1,753,705,463	1,688,342,901	1,352,964,191
Profits reserve	178,636,898	184,758,357	44,600,021
Accumulated losses	(191,033,157)	(175,883,227)	(175,883,227)
Total equity	**1,741,309,204**	**1,697,218,031**	**1,221,680,985**

(d) **Statement of cash flows**

Statement of Cash Flows	31 Dec 2021 $	30 June 2021 $	30 June 2020 $
Cash flows from operating activities			
Proceeds from sale of investments	2,237,252,067	3,688,875,724	3,724,169,098
Payments for purchase of investments	(2,010,261,914)	(3,657,260,936)	(3,736,901,301)
Dividends received	13,023,482	89,575,572	26,501,671
Interest received	568,099	475,969	3,175,482
Other investment income received	32,572	2,743,637	814,073
Management fee (GST inclusive)	(9,448,382)	(15,491,367)	(14,233,258)
Performance fee (GST inclusive)	(15,041,140)	-	-
Brokerage expense on share purchases (GST inclusive)	(2,838,901)	(5,479,615)	(5,155,458)
Payments for administration expenses (GST inclusive)	(1,542,155)	(2,222,168)	(1,821,994)
Income tax paid	(16,600,088)	(45,955,387)	(24,471,376)
GST on brokerage expense on share sales	(219,527)	(338,163)	(364,037)
Net GST received from ATO	2,092,484	1,712,469	1,729,140
Net cash provided by/(used in) operating activities	**197,016,597**	**56,635,735**	**(26,557,960)**

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Statement of Cash Flows	31 Dec 2021 $	30 June 2021 $	30 June 2020 $
Cash flows from financing activities			
Dividends paid – net of reinvestment	(60,134,150)	(109,682,902)	(96,029,159)
Share issue costs	(111,670)	(739,286)	-
Net cash used in financing activities	**(60,245,820)**	**(110,422,188)**	**(96,029,159)**
Net decrease in cash and cash equivalents held	**136,770,777**	**(53,786,453)**	**(122,587,119)**
Cash and cash equivalents at beginning of financial year	149,614,471	203,400,924	325,988,043
Cash and cash equivalents at end of financial year	**286,385,248**	**149,614,471**	**203,400,924**
Non-cash transactions:			
Shares issued via scrip consideration for the acquisition of an unlisted investment company	39,690,487	-	-
Shares issued via scrip consideration for the acquisition of PM Capital Asian Opportunities Fund	16,522,057	-	-
Shares issued via scrip consideration for the acquisition of Concentrated Leaders Fund	-	67,218,411	-
Shares issued via scrip consideration for the acquisition of Contango Income Generator	-	55,505,386	-
Shares issued via scrip consideration for the acquisition of amaysim Australia	-	196,402,497	-
Shares issued via dividend reinvestment plan	9,228,187	16,773,876	15,512,955

C. **Material changes to WAM Capital's financial position since 31 December 2021**

As at the date of this Scheme Booklet, as far as the WAM Capital Directors are aware there have been no material changes in the financial position of WAM Capital since 31 December 2021, other than:

- cash inflows and outflows in the ordinary course of business;
- WAM Capital's off-market takeover offer for all issued capital of PM Capital Asian Opportunities Fund Limited (ASX: PAF) which closed on 18 February 2022. As at the end of January 2022, PAF's pre-tax NTA was approximately $61.8 million. WAM Capital has issued 27,362,426 new WAM Capital Shares in relation to the acquisition since 30 June 2021 and currently holds 93.07% of the issued capital of PAF. On 22 February 2022, WAM Capital despatched

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compulsory acquisition notices to PAF shareholders to compulsorily acquire the remaining shares; and

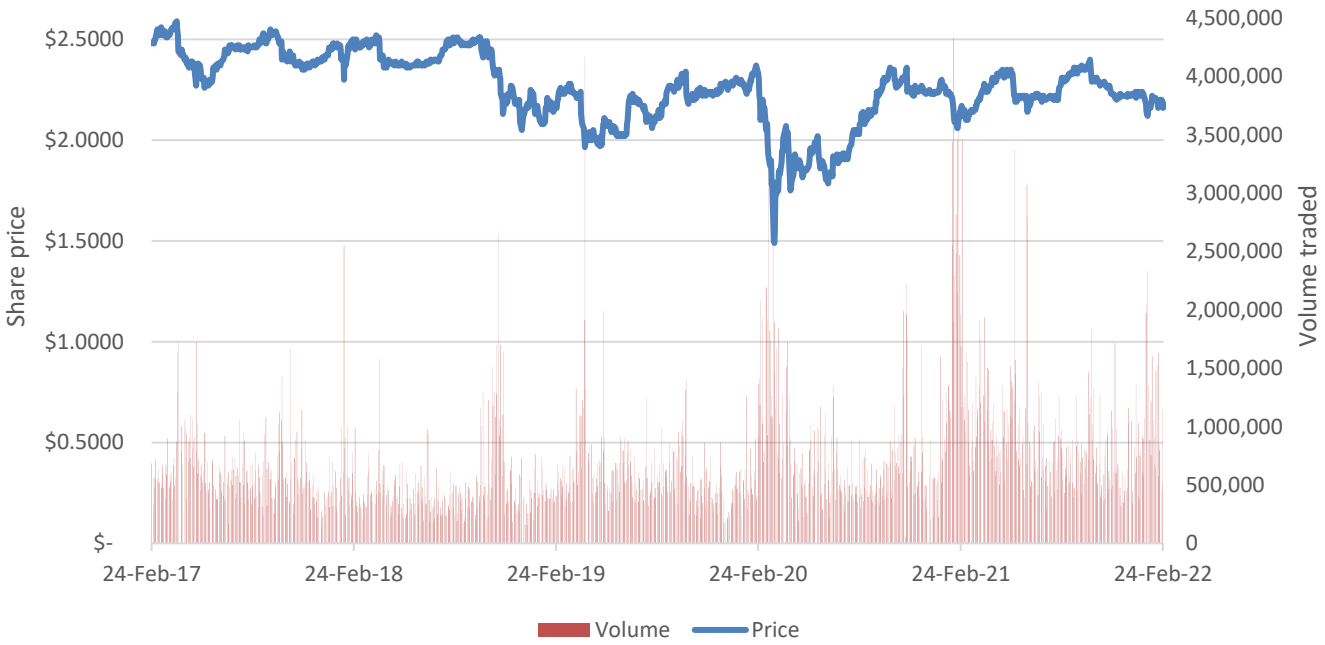
- as disclosed in this Scheme Booklet or otherwise disclosed to the ASX by WAM Capital.

9.13 WAM Capital's recent share price performance

The latest recorded price of WAM Capital Shares on the ASX on 22 December 2021 (the day before the Announcement Date) was $2.23 per WAM Capital Share.

The chart below shows WAM Capital's share price performance over the 12 months to the Last Practicable Date. The highest and lowest recorded sale price for WAM Capital Shares during the three months immediately before the Last Practicable Date was $2.24 and $2.12 per share, respectively.

The closing price of WAM Capital Shares on the ASX on the Last Practicable Date was $2.16 per WAM Capital Share.



The current price of WAM Capital Shares on the ASX can be obtained from the WAM Capital website at https://wilsonassetmanagement.com.au/lic/wam-capital/ or the ASX website (www.asx.com.au).

Set out below is the VWAP of WAM Capital Shares for various periods up to and including the Last Practicable Date:

	10 Days	20 days	30 days	90 days
VWAP	$2.19	$2.19	$2.19	$2.23

9.14 Profit reserve and franking credits

As at 31 July 2021, WAM Capital had a profits reserve balance of $191.0 million (or 21.8 cents per share), before the payment of the fully franked final dividend of 7.75 cents per share paid on 29 October 2021.

WAM Capital had a franking credit balance of $19.4 million (or 5.1 cents per share in a fully franked dividend) as at 30 June 2021, including current tax payable by WAM Capital, franking

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credits receivable and after the fully franked final dividend of 7.75 cents per share paid on 29 October 2021. The franking credit balance does not include the franking credits that would be generated from the deferred tax liability of WAM Capital when realised.

WAM Capital's profits reserve as at 31 December 2021 is 19.7 cents per share and forms part of the NTA of WAM Capital.

9.15 Dividend policy

The WAM Capital Board has a clear dividend policy in place for its shareholders. The WAM Capital Board is committed to paying a stream of fully franked dividends to shareholders, provided the Combined Group has sufficient profits reserves and franking credits and it is within prudent business practices. The Combined Group's ability to generate franking credits is dependent primarily upon the payment of tax on profits and the quantum of fully franked dividends received from investee companies.

The table below sets out WAM Capital's dividends declared and paid from 31 December 2018 to 31 December 2021.

Cents per share	Type	% Franked	Date paid/payable
7.75	Interim FY2022	100%	17 June 2022
7.75	Final FY2021	100%	29 October 2021
7.75	Interim FY2021	100%	7 June 2021
7.75	Final FY2020	100%	27 November 2020
7.75	Interim FY2020	100%	28 April 2020
7.75	Final FY2019	100%	25 October 2019
7.75	Interim FY2019	100%	26 April 2019

9.16 Further information

As a company listed on the ASX and a "disclosing entity" under the Corporations Act, WAM Capital is subject to regular reporting and disclosure obligations which require it to announce price sensitive information as soon as it becomes aware of that information. WAM Capital's most recent announcements are available from its website at https://wilsonassetmanagement.com.au/lic/wam-capital/ and on the ASX website (www.asx.com.au). Further announcements concerning WAM Capital will continue to be made available on these websites after the date of this Scheme Booklet.

The ASX maintains publicly available information about entities listed on their exchange. Information about WAM Capital is available for inspection at the ASX during normal business hours and is available from their website (www.asx.com.au).

WAM Capital is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by WAM Capital may be obtained from, or inspected at, ASIC offices.

WAM Capital will provide a copy of any of the following documents free of charge to any person who requests a copy:

(a) WAM Capital's Annual Financial Report for the period ended 30 June 2021;

(b) WAM Capital's Interim Financial Report for the period ended 31 December 2021; and

(c) any continuous disclosure notices given by the body after lodgement of WAM Capital's Annual Financial Report for the period ended 30 June 2021.

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On 19 August 2021, WAM Capital released its Annual Financial Report for the period ended 30 June 2021 and on 22 February 2022, WAM Capital released its Interim Financial Report for the period ended 31 December 2021. A copy of the Annual Financial Report and Interim Financial Report can be found at https://wilsonassetmanagement.com.au/lic/wam-capital/ and on the ASX website (www.asx.com.au).

9.17 Funding of the Scheme Consideration

WAM Capital has entered into the Deed Poll to covenant in favour of the Scheme Shareholders to perform its obligations in relation to the Scheme.

One such obligation is to provide or procure the provision of the Scheme Consideration in accordance with the Scheme, by way of issuing all New WAM Capital Shares required to be issued to Scheme Shareholders. See Section 7.1(g) for indicative examples.

The Deed Poll is set out in Annexure C.

9.18 WAM Capital's interest and dealings in Westoz Shares

(a) Interest in Westoz Shares

As at the date of this Scheme Booklet, WAM Capital has a Relevant Interest in 7.631% of Westoz Shares.

The table below sets out WAM Capital and its Associates' respective holdings in Westoz Shares as at the date of this Scheme Booklet:

Holder of Westoz Shares	Number of Westoz Shares held	% of issued ordinary capital of Westoz
Wilson Asset Management Group	10,201,528	7.631%

WAM Capital has advised Westoz that the Wilson Asset Management Group members who hold Westoz Shares are in favour of the Scheme but will abstain from voting on the Scheme at the Scheme Meeting.

(b) Acquisition of Westoz Shares in the previous four months

Other than as contemplated by the Scheme, none of WAM Capital or any of its Associates has provided or agreed to provide consideration for any Westoz Shares under any purchase, agreement or other transaction during the four months before the date of this Scheme Booklet.

(c) Benefits to holders of Westoz Shares

During the four months before the date of this Scheme Booklet, none of WAM Capital or any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to:

(i) vote in favour of the Scheme; or

(ii) dispose of Westoz Shares,

where the benefit was not offered to all Westoz Shareholders.

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(d) **Benefits to Westoz officers**

None of WAM Capital nor any of its Associates will be making any payment or giving any benefit to any current director, secretary or executive officer of Westoz or any of its Related Bodies Corporate as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

9.19 Disclosure of interests

Except as otherwise disclosed in this Scheme Booklet, no:

(a) WAM Capital director or proposed WAM Capital director;

(b) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet for or on behalf of WAM Capital;

(c) promoter of WAM Capital or the Combined Group;

(d) underwriter to the issue of Scheme Consideration or promoter or financial services licensee named in the Scheme Booklet as a financial services licensee involved in the issue of Scheme Consideration,

(together, the **WAM Capital Interested Persons**)

holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

(e) the formation or promotion of WAM Capital or the Combined Group;

(f) property acquired or proposed to be acquired by WAM Capital in connection with the formation or promotion of WAM Capital or the Combined Group or the offer of Scheme Consideration under the Scheme; or

(g) the offer of Scheme Consideration under the Scheme.

9.20 Disclosure of fees and other benefits

Except as otherwise disclosed in this Scheme Booklet, WAM Capital has not paid or agreed to pay any fees, or provided or agreed to provide any benefit:

(a) to a WAM Capital director or proposed WAM Capital director to induce them to become or qualify as a WAM Capital director; or

(b) for services provided by any WAM Capital Interested Person in connection with:

(i) the formation or promotion of WAM Capital or the Combined Group; or

(ii) the offer of Scheme Consideration under the Scheme.

9.21 WAM Capital's rationale for the Proposed Transaction

The following should be considered by Westoz Shareholders from the perspective of becoming WAM Capital Shareholders following successful implementation of the Scheme.

WAM Capital and Ozgrowth are proposing to enter into a similar transaction to the Proposed Transaction (together, **Proposed Transactions**). The two Proposed Transactions are independent and are not inter-conditional. Should both of the Proposed Transactions proceed, WAM Capital as a single listed investment entity will have net assets of approximately $2.0

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billion, with a market capitalisation of over $2.3 billion and a larger shareholder base. WAM Capital Shareholders benefit from the issuance of new shares on a NTA accretive basis.

The WAM Capital Board believes the Proposed Transactions will provide Westoz, Ozgrowth and WAM Capital Shareholders with appealing benefits. See Section 10 for more detail about the Combined Group.

9.22 WAM Capital's intentions if the Scheme is implemented

The statements set out in this Section 9.22 are statements of current intentions only, which may change as new information becomes available or circumstances change. Decisions will only be reached after implementation when all material facts and circumstances are known to the board of the Combined Group.

(a) **Westoz to be delisted/removal from the ASX**

If the Scheme becomes Effective and is implemented so that Westoz becomes a wholly owned subsidiary of WAM Capital, Westoz will apply to the ASX for the termination of the official quotation of Westoz Shares and removal of Westoz from the official list of the ASX with effect on and from a date after the Implementation Date to be determined by WAM Capital.

(b) **Board of the Combined Group**

Following implementation, the Westoz board of directors is proposed to comprise of the existing directors of WAM Capital, as set out in Section 9.3 above, or their nominees.

Geoff Wilson, the chairman of WAM Capital, will act as chairman of the Combined Group.

If the Scheme is approved, the board of the Combined Group will consider as soon as practicable issues such as whether WAM Capital will form a tax consolidated group with Westoz and the management of the assets held within Westoz. Although the WAM Capital Board expects that all the assets of the Combined Group will be managed in a similar way to those of WAM Capital, the board of the Combined Group will only be able to make definitive decisions once it has all the necessary information available to it and upon implementation of the Scheme.

(c) **Management of the Combined Group**

Westoz intends to terminate the WFM Management Agreement with effect no later than the Implementation Date. The termination will not impact accrued management fees, performance fees (where applicable) and expenses incurred under the WFM Management Agreement up to the Implementation Date, however no termination fees will otherwise be payable by Westoz.

The WAM Capital Investment Manager will continue as the investment manager of the Combined Group and there will be no substantive changes to the existing management arrangements already in place.

WAM Capital Investment Manager is entitled to a performance fee as part of its role as investment manager of the Combined Group. A similar performance fee exists in the WFM Management Agreement, however a different performance benchmark is utilised. The WAM Capital Investment Manager's performance fee is calculated on 20% of WAM Capital's outperformance of the investment portfolio against the S&P/ASX All Ordinaries Accumulation Index (only if the value of the portfolio increased over that period), whereas the performance fee payable by Westoz under the WFM Management Agreement is calculated on 20% of Westoz's outperformance against a 10% threshold (the starting point for the calculation of the threshold is the greater of the starting portfolio value and the number of Westoz Shares on issue multiplied by $1.00).

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(d) **Employees**

Neither Westoz nor WAM Capital have any employees.

(e) **Dividend policy**

The WAM Capital Board has a clear dividend policy in place for its shareholders. The WAM Capital Board is committed to paying a stream of fully franked dividends to shareholders, provided the Combined Group has sufficient profits reserves and franking credits and it is within prudent business practices. The Combined Group's ability to generate franking credits is dependent primarily upon the payment of tax on profits and the quantum of fully franked dividends received from investee companies.

9.23 Rights and Liabilities attaching to New WAM Capital Shares

The rights and liabilities attaching to WAM Capital Shares that will be issued to participants in the Scheme as Scheme Consideration will be the same as those attaching to existing WAM Capital Shares and will rank equally in all respects with all issued fully paid ordinary shares of WAM Capital from the date of their issue. These rights and liabilities are detailed in the WAM Capital constitution and are subject to the Corporations Act and the Listing Rules.

The table below summarises some of the key rules in the WAM Capital constitution in relation to the rights and liabilities currently attaching to WAM Capital Shares, and which will apply to the New WAM Capital Shares. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities attaching to WAM Capital Shares. It must be read subject to the full text of the WAM Capital constitution. A copy of WAM Capital's constitution can be obtained through ASIC or from the WAM Capital company secretary.

Westoz Shareholders should obtain their own independent advice in relation to their rights and liabilities as potential holders of WAM Capital Shares in specific circumstances.

Item	Description
Voting at a general meeting	Subject to any shares which may in the future be issued with special or preferential rights, every member present in person at a general meeting of WAM Capital or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid WAM Capital Share held. On a poll, partly paid shares confer a fraction of a vote in proportion to the amount paid up on the share.
Meeting of members	Each WAM Capital Shareholder is entitled to receive notice of, attend and vote at meetings of WAM Capital and to receive all notices, accounts and other documents required to be sent to WAM Capital Shareholders under WAM Capital's constitution, the Corporations Act and the Listing Rules.
Dividends	The WAM Capital Directors may authorise the payment of dividends to members as and when permitted by the Corporations Act. Dividends are payable on all WAM Capital Shares in proportion to the amount of the total issue price paid or credited as paid for the WAM Capital Shares. This is subject to any special or preferential rights attached to any class of shares created after the issue of the WAM Capital Shares. If a fully paid share is on issue for only part of the period in respect of which a dividend is payable, the dividend for that share will be apportioned and paid according to the proportion that the part of that period for which the share is on issue and is fully paid is of the total period for which the dividend is payable.
Transfer of WAM Capital Shares	WAM Capital Shares may be transferred by a proper transfer effected under the ASX Settlement Operating Rules, or by a written instrument

Item	Description
	of transfer in any usual form or in any other form approved by the WAM Capital Directors. The Directors may only decline to register a transfer of WAM Capital Shares (other than a proper transfer under the ASX Settlement Operating Rules) where permitted or required to do so under the Listing Rules. If the Directors refuse to register a transfer, WAM Capital must, within five Business Days after the transfer is lodged with WAM Capital, give the party lodging the transfer written notice of the refusal and the reason for refusal. The WAM Capital Directors must decline to register a transfer of WAM Capital Shares when required by the Corporations Act or the Listing Rules.
Issue of further WAM Capital Shares	The Directors may allot, issue, grant options in respect of, or otherwise dispose of, further shares in WAM Capital on terms as they see fit. However, the WAM Capital Directors must act in accordance with the restrictions imposed by WAM Capital's constitution, the Corporations Act, the Listing Rules and any rights for the time being attached to the shares in any special class of those shares.
Winding-up	If WAM Capital is wound up, the liquidator may, with the sanction of a special resolution, divide among the WAM Capital Shareholders the whole or any part of the property of WAM Capital and may for that purpose set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the WAM Capital Shareholders or different classes of WAM Capital Shareholders.
Share buy-back	Subject to the provisions of the Corporations Act and the Listing Rules, WAM Capital may buy back WAM Capital Shares on terms and at times determined by the WAM Capital Directors.
Variation of class rights	Unless otherwise provided by WAM Capital's constitution or by the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or abrogated: (a) with the consent in writing of the holders of three-quarters of the issued shares included in that class; or (b) with the sanction of a special resolution passed at a separate meeting of the holders of those shares. In either case, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or abrogated, may apply to a court of competent jurisdiction to exercise its discretion to set aside that variation or abrogation.
Dividend reinvestment plan	WAM Capital's constitution authorises the WAM Capital Directors to establish and maintain dividend reinvestment plans (whereby any member may elect that dividends payable by WAM Capital be reinvested by way of subscription for shares in WAM Capital).
Indemnities	To the extent permitted by law, WAM Capital indemnifies every officer and former officer of WAM Capital against a liability incurred by the person acting in that capacity. In addition, every officer is indemnified out of the assets of WAM Capital against any liability incurred in defending any civil or criminal proceedings in which judgment is given in favour of the officer, or in which the officer is acquitted.
Alteration of WAM Capital's constitution	WAM Capital's constitution can only be amended by special resolution passed by at least 75% of WAM Capital Shareholders present and voting at a general meeting of WAM Capital. WAM Capital must give at least 28 days' written notice of its intention to propose a resolution as a special resolution.

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9.24 Other material information

Except as set out in this Section 9, Section 10 and Section 11, so far as the directors of WAM Capital are aware, there is no other information regarding WAM Capital, or its intentions regarding Westoz that is material to the making of a decision by a Westoz Shareholder on whether or not to vote in favour of the Scheme, being information that is within the knowledge of any director of WAM Capital as at the date of this Scheme Booklet, which has not been previously disclosed to Westoz Shareholders.

As at the date of this Scheme Booklet, WAM Capital is not aware of any circumstances which would cause the Scheme Conditions not to be satisfied.

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10. Financial overview of the Combined Group

10.1 Introduction

The information contained in this Section 10 has been prepared by WAM Capital. The information concerning the Combined Group and the intentions, views and opinions contained in this Section 10 are the responsibility of WAM Capital (except to the extent that the Combined Group information is based on information provided by Westoz, for which Westoz takes responsibility). Westoz and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information (except to the extent that the Combined Group information is based on information provided by Westoz).

10.2 The Combined Group

If the Scheme is implemented, Westoz will become a wholly owned Subsidiary of WAM Capital. The Scheme will create a single listed investment company structure with a larger capital and shareholder base under one investment manager. It is expected that the Combined Group which will deliver the following benefits:

(a) continued access to Wilson Asset Management's commitment to shareholder engagement;

(b) increased net assets of approximately $1,894.5 million and more than 45,300 shareholders, expected to deliver shareholders access to greater on-market liquidity;

(c) a proven investment strategy under Wilson Asset Management, providing investors with diversified exposure to a portfolio of undervalued growth companies;

(d) a share price trading at a premium to the Combined Group's pre-tax NTA. The greater liquidity of a larger shareholder and net asset base helps mitigate the risk of discounts that can occur with securities that are less frequently traded on market;

(e) a history of paying fully franked dividends to shareholders;

(f) the potential for Westoz Shareholders to exit their investment in Westoz at or above the Westoz NTA; and

(g) scrip-for-scrip CGT rollover relief, subject to their own individual circumstances, for Westoz Shareholders.

In addition, any costs currently incurred by Westoz and duplicated by WAM Capital are expected to be eliminated or reduced. Duplicated costs which the boards of Westoz and WAM Capital expect to be reduced once the Scheme is implemented include, but are not limited to:

(a) fees and expenses otherwise payable under the WFM Management Agreement;

(b) directors' and company secretarial fees;

(c) audit and tax fees;

(d) share registry fees;

(e) securities exchange listing fees; and

(f) general and operating expenses.

The cost savings relate principally to the cessation of Westoz operating as a separately listed entity and, therefore, a reduction in the costs of compliance and ongoing operating costs.

These cost savings coupled with the increased size of the portfolio are expected to lead to a reduction in the management expense ratio of the Combined Group.

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WAM Capital and Ozgrowth Limited (ASX: OZG) are proposing to enter into a similar transaction to the Proposed Transaction. The Proposed Transaction is independent of that transaction and the two are not inter-conditional. As such, reference to the Combined Group in this Scheme Booklet includes WAM Capital and Westoz as its wholly owned Subsidiary on the basis of the Scheme being implemented, but does not include Ozgrowth.

10.3 Prospects for the Combined Group

The operation and financial performance of Westoz and WAM Capital (as standalone entities) within the Combined Group are subject to various risks, some of which are summarised in this Scheme Booklet and some of which may be beyond the control of the Combined Group. As a result, the actual results of the Combined Group's operations, earnings and investment portfolio performance following implementation of the Scheme and the actual advantages of the Scheme may differ from those that are anticipated or may not be achieved.

WAM Capital has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information on the Combined Group. The WAM Capital Board has concluded that providing forecast financial information would be misleading. A reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the effect that variations in key inputs may have on future earnings performance.

The Combined Group will continue to pursue investment activities – primarily investing in listed equities – to achieve its stated objectives.

The future performance of the Combined Group is dependent on the performance of its investment portfolio. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments. As such, the WAM Capital Board does not believe it is possible or appropriate to predict the future performance of the Combined Group's investments and, therefore, its performance.

10.4 Unaudited pro forma historical financial information

Set out below is the unaudited pro forma statement of financial position of WAM Capital, on the basis that the implementation of the Scheme had occurred as at 31 December 2021 (**Pro Forma Historical Financial Information**). The Pro Forma Historical Financial Information is to be read in conjunction with the accompanying notes and Section 10.6 to and forming part of the Pro Forma Historical Financial Information as set out in this Section. All amounts disclosed are presented in Australian dollars and are rounded to the nearest thousand dollars.

10.5 Pro Forma Historical Financial Information – 31 December 2021

		WAM Capital	Pro forma Adjustments	Combined Group Pro forma
	Notes	31-Dec-21 $	$	31-Dec-21 $
ASSETS				
Current Assets				
Cash and cash equivalents		286,385,248	-	286,385,248
Trade and other receivables		1,976,247	-	1,976,247
Financial assets		1,431,524,349	-	1,431,524,349
Financial assets - investment in controlled entity at FVTPL (Westoz)	1	-	187,282,029	187,282,029
Total Current Assets		**1,719,885,844**	**187,282,029**	**1,907,167,873**

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		WAM Capital	Pro forma Adjustments	Combined Group Pro forma
	Notes	31-Dec-21 $	$	31-Dec-21 $
Non-Current Assets				
Deferred tax assets	2	73,000,025	4,217,734	77,217,759
Total non-current assets		**73,000,025**	**4,217,734**	**77,217,759**
Total assets		**1,792,885,869**	**191,499,763**	**1,984,385,632**
LIABILITIES				
Current liabilities				
Trade and other payables		9,790,011	-	9,790,011
Current tax liabilities		3,347,849	-	3,347,849
Total current liabilities		**13,137,860**	**-**	**13,137,860**
Non-Current liabilities				
Deferred tax liabilities		38,438,805	-	38,438,805
Total non-current liabilities		**38,438,805**	**-**	**38,438,805**
Total liabilities		**51,576,665**	**-**	**51,576,665**
Net assets		**1,741,309,204**	**191,499,763**	**1,932,808,967**
EQUITY				
Issued capital	3	1,753,705,463	201,341,142	1,955,046,605
Profits reserve	4	178,636,898	(9,841,379)	168,795,519
Accumulated losses		(191,033,157)	-	(191,033,157)
TOTAL EQUITY		**1,741,309,204**	**191,499,763**	**1,932,808,967**

Notes:

1. WAM Capital's recognition of the investment in Westoz. The value of Westoz has been recognised utilising the Westoz NTA after transaction costs as at 31 December 2021.
2. In reference to the fair value gain on acquisition of a controlled entity as part of the pro forma adjustments, the tax effect of the transaction is recognised for the Combined Group as part of the recognition of the investment in Westoz.
3. Forming part of the pro forma adjustments to the 31 December 2021 statement of financial position for WAM Capital is the issue of WAM Capital Shares to Westoz Shareholders in accordance with the terms of the Scheme. It is expected that WAM Capital would issue approximately 60,650,857 New WAM Capital Shares as part of the Scheme in this example. The value of the New WAM Capital Shares has been determined based on the WAM Capital Share price as at 31 December 2021, being $2.23 per WAM Capital Share.
4. In recognising the acquisition of Westoz in the Combined Group, the identifiable fair value of Westoz, being the Westoz NTA as at 31 December 2021 is recognised in consideration for the issue of New WAM Capital Shares as part of the Scheme. The difference between the value of the New WAM Capital Shares issued when compared to the identifiable fair value of Westoz is recognised through the statement of financial performance and resulting equity reserves.
5. The above pro forma financial information does not include the impact of the proposed Scheme of Arrangement between WAM Capital and Ozgrowth Limited (ASX: OZG).

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10.6 Summary of information

The Pro Forma Historical Financial Information is to be read in conjunction with the accompanying notes to and forming part of the pro forma statement of financial position as set out in this Section.

The Pro Forma Historical Financial Information is provided for illustrative purposes and is prepared on the assumption that the Scheme had been implemented on 31 December 2021 and Westoz becomes a wholly owned subsidiary of WAM Capital, adjusted for transaction costs relating to the Scheme.

The WAM Capital Board has assessed the requirements of AASB 10 Consolidated Financial Statements and has applied the criteria set out in that standard to the operations of WAM Capital. WAM Capital is therefore considered to be an investment entity and as a result, the investment in Westoz (being a wholly owned entity of WAM Capital) would not be consolidated into the financial statements of WAM Capital, but rather is accounted for as a financial asset at fair value through profit and loss (**FVTPL**). After acquisition, subsequent movements in the fair value of the identifiable net assets of the controlled entity are recorded as fair value gains or losses through the statement of comprehensive income.

The Pro Forma Historical Financial Information does not represent what the Combined Group would look like on a combined consolidated basis since it is not possible to produce this information from publicly available information and due to the accounting policies of WAM Capital. No adjustments for potential synergy benefits have been included as the exact timing and amount of those benefits cannot be reliably estimated. However, the Pro Forma Historical Financial Information does reflect the issue of New WAM Capital Shares to Scheme Shareholders, and other adjustments required as a result of the Scheme.

The Pro Forma Historical Financial Information has been prepared by the management of WAM Capital with input from the management of Westoz. WAM Capital does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of information relating to Westoz or input from the management of Westoz. The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards and in accordance with WAM Capital's accounting policies, as set out in WAM Capital's annual report for the financial year ended 30 June 2021 and the interim financial report for the period ended 31 December 2021. The accounting policies of WAM Capital and Westoz are not considered materially different.

The Pro Forma Historical Financial Information is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. In particular, it does not include the notes to and forming part of the financial statements of WAM Capital and Westoz.

The information provided in this Section is presented on a pro forma basis only and is based on numerous assumptions that may or may not reflect the actual financial position of the Combined Group after completion of the Scheme and, as a result, it is likely that this information will differ from the actual financial information of the Combined Group.

The Pro Forma Historical Financial Information presented in this Section should also be read in conjunction with risks set out in Section 11, other information contained in this Scheme Booklet, and the accounting policies of WAM Capital and Westoz as disclosed in their most recent audited financial reports.

11. Potential risk factors

11.1 Overview

The Westoz Board considers that it is appropriate for Westoz Shareholders, in considering the Scheme, to be aware that it has identified a number of risk factors, general and specific to Westoz's business, which could materially adversely affect the future operating and financial performance of Westoz and the value of Westoz Shares. This Section identifies some, but not all, of the major risks associated with your current investment in Westoz and general investment risks. You should read the whole of this Scheme Booklet in order to fully appreciate such matters and the manner in which Westoz currently operates before any decision is made on how to vote at the Scheme Meeting.

If the Scheme is implemented, you will receive the Scheme Consideration and will no longer be a Westoz Shareholder. However, you will have an indirect interest in Westoz (as a holder of the New WAM Capital Shares) and will therefore remain exposed to some of the risks set out below. If the Scheme does not proceed, you will continue to hold your Westoz Shares and will continue to be exposed to risks associated with that investment.

The outline of risks in this Section 11 is a summary only and should not be considered exhaustive. No assurances or guarantees are given in relation to the future performance of, profitability of, or payment of dividends by Westoz, WAM Capital or the Combined Group.

11.2 Risks specific to Westoz

Market risk and equity risk

Westoz holds financial instruments comprising the investment portfolio, cash and cash equivalents, receivables and payables and is subject to the general market risks that are inherent in holding those financial instruments. This means that the fair value of future cash flows of financial instruments may fluctuate due to changes in market variables such as foreign currency exchange rates, equity prices and interest rates. In particular, as an investor in listed equities, Westoz is exposed to a risk that the fair value of equities decreases as a result of fluctuations in market prices associated with investments in equities. These fluctuations may be caused by factors specific to individual stocks or factors affecting all instruments in the market such as any protracted slowdown in economic conditions or adverse changes in such factors as inflation, GDP, changes in law (including tax law) and government policy. There can also be no assurance of any appreciation in the value of the financial instruments held by Westoz.

Concentration risk

There may be more volatility in the equities portfolio as compared to the broader market because Westoz's investment portfolio will be comprised of a smaller number of securities than the broader market. As at 31 December 2021, Westoz's investment portfolio comprised the securities of 18 issuers.

Liquidity risk

Depending on the types of financial instruments Westoz has invested in, there may be occasions where there is an increased risk that an instrument cannot be liquidated in a timely manner at a reasonable price. This means that Westoz may encounter difficulty in meeting obligations associated with its financial liabilities in certain circumstances. Westoz aims to mitigate this risk through its investment in financial instruments, which under normal market conditions are readily convertible to cash and by maintaining cash reserves.

Credit risk

Westoz is exposed to the risk that a counterparty to a certain type of financial instrument will fail to discharge an obligation (eg, to pay cash or sell shares to Westoz) and cause Westoz to incur a financial loss.

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Capital management

Westoz manages capital to provide Westoz Shareholders with dividends/distributions and capital appreciation over the longer term. Westoz's capital will fluctuate with prevailing market movements and there is a risk that Westoz may be unable to provide Westoz Shareholders with dividends/distributions in circumstances where it has insufficient capital to do so.

Performance of Westoz investment manager

Westoz's investment portfolio is managed by Westoz Funds Management Pty Ltd under the WFM Management Agreement with Westoz. The profitability and success of Westoz is highly dependent on the ability of Westoz's investment manager to assess business risks and make appropriate investments. It cannot be expected nor is there any guarantee that an investment or investment decision of the investment manager will prove to be the correct decision or prove to be profitable. Accordingly, Westoz may incur losses if the investment manager does not successfully carry out their investment objectives and investment strategy. As a result, no guarantee can be given in respect of the future financial performance of Westoz.

Interest rate risk

Interest rate movements may adversely affect the value of Westoz through their effect on the price of a security and the cost of borrowing.

Listed investment companies

A listed investment company's share price may trade at a premium or discount to NTA backing per share. The operations and financial performance of listed investment companies are driven by a number of factors, including but not limited to domestic and international economic and market conditions, political events, and relevant regulations.

Regulatory risk

All investments carry the risk that their value may be affected by changes in laws and regulations, especially taxation laws. Regulatory risk includes risk associated with variations in the taxation laws of Australia or other jurisdictions in which Westoz holds investments, and changes in accounting standards which affect the financial performance and position reported by Westoz. Changes in laws, regulations or policies may affect Westoz's business and/or increase Westoz's compliance costs or non-compliance risks.

In respect of taxation, future changes in Australian taxation law or in other jurisdictions, including changes in interpretation or application of the law by the courts or taxation authorities, or Westoz's method of calculation, may affect the taxation treatment of an investment in Westoz's shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, or Westoz's methods of calculation may impact the tax liabilities of Westoz.

Default risk

Investment in securities and financial instruments generally involves third parties as custodial and counterparties to contracts. Use of third parties carries risk of default and failure to secure custody that could adversely affect the value of Westoz.

Westoz has outsourced key operational functions including investment management, custody, execution, administration and valuation to a number of third party service providers. There is a risk that third party service providers may intentionally or unintentionally breach their obligations to Westoz or provide services below standards that are expected by Westoz, causing loss to Westoz.

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11.3 Westoz General risks

Litigation and disputes

Westoz may become involved in litigation and disputes. Exposure to litigation brought by third parties such as investors, regulators or business associates could negatively impact operations and financial performance through increased costs, payment of damages or damage to reputation.

Changes in accounting policy

Changes in accounting policies, arising from recently issued or amended accounting standards by the Australian Accounting Standards Board, may affect the reported earnings of Westoz and its financial position from time to time.

Domestic and global conditions

Adverse changes in economic conditions such as economic growth, interest rates, employment levels, business sentiment, market volatility, exchange rates, inflation, government policy, international economic conditions amongst others are outside Westoz's control and have the potential to have an adverse impact on Westoz and its operations.

Dividends/Distribution

The payment of dividends/distributions on Westoz Shares is dependent on a range of factors including its profitability, the availability of cash and capital requirements of Westoz's business. Any future dividend/distribution levels, and the franking of those dividends/distributions, will be determined by the Westoz Board having regard to its operating results and financial position at the relevant time. There is no guarantee that any dividend/distribution will be paid by Westoz or, if paid, that the dividend/distribution will be paid at previous levels, or that the franking of any dividend/distribution will be equivalent to the franking applied to dividends/distributions in the past.

COVID-19 and its impacts on the global economy and financial markets

The ongoing COVID-19 pandemic and associated uncertainty continues to impact the global economy and financial markets, including Australian and international equity markets. There is minimal consensus on the outlook for economic recovery and a return to the levels of economic activity preceding the pandemic, and the social, economic and financial impacts once government support is withdrawn are unknown. As a result, there is increased risk associated with making investment decisions in this environment.

The full nature and extent of the impact of the COVID-19 pandemic on the global economy and financial markets remains unknown, as does any future effect on Westoz's business. Westoz's share price may be adversely affected as a result of this uncertainty and may continue to be affected under the ongoing impact of the COVID-19 pandemic on the global economy and financial markets. In addition, measures taken by any government agency or regulatory body in response to the COVID-19 pandemic are likely to be outside of the control of Westoz. If COVID-19 outbreaks and associated lockdowns and other restrictive interventions continue to occur in Australia (or elsewhere globally), there may be associated impacts for the Australian and global economy, Westoz's business activity, and the market for Westoz Shares.

11.4 Risks to Westoz Shareholders if the Scheme does not proceed

Westoz Shareholders should be aware that if the Scheme does not proceed, Westoz Shareholders will retain their Westoz Shares and will not receive any form of Scheme Consideration. Westoz Shareholders may, in addition to the normal risks they face, be exposed to the additional risks as described in Section 7.3.

If the Proposed Transaction does not proceed, Westoz will continue to operate as a standalone listed entity. Each Westoz Shareholder will retain their Westoz Shares and will not receive any New WAM Capital Shares. Westoz will still incur the transaction and other costs of the Proposed Transaction. Westoz Shares may trade below their current market price (or the value attributed by the Independent Expert) if the Proposed Transaction is not implemented.

11.5 Risks relating to an investment in WAM Capital and the Combined Group

In considering the Scheme, you should be aware that there are a number of risk factors, general and specific, which could materially adversely affect the future operating and financial performance of WAM Capital, the value of WAM Capital Shares and future dividends, and in respect of the Combined Group. These risks will only be relevant to you if the Scheme is approved and implemented, you remain a Westoz Shareholder on the Record Date.

Before deciding how to vote you should have a sufficient understanding of these matters and should consider whether WAM Capital Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Scheme Booklet or are in any doubt as to how to vote in relation to the Scheme, it is recommended that you consult your legal, financial or other professional adviser before deciding how to vote.

This Section describes the potential risks associated with WAM Capital's and the Combined Group's business and risks associated with WAM Capital Shares. It does not purport to list every risk that may be associated with an investment in WAM Capital Shares now or in the future, and the occurrence of consequences of some of the risks described in this Section are partially or completely outside the control of WAM Capital and the WAM Capital Board.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and impact of the risk if it did occur. The assessment is based on the knowledge of the WAM Capital Board as at the date of this Scheme Booklet, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

Key risks: Investment strategy and WAM Capital Investment Manager performance

The success and profitability of the Combined Group will largely depend on the WAM Capital Investment Manager's continued ability to manage the Combined Group's investment portfolio in a manner that complies with the Combined Group's objectives, strategies, policies, guidelines and permitted investments. A failure to do so may negatively impact the Combined Group and its securities. There are risks inherent in the investment strategy that the WAM Capital Investment Manager will employ for the Combined Group, including the risks identified in this Section.

The past performance of portfolios managed by the WAM Capital Investment Manager, and persons associated with the WAM Capital Investment Manager, are not necessarily a guide to future performance of the Combined Group, and the success and profitability of the Combined Group depends almost entirely on the WAM Capital Investment Manager's performance. The WAM Capital Management Agreement has an initial term of five years and may be continually extended for additional terms of five years. Even if the Combined Group does not perform well, it may be difficult to remove the WAM Capital Investment Manager.

Other risks specific to investing in WAM Capital, which also apply to the Combined Group

The following risks should be carefully evaluated before voting on the Scheme. Consideration must also be given to the speculative nature of WAM Capital's or the Combined Group's

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investments. The following is not an exhaustive list of the risks of investing in WAM Capital or the Combined Group.

(a) **Key person risk**

WAM Capital's investment strategy has been developed by Wilson Asset Management, and leverages the WAM Capital Investment Manager's significant experience in identifying, investing in and realising opportunities. Geoff Wilson is WAM Capital's Chairman and the Chairman and Chief Investment Officer of the WAM Capital Investment Manager, with Oscar Oberg as Lead Portfolio Manager of WAM Capital's investment portfolio, supported by the broader Wilson Asset Management investment team. If Geoff Wilson ceased his role with Wilson Asset Management, there is a risk to the successful execution of the investment strategy going forward. WAM Capital has no right to terminate the WAM Capital Management Agreement in the event of a change of control of Wilson Asset Management or in the event of a material change to the composition of the Wilson Asset Management investment team. The risks associated with Geoff Wilson leaving Wilson Asset Management are mitigated by the depth of experience across both the Wilson Asset Management investment team, and the broader management team. Notably, excluding Geoff Wilson, the Wilson Asset Management investment team still has over 150 years' collective investing experience which WAM Capital's investment strategy leverages. The risk of Geoff Wilson leaving the WAM Capital Investment Manager is further mitigated by the fact that Geoff Wilson is the sole director and indirect owner of 100% of the ordinary (voting) shares on issue in the WAM Capital Investment Manager.

(b) **Listed investment companies**

A listed investment company's share price may trade at a premium or discount to NTA backing per share. The operations and financial performance of listed investment companies are driven by a number of factors, including but not limited to domestic and international economic and market conditions, political events, and relevant regulations.

(c) **Market risk and equity risk**

Broad market risks include movements in domestic and international securities markets, movements in foreign exchange rates and interest rates, changes in taxation laws and other laws affecting investments and their value.

Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment. The WAM Capital Investment Manager will seek to minimise market and economic risks but cannot eliminate them entirely.

Combined Group shares may fall in value over short or extended periods of time. Historically, shares have outperformed other traditional assets classes over the long term. Share markets tend to move in cycles and individual share prices may fluctuate and underperform other asset classes over extended periods of times. Shareholders in the Combined Group are exposed to this risk both through their holding in the Combined Group's shares as well as through the Combined Group's investment portfolio.

(d) **Business risk**

The success of the Combined Group is highly dependent on the ability of its directors and the WAM Capital Investment Manager to assess business risks and make appropriate investment decisions. No guarantee can be given in respect of the future earnings of the Combined Group or the performance of its investment portfolio.

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(e) **Compensation fee structure risk**

Performance Fee arrangements may create an incentive for the WAM Capital Investment Manager to make more speculative or higher risk investments than might otherwise be the case.

(f) **Foreign issuer and market risk**

WAM Capital (and the Combined Group) is not focused on, but may invest in, global listed securities – see Section 9.2. Investments in foreign companies may be exposed to a higher degree of sovereign, political, economic, market and corporate governance risks than domestic investments.

(g) **Short selling risk**

Selling securities short involves borrowing stock and selling these borrowed securities. Short selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate. Additionally, there is a risk that the securities lender may request return of the securities. These risks may give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the WAM Capital Investment Manager's choosing.

(h) **Leverage risk**

While the Combined Group and the WAM Capital Investment Manager do not currently intend to use debt or derivatives to increase the scale of the Combined Group's investment portfolio, the use of short selling does create leverage. Short selling can enlarge the fluctuations in the portfolio value of the Combined Group in a manner similar to a debt leveraged portfolio. These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the WAM Capital Investment Manager's choosing.

(i) **Default risk**

Investment in securities and financial instruments generally involves third parties as custodial and counterparties to contracts. Use of third parties carries risk of default and failure to secure custody that could adversely affect the value of the Combined Group.

The Combined Group will outsource key operational functions including investment management, custody, execution, administration and valuation to a number of third party service providers. There is a risk that third party service providers may intentionally or unintentionally breach their obligations to the Combined Group or provide services below standards that are expected by the Combined Group, causing loss to the Combined Group.

General risks, which also apply to the Combined Group

(a) **Regulatory risk**

All investments carry the risk that their value may be affected by changes in laws and regulations, especially taxation laws. Regulatory risk includes risk associated with variations in the taxation laws of Australia or other jurisdictions in which the Combined Group holds investments.

(b) **Interest rate risk**

Interest rate movements may adversely affect the value of the Combined Group through their effect on the price of a security and the cost of borrowing.

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(c) **Changes in accounting policies**

Changes in accounting policies arising from amended accounting standards by the Australian Accounting Standards Board may affect the reported earnings of the Combined Group and its financial position from time to time.

(d) **COVID-19 and its impacts on the global economy and financial markets**

The ongoing COVID-19 pandemic and associated uncertainty continues to impact the global economy and financial markets, including Australian and international equity markets. There is minimal consensus on the outlook for economic recovery and a return to the levels of economic activity preceding the pandemic, and the social, economic and financial impacts once government support is withdrawn are unknown. As a result, there is increased risk associated with making investment decisions in this environment.

The full nature and extent of the impact of the COVID-19 pandemic on the global economy is as yet unknown, as is any future effect on the Combined Group. The Combined Group's portfolio and share price may be adversely affected as a result of this uncertainty and may continue to be affected under the ongoing impact of the COVID-19 pandemic on the global economy and financial markets. In addition, measures taken by any government agency or regulatory body in response to the COVID-19 pandemic are likely to be outside of the control of the Combined Group. If COVID-19 outbreaks and associated lockdowns and other restrictive interventions continue to occur in Australia (or elsewhere globally), there may be associated impacts for the Australian and global economy, the Combined Group's portfolio, and the market for the Combined Group's securities.

(e) **Share price movements**

An investment in the Combined Group will be subject to fluctuations in share price which are normal and expected for ASX listed entities. These fluctuations are due to a wide variety of factors, some of which the Combined Group will seek to mitigate, while others are outside the control of the Combined Group.

(f) **Litigation risk**

The Combined Group may become exposed to litigation brought by third parties such as investors, regulators, employees or business associates, which could negatively impact operations and financial performance through increased costs, payment of damages and damage to reputation.

The WAM Capital Board is not currently aware of any impending litigation.

(g) **General economic conditions**

Material adverse changes in general economic conditions may have an adverse impact on the operations and performance of the Combined Group. The various general domestic and international economic factors that shareholders in WAM Capital and the Combined Group are exposed to include, but are not limited to:

(i) economic growth;

(ii) interest rates;

(iii) inflation;

(iv) currency exchange rates;

(v) employment levels;

(vi) consumer and business sentiment; and

(vii) financial market volatility.

(h) **Other risks**

Before deciding to accept Scheme Consideration, Westoz Shareholders should consider whether shares are a suitable investment.

There may be tax implications arising from the application for New WAM Capital Shares, the receipt of dividends (both franked and unfranked) from WAM Capital, participation in any dividend reinvestment plan of WAM Capital and on the disposal of shares. Applicants should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

Investors are strongly advised to regard any investment in WAM Capital as a medium-to-long term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur.

If you are in doubt as to whether you should subscribe for New WAM Capital Shares, you should seek advice on the matters contained in this Scheme Booklet from a stockbroker, solicitor, accountant or other professional adviser immediately.

11.6 Risks specific to the Combined Group

The risks that are set out above will also be applicable to the Combined Group. Risks specific to an investment in the Combined Group include, but are not limited to that: success of the Combined Group is dependent on the performance of its investment portfolio, no guarantee can be given in respect of the future earnings of the Combined Group or the Combined Group's investment portfolio performance, and no guarantee can be provided that the Combined Group will be able to meet its investment objectives as this will depend on the extent of the investment portfolio performance.

11.7 Risks specific to the Scheme

Fluctuation of value of Scheme Consideration

The value of the Scheme Consideration is dependent on the market value of WAM Capital Shares traded on ASX and the Westoz NTA at the Calculation Date. The market price of WAM Capital Shares is subject to fluctuations due to a number of different factors, including but not limited to general economic conditions, movements in the value of underlying assets and the level of their dividends and yields, fluctuations in domestic and international financial markets, movements in domestic interest rates and market expectations. Any fluctuation in price will directly impact the value of the Scheme Consideration to which Scheme Shareholders will be entitled.

Fluctuation of Westoz's NTA affecting the Scheme Consideration

The Westoz NTA may fluctuate which may affect the number of New WAM Capital Shares to which Scheme Shareholders will be entitled:

(i) A decrease in Westoz NTA may result in Scheme Shareholders being entitled to a smaller number of New WAM Capital Shares as Scheme Consideration.

(ii) An increase in Westoz NTA may result in Scheme Shareholders being entitled to a larger number of New WAM Capital Shares as Scheme Consideration.

The tables in Section 7.1(g) set out, for illustrative purposes only, the number of New WAM Capital Shares to which each Scheme Shareholder will be entitled if the Scheme becomes Effective, based on a possible NTA value for Westoz.

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The exact ratio for the calculation of the Scheme Consideration will not be known until after 31 March 2022

The exact ratio for the calculation of the Scheme Consideration will not be known until after 31 March 2022. The value of the Scheme Consideration will be calculated as at the Calculation Date (expected to be 31 March 2022) and will be announced to the ASX by no later than 6 April 2022.

The Scheme Consideration will be calculated using the formula disclosed in this Scheme Booklet, and a number of illustrative worked examples have been provided to assist Westoz Shareholders to understand how this formula will be applied. The formula is based in part on WAM Capital's VWAP and Westoz's NTA as well as other inputs disclosed in this Scheme Booklet (see, for example, illustrative examples at Section 7.1(g)) and there is a risk that the value of the consideration when calculated will be lower than at the time you vote on the Scheme.

During the period from the date of this Scheme Booklet until the Scheme Meeting, Westoz will announce to the ASX on a weekly basis an indicative calculation of the Scheme Consideration based on the then prevailing Westoz NTA and 1-day VWAP of WAM Capital at the same time as Westoz releases its weekly NTA update.

Conditions not met

The Scheme is subject to a number of Scheme Conditions which are summarised in Section 13.5 of this Scheme Booklet and set out in full in clause 3.1 of the Scheme Implementation Agreement. At the date of this Scheme Booklet, WAM Capital is not aware of any circumstances which would cause the Scheme Conditions not to be satisfied or (if applicable) waived. However, there is a possibility that one or more of the Scheme Conditions will not be met or waived and the Scheme will not proceed as a result.

Integration risks and realisation of synergies

The Scheme may deliver cost savings in operating synergies following its implementation. However, it is possible that the integration of Westoz and WAM Capital will be more difficult or take more time than currently anticipated, and could delay the realisation of synergy benefits expected to result from the Scheme. The accounting, company secretarial and general administrative expenses are fixed, and are not expected to increase. It is therefore expected that the Combined Group should, following transition, realise the benefits of scale. Failure to achieve targeted synergies may have an adverse effect on the operations and financial performance and position of the Combined Group and the value of WAM Capital Shares. Further information about the potential synergies is detailed in Section 10.

Fluctuation of value of Scheme Consideration

The value of the Scheme Consideration is dependent on the market value of WAM Capital Shares traded on ASX and the Westoz NTA at the Calculation Date. The market price of WAM Capital Shares is subject to fluctuations due to a number of different factors, including but not limited to general economic conditions, movements in the value of underlying assets and the level of their dividends and yields, fluctuations in domestic and international financial markets, movements in domestic interest rates and market expectations. Any fluctuation in price will directly impact the value of the Scheme Consideration to which Scheme Shareholders will be entitled.

Market price of WAM Capital Shares may fluctuate due to issue of New WAM Capital Shares

Some Scheme Shareholders who receive New WAM Capital Shares may not wish to retain their shareholding and may sell their New WAM Capital Shares soon after receiving them. This may have an adverse impact on the market price of WAM Capital Shares traded on the ASX in the short term.

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12. Australian tax implications

12.1 Scope and Tax Comments

This Section 12 contains a general overview of the Australian income tax (including Capital Gains Tax (**CGT**)), Goods and Services tax (**GST**) and stamp duty implications for certain Australian and foreign resident Westoz Shareholders on implementation of the Scheme.

The categories of Westoz Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their Westoz Shares on capital account.

The tax comments outlined in this summary are not applicable to all Westoz Shareholders and do not cover Westoz Shareholders who:

(a) hold their Westoz Shares as a revenue asset (i.e. trading entities or entities who acquired their Westoz Shares for the purposes of resale at a profit) or as trading stock;

(b) are partnerships or individuals who are partners of such partnerships;

(c) hold their shares as an asset in a business that is carried on through a permanent establishment in Australia;

(d) acquired their Westoz Shares pursuant to an employee share plan;

(e) are under a legal disability;

(f) are exempt from Australian income tax;

(g) are Ineligible Overseas Shareholders;

(h) are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) (**ITAA 1997**) in relation to gains and losses on their Westoz Shares;

(i) are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in respect of their Westoz Shares;

(j) are a significant shareholder as defined in Section 124-783 of the ITAA 1997.

This summary is prepared solely for Westoz Shareholders as described and limited above. This summary has been prepared for the purpose of enabling certain Westoz Shareholders to broadly understand certain Australian taxation implications of the proposed Scheme as outlined in this Scheme Booklet.

This summary is based on the Australian tax law, and the practice of the tax authorities, at the time of issue of this Scheme Booklet. The laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. This summary does not take into account the tax law of countries other than Australia. The precise implications of ownership or disposal of their Westoz Shares will depend upon each Westoz Shareholder's specific circumstances.

These comments should not be a substitute for advice from an appropriate professional advisor having regard to each Westoz Shareholder's individual circumstances. All Westoz Shareholders are strongly advised to obtain and rely on their own professional advice on the tax implications based on their own specific circumstances.

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Westoz Shareholders should note that Westoz has not and does not intend to apply for a class ruling from the ATO on the applicability of the CGT scrip-for-scrip roll-over relief or the treatment of the Westoz Permitted Dividend for Westoz Shareholders.

12.2 Australian Resident Scheme Shareholders

This Section applies to Westoz Shareholders who are residents of Australia for income tax purposes. Under the Scheme, Scheme Shareholders will dispose of their Westoz Shares to WAM Capital in exchange for the Scheme Consideration (which is to be referenced to the WAM Capital VWAP and the Westoz NTA).

(a) CGT Event on the disposal of Westoz Shares to WAM Capital

The disposal of the Westoz Shares to WAM Capital under the Scheme should give rise to CGT event A1 for Scheme Shareholders. The timing of the CGT event for the Scheme Shareholders should be the date the Westoz Shares are disposed of, which will occur on the Implementation Date (i.e. currently expected to be 21 April 2022).

(b) Calculation of capital gain or capital loss

In the absence of CGT roll-over relief (discussed below), Scheme Shareholders should make a capital gain on the disposal of Westoz Shares to the extent that the capital proceeds from the disposal are more than the cost base of those Westoz Shares. Conversely, Scheme Shareholders should make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Westoz Shares.

Capital losses can only be offset against capital gains derived in the same income year or later income years but cannot be offset against ordinary income nor carried back to offset net capital gains arising in earlier income years. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward tax losses are to be used in future years. Scheme Shareholders should seek their own tax advice in relation to the operation of these rules.

(c) Capital proceeds received by Scheme Shareholders

Where Westoz Permitted Dividend is not paid

The capital proceeds on the disposal of the Westoz Shares should be equal to the Scheme Consideration received by the Scheme Shareholders.

Therefore, if the Westoz Permitted Dividend is not paid, the capital proceeds should be equal to the market value of the New WAM Capital Shares received.

Where Westoz Permitted Dividend is paid

In the event the Westoz Permitted Dividend is paid, this amount should also be included in the capital proceeds received by Scheme Shareholders in addition to the Scheme Consideration.

Therefore, where the Westoz Permitted Dividend is paid and forms part of the capital proceeds, the capital proceeds should be equal to the total of the market value of the New WAM Capital Shares received and the amount of the Westoz Permitted Dividend received. However, please note the potential further implications set out below under the heading ‘Anti-overlap’ on the treatment of capital gains and capital losses.

(d) Cost base and reduced cost base of a Westoz Share

The cost base of a Westoz Share should generally be equal to the cost of acquiring that Westoz Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a Westoz Share is

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determined in a manner similar to the cost base although some differences may exist depending on the Scheme Shareholder's individual circumstances. The cost base and reduced cost base of each Westoz Share will depend on the individual circumstances of each Scheme Shareholder.

(e) **CGT Discount**

The CGT Discount may apply to Scheme Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Westoz Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Westoz Shares to WAM Capital.

The CGT discount is:

(i) one-half if the Scheme Shareholder is an individual or trustee: meaning only 50% of the capital gain should be included in assessable income; and

(ii) one-third if the Scheme Shareholder is a trustee of a complying superannuation entity: meaning only two-thirds of the capital gain should be included in assessable income.

The CGT Discount is not available to Scheme Shareholders that are companies.

If the Scheme Shareholder makes a discounted capital gain, any current year and/or carried forward capital losses should be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount should be included in the Scheme Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Subject to certain requirements being satisfied, the capital gain may flow through to the beneficiaries in that trust, who should assess eligibility for the CGT Discount in their own right. Accordingly, trustees should seek their own independent advice on how the CGT Discount applies to them and the trust's beneficiaries.

(f) **CGT Scrip-for-scrip roll-over relief**

Where Westoz Permitted Dividend is not paid

As WAM Capital will become the owner of 80% or more of the shares in Westoz under the Scheme, Scheme Shareholders who make a capital gain from the disposal of their Westoz Shares should generally be eligible to choose CGT scrip-for-scrip roll-over relief.

Broadly, CGT scrip-for-scrip roll-over relief enables a shareholder to disregard the capital gain they make from the disposal of their Westoz Shares under the Scheme.

Scheme Shareholders do not need to inform the ATO or document their choice to claim CGT scrip-for-scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

Scheme Shareholders should seek independent professional advice to confirm the eligibility for CGT roll-over relief in light of their own specific circumstances.

Where Westoz Permitted Dividend is paid

Where the Westoz Permitted Dividend is paid (which should form part of the capital proceeds), only partial roll-over should be available for Scheme Shareholders who have made a capital gain on the disposal of their Westoz Shares. The application of the partial roll-over is consistent with the above, subject to the below comments.

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No CGT scrip-for-scrip roll-over relief should be available for the portion of the capital proceeds that relates to the Westoz Permitted Dividend on the basis this portion should constitute 'ineligible proceeds' for which CGT roll-over is not available (noting the application of the anti-overlap comments below).

(g) **Consequences for choosing CGT scrip-for-scrip roll-over relief**

Where Westoz Permitted Dividend is not paid

If a Scheme Shareholder chooses to obtain CGT scrip-for-scrip roll-over relief, the capital gain arising on the disposal of their Westoz Shares under the Scheme should be disregarded.

The first element of the cost base for their New WAM Capital Shares should be determined by attributing, on a reasonable basis, the existing cost base of the Westoz Shares exchanged under the Scheme. The first element of the reduced cost base is determined similarly.

For the purposes of determining a Scheme Shareholder's future eligibility for the CGT Discount, the acquisition date of the New WAM Capital Shares should be taken to be the date when the relevant Scheme Shareholder originally acquired their Westoz Shares.

Where Westoz Permitted Dividend is paid

The consequences outlined above are also applicable in the event the Westoz Permitted Dividend is paid.

Where partial scrip-for-scrip roll-over is chosen, the first element of cost base and reduced cost of each New WAM Capital Share received as a result of the exchange should be worked out by reasonably attributing to it the cost base (or part of it) of the Westoz Share for which it was exchanged. However, the cost base of the Westoz Share must first be reduced by so much of it that is reasonably attributable to the ineligible proceeds (i.e. the Westoz Permitted Dividend).

(h) **Consequences if CGT scrip-for-scrip roll-over relief is not available or is not chosen**

If a Scheme Shareholder does not qualify for CGT scrip-for-scrip roll-over relief, or the Scheme Shareholder chooses not to obtain CGT scrip-for-scrip roll-over relief, the general CGT treatment outlined at Sections 12.2(a) to 12.2(e) should apply.

If a Scheme Shareholder makes a capital loss from the disposal of their Westoz Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset net capital gains arising in earlier income years.

The first element of the cost base (and reduced cost base) of the New WAM Capital Shares received by a Scheme Shareholder should be equal to the market value of the Westoz Shares it exchanges for the New WAM Capital Shares.

The acquisition date of the New WAM Capital Shares for Scheme Shareholders for CGT Discount purposes should be the Implementation Date. This means a Scheme Shareholder should need to hold their New WAM Capital Shares for at least 12 months after that date before the CGT Discount (as described above) may apply on a subsequent disposal of the New WAM Capital Shares.

(i) **Anti-overlap**

Where the Westoz Permitted Dividend is paid under the Scheme and forms part of the capital proceeds, the amount of any capital gain made by a Scheme Shareholder

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should be reduced by the amount of the Westoz Permitted Dividend which is assessable (as per below). If the amount of the Westoz Permitted Dividend exceeds the capital gain, the capital gain is reduced to zero. However, the capital gain made by the Scheme Shareholder will not be reduced by the amount of any franking credit that is included in the Scheme Shareholder's assessable income as a result of the receipt of the Westoz Permitted Dividend. If a Scheme Shareholder makes a capital loss and the Westoz Permitted Dividend forms part of the capital proceeds, the Scheme Shareholder's capital loss should not be adjusted.

(j) **Treatment of Westoz Permitted Dividend**

Under the Scheme, Westoz may be permitted to pay the Westoz Permitted Dividend as set out in Section 13.14 of this Scheme Booklet. In the event the Westoz Permitted Dividend is to be paid, it is intended to have a record date prior to the Scheme Record Date.

Westoz Shareholders who are Australian tax residents and who receive the Westoz Permitted Dividend should include the amount of the Westoz Permitted Dividend received in their assessable income.

If the requirements outlined below are met, the Westoz Shareholders who receive the Westoz Permitted Dividend should be:

(i) required to include the amount of any attached franking credits in their assessable income; and

(ii) entitled to a tax offset equal to the amount of the franking credits attached to the Westoz Permitted Dividend.

The relevant requirements are that:

(i) the Westoz Shareholder must be a 'qualified person' in relation to the Westoz Permitted Dividend; and

(ii) certain franking integrity measures should not apply.

In order for a Westoz Shareholder to be a 'qualified person' in respect of the Westoz Permitted Dividend, they must hold their Westoz Shares 'at-risk' for a continuous period of not less than 45 days (not including the day of the share's acquisition or disposal) during a prescribed period.

The franking integrity measures are designed to, among other things, discourage trading in and streaming of franking credits.

If a Westoz Shareholder is an individual or complying superannuation fund and its tax liability for the income year is less than the amount of the franking credits attached to the Westoz Permitted Dividend, the Westoz Shareholder may be entitled to a refund for the excess franking credits. This does not extend to companies.

Westoz Shareholders should seek independent professional advice to confirm the treatment of the Westoz Permitted Dividend in the event it is paid.

(k) **Ongoing ownership of New WAM Capital Shares**

Generally, a Scheme Shareholder should be required to include in its assessable income the gross amount of any dividends received from WAM Capital when those dividends are paid or credited to them. To the extent WAM Capital pays franked dividends, a franking tax offset may also be available.

On a future disposal of WAM Capital Shares, Scheme Shareholders should make a capital gain if the capital proceeds of that disposal are more than the cost base or a capital loss if the capital proceeds of that disposal are less than the reduced cost

base. The cost base and acquisition date of the New WAM Capital Shares, and eligibility for the CGT discount, are as described earlier.

12.3 Non-Australian Tax Resident Shareholders

(a) **Disposal of Westoz Shares**

For any Scheme Shareholder who:

(i) is not a resident of Australia for Australian income tax purposes; and

(ii) does not hold their Westoz Shares in carrying on a business through a permanent establishment in Australia;

the disposal of Westoz Shares should generally only result in Australian CGT implications if:

(iii) that shareholder together with its associates held an interest of 10% or more in Westoz at the time of disposal or for a 12 month period within 2 years preceding the disposal (referred to as a "non portfolio interest"); and

(iv) more than 50% of the market value of Westoz's assets is attributable to direct or indirect interests in "taxable Australian real property" (as defined in the ITAA 1997).

Westoz represents that currently and up to Implementation Date, less than 50% of the market value of Westoz's assets is attributable to direct or indirect interests in "taxable Australian real property". As a consequence, non-resident shareholders who do not hold their Westoz Shares in carrying on a business through a permanent establishment in Australia should not be subject to CGT as a result of the Scheme.

A foreign resident CGT withholding tax of 12.5% applies to transactions involving the acquisition of the legal ownership of an asset that is indirect Australian real property interest. Westoz considers that less than 50% of the market value of Westoz's assets are attributable to direct or indirect "taxable Australian real property". On this basis, the foreign resident CGT withholding tax should not apply.

Any foreign resident individual Scheme Shareholder who was previously a resident of Australia and chose to disregard a capital gain or capital loss on ceasing to be an Australian resident should be subject to Australian CGT consequences on disposal of their Westoz Shares as set out in Section 12.2, although the CGT discount should only be available to the extent of the period that the foreign resident individual Scheme Shareholder was an Australian resident.

Non-resident Westoz Shareholders should seek independent professional advice in relation to their own particular circumstances, including in respect of taxation in the jurisdiction where they are resident.

(b) **Treatment of Westoz Permitted Dividend**

Westoz Shareholders who are not residents of Australia should not be subject to income tax in Australia in respect of the Westoz Permitted Dividend, provided they do not hold the Westoz Shares through an Australian permanent establishment. As the Westoz Permitted Dividend is expected to be fully franked, such shareholders should be free of any Australian dividend withholding tax obligations.

12.4 GST

Scheme Shareholders should not be liable to Australian GST in respect of a disposal of their Westoz Shares, regardless of whether the Scheme Shareholder is registered for GST or not.

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Westoz Shareholders may incur GST included in costs (such as adviser fees relating to their participation in the Scheme) that relate to the Scheme. Westoz Shareholders that are registered for GST may be entitled for input tax credits or reduced input tax credits for such costs. This will depend on each Westoz Shareholder's individual circumstances.

12.5 Stamp duty

No Australian stamp duty should be payable by Scheme Shareholders in any Australian State or Territory on the acquisition by WAM Capital of their Westoz Shares under the Scheme or on receipt by Scheme Shareholders of the New WAM Capital Shares as Scheme Consideration.

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13. Overview of the Scheme

This Section provides an overview of the Scheme Conditions, the Scheme Meeting, and other steps required to implement the Scheme.

13.1 Summary of the proposed Scheme

A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Scheme is the mechanism by which Westoz Shareholders may approve the Proposed Transaction.

If implemented, the Scheme will have the following effect:

(a) all Westoz Shares will be transferred from existing Westoz Shareholders to WAM Capital in return for the Scheme Consideration;

(b) Westoz will become a wholly-owned subsidiary of WAM Capital, and Westoz will be de-listed from ASX;

(c) Scheme Shareholders will become shareholders in WAM Capital;

(d) Ineligible Overseas Shareholders will receive the Cash Proceeds of the sale of the New WAM Capital Shares that would otherwise be issued to them net of brokerage and other costs; and

(e) the strategic direction for the development of Westoz's existing projects will be determined by the post-Scheme WAM Capital Board.

Implementation of the Scheme is subject to the Scheme Conditions being satisfied or waived, including the condition that the Scheme may only be implemented if Westoz Shareholders vote in favour of the Scheme at the Scheme Meeting. A summary of the Scheme Conditions which have not already been satisfied and the steps necessary to implement the Scheme appears in Section 13.5.

13.2 People who are affected by the Scheme

If the Scheme becomes Effective, Scheme Shareholders will have all of their Scheme Shares transferred to WAM Capital without the need for any further act by any Scheme Shareholder in return for the Scheme Consideration for each Scheme Share that they hold.

13.3 Scheme Implementation Agreement

Westoz and WAM Capital entered into the Scheme Implementation Agreement on 22 December 2021 in which they agreed (among other things) their respective obligations in proposing and implementing the Scheme. The key terms of the Scheme Implementation Agreement not otherwise addressed in this Section, are summarised in Section 15. A copy of the Scheme Implementation Agreement was released on ASX on 23 December 2021 and is available on Westoz's website (https://westozfunds.com.au/westoz-investment-company-limited/).

13.4 Deed Poll

WAM Capital has executed the Deed Poll in favour of each Westoz Shareholder, pursuant to which WAM Capital covenants to perform its obligations under the Scheme, including, among other things, to issue the Scheme Consideration to each Scheme Shareholder (or to the Sale Agent in respect of Ineligible Overseas Shareholders), subject to satisfaction of the Scheme Conditions.

The Deed Poll may be relied upon by a Westoz Shareholder, despite the fact that they are not a party to it, and each Westoz Shareholder appoints Westoz as its agent to enforce their rights under the Deed Poll against WAM Capital.

The Deed Poll is governed by the laws of Western Australia.

A copy of the Deed Poll is set out in full at Annexure C of this Scheme Booklet.

13.5 Scheme Conditions

Implementation of the Scheme is subject to satisfaction or waiver of the applicable Scheme Conditions. The Scheme Conditions are set out in clause 3.1 of the Scheme (set out in Annexure B) and clause 3.1 of the Scheme Implementation Agreement.

Certain of the Scheme Conditions set out in the Scheme and the Scheme Implementation Agreement have already been satisfied. The Scheme Conditions that remain outstanding as at the date of this Scheme Booklet are set out in the table below.

	Scheme Condition
1.	**Regulatory Approvals** Before 8.00am on the Second Court Date, ASIC and ASX issue or provide any consents or approvals, or have done any other acts, which are reasonably necessary or desirable to implement the Scheme, and those consents, approvals or other acts have not been withdrawn or revoked at that time.
2.	**Shareholder Approval** Westoz Shareholders approve the Scheme by the Requisite Majorities in accordance with the Corporations Act.
3.	**Court approval** The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
4.	**Regulatory intervention** No Court or Regulatory Authority has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and no such order, decree, ruling, other action or refusal is in effect as at 8.00am on the Second Court Date.
5.	**No Westoz Prescribed Occurrence** No Westoz Prescribed Occurrence occurs between the Announcement Date and 8.00am on the Second Court Date.
6.	**WFM Management Agreement terminated** On or before the Calculation Date, Westoz and the Manager enter into a binding deed to terminate the WFM Management Agreement, with that termination effective no later than the Implementation Date (but with all outstanding fees payable agreed by the Calculation Date, based on applicable figures as at the Calculation Date).
7.	**No Material Adverse Effect** No Material Adverse Effect occurs between the Announcement Date and 8.00am on the Second Court Date.
8.	**No breach of Westoz Representations and Warranties** Each of the Westoz Representations and Warranties is true and correct in all material respects as at the time it is given.
9.	**No breach of WAM Capital Representations and Warranties** Each of the WAM Capital Representations and Warranties is true and correct in all material respects as at the time it is given.
10.	**Independent Expert** The Independent Expert issues the Independent Expert's Report which concludes that the Scheme is in the best interests of Westoz Shareholders before the date on

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	Scheme Condition
	which the Scheme Booklet is lodged with ASIC and the Independent Expert does not change its opinion or otherwise withdraw the report before 8:00am on the Second Court Date.

For the Scheme to be implemented, each Scheme Condition must be satisfied by the due date (if any) fixed for its satisfaction as set out in the above table (or otherwise waived to the extent it is capable of waiver).

As at the date of this Scheme Booklet, Westoz is not aware of any circumstances that would cause the Scheme Conditions to not be satisfied. Westoz Shareholders will receive an update on the status of the Scheme Conditions at the Scheme Meeting.

Westoz will also announce to ASX any relevant matter that affects the Scheme or the likelihood of a Scheme Condition being satisfied or not being satisfied, in accordance with Westoz's continuous disclosure obligations. These details will be published on ASX's website (www.asx.com.au) and will also appear on Westoz's website (https://westozfunds.com.au/westoz-investment-company-limited/).

13.6 Status of Scheme Conditions

As at the date of this Scheme Booklet, none of the Scheme Conditions have been satisfied or waived.

13.7 Scheme Meeting

On 28 February 2022, the Court ordered that the Scheme Meeting be convened in accordance with the Notice of Scheme Meeting.

The Scheme Meeting will be held virtually at 10:00am (WST) on 4 April 2022.

Westoz Shareholders will be able to participate in the Scheme Meeting, vote and ask questions, from smartphones, tablets or desktop devices through an online platform, details of which are set out in Section 5.2.

To participate in the meeting, you can log in by entering the following URL https://meetnow.global/MHCSQNQ on your computer, tablet or smartphone.

Online registration will open 30 minutes before the meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.

To participate in the meeting online follow the instructions below.

1. Click on 'Join Meeting Now'.

2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 three hours prior to the meeting to obtain their login details.

3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.

4. Accept the Terms and Conditions and 'Click Continue'.

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For instructions on how to participate online please view the online meeting user guide at http://www.computershare.com.au/virtualmeetingguide.

The fact that under section 411(1) of the Corporations Act the Court ordered on 28 February 2022 that a meeting of Westoz Shareholders be convened by Westoz to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

(a) has formed any view as to the merits of the proposed Scheme or as to how Westoz Shareholders should vote (on this matter, Westoz Shareholders must reach their own decision); and

(b) has prepared, or is responsible for, the content of this Scheme Booklet.

For the Scheme to be implemented, it is necessary that the Requisite Majorities of Westoz Shareholders vote in favour of passing the resolution to approve the Scheme at the Scheme Meeting.

If the Requisite Majorities of Westoz Shareholders approve the Scheme at the Scheme Meeting, Westoz will, as soon as possible after the Scheme Meeting is held, announce the results of the Westoz Shareholders' vote to ASX and will publish the results on Westoz's website (https://westozfunds.com.au/westoz-investment-company-limited/).

Details of how to vote at the Scheme Meeting are set out in Section 5.

A copy of the Notice of Scheme Meeting is set out in Annexure D of this Scheme Booklet.

13.8 Second Court Hearing

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court.

If:

(a) the Scheme Resolution is passed by the Requisite Majorities of Scheme Shareholders at the Scheme Meeting; and

(b) all other Conditions have been satisfied or waived (if applicable),

Westoz will apply to the Court for orders approving the Scheme.

The Second Court Date is expected to be 10:00am (WST) on 8 April 2022 and the hearing is open to all Westoz Shareholders. The Court will consider things such as whether procedural requirements have been satisfied, whether Westoz Shareholders have received adequate information and whether the terms and conditions of the exchange of securities under the Scheme is fair and reasonable to Westoz Shareholders. The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majorities of Westoz Shareholders.

Each Westoz Shareholder has the right to appear at Court at the hearing of the application by Westoz for orders approving the Scheme. Any Westoz Shareholder who wishes to object to the Scheme at that Court hearing or make a complaint to ASIC about the Scheme should note that the Court hearing for approval of the Scheme is expected to be 10:00am (WST) on 8 April 2022 and may be held virtually. The Court has an overriding discretion regarding whether or not to approve the Scheme, even if the Scheme is approved by the Requisite Majorities of Westoz Shareholders at the Scheme Meeting.

Westoz has requested ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing.

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13.9 Record Date

Westoz Shareholders will be entitled to receive the Scheme Consideration under the Scheme if they are registered as holders of Westoz Shares at 3:00pm (WST) on the Record Date. The Record Date is expected to be 3:00pm (WST) on 13 April 2022.

As from the Record Date (and other than for WAM Capital following the Implementation Date), Westoz will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Westoz Shares, other than to WAM Capital in accordance with the Scheme and any subsequent transfer by WAM Capital or its successors in title.

All share certificates and holding statements for Westoz Shares will cease to have effect as documents of title. Each entry on the Westoz Share Register at 3:00pm (WST) on the Record Date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

13.10 Effective Date

If the Court approves the Scheme, Westoz will (pursuant to section 411(10) of the Corporations Act) lodge with ASIC an office copy of the Court order approving the Scheme. Westoz will lodge an office copy of the Court order with ASIC as soon as reasonably practicable and in any event by 5.00 pm (WST) on the first Business Day after the day on which the Court approves the Scheme. On that date (currently proposed to be 11 April 2022), the Scheme will become Effective.

If the Scheme becomes Effective, Westoz will immediately give notice of the event to the ASX. Once the Scheme becomes Effective, Westoz and WAM Capital will become bound to implement the Scheme in accordance with its terms.

If a Scheme has not become Effective or the relevant Scheme Conditions have not been satisfied or waived by 31 May 2022, or such later date as Westoz and WAM Capital agree in writing, the Scheme will lapse and be of no further force or effect.

13.11 Suspension of trading of Westoz Shares

Westoz will apply to ASX for suspension of trading of Westoz Shares on ASX after the close of trading on ASX on the Effective Date. It is expected that the suspension of trading on the ASX will occur from close of trading on the Effective Date.

13.12 Implementation Date

The Implementation Date is expected to be on 21 April 2022. If the Scheme becomes Effective, on the Implementation Date:

(a) all Scheme Shares will be transferred to WAM Capital without any further action required by Scheme Shareholders and WAM Capital will issue the Scheme Consideration to each Scheme Shareholder;

(b) all Scheme Shareholders who receive New WAM Capital Shares will have their names entered on the WAM Capital Register;

(c) subject to the Scheme Consideration having been paid in full, the board of Westoz will be reconstituted as directed by WAM Capital;

(d) Westoz will enter the name of WAM Capital into the Westoz Register in respect of the Scheme Shares; and

(e) Westoz will then become a wholly owned subsidiary of WAM Capital.

The New WAM Capital Shares are expected to commence trading on the ASX, initially on a deferred settlement basis from the Business Day after the Effective Date and, by the Business

Day after the Implementation Date (or any later date as the ASX requires), on a normal settlement basis.

For further information regarding the New WAM Capital Shares to be issued to the Scheme Shareholders, refer to Section 9.23. No securities will be issued on the basis of this Scheme Booklet after the date which is 13 months after the date of this Scheme Booklet, being the expiry date of this Scheme Booklet.

13.13 De-listing of Westoz

At a time determined by WAM Capital following the implementation of the Scheme, Westoz will apply for termination of the official quotation of Westoz Shares on ASX and have itself removed from the official list of ASX. It is expected that this will occur shortly after the Implementation Date.

13.14 Permitted dividends

Westoz and WAM Capital intend that all Scheme Shareholders will be eligible for the WAM Capital FY2022 7.75 cents per share fully franked interim dividend announced by WAM Capital on 4 February 2022, with a record date of 7 June 2022.

In the event that the Scheme Shareholders are not eligible for any reason to receive the WAM Capital FY2022 7.75 cents per share fully franked interim dividend (for example, if the Implementation Date for the Scheme falls after the record date for that dividend) then, in accordance with the Scheme Implementation Agreement, the Westoz Board may (in its absolute discretion) determine to pay or declare and pay to Westoz Shareholders a **Westoz Permitted Dividend** (being a dividend equivalent to the number of WAM Capital Shares offered as Scheme Consideration multiplied by the WAM Capital FY2022 fully franked interim dividend per WAM Capital Share), provided that:

(a) the payment of the Westoz Permitted Dividend must comply with the Corporations Act; and

(b) the record date and payment date for the Westoz Permitted Dividend must be before the Record Date for the Scheme.

If Westoz announces, determines to pay or declares and pays the Westoz Permitted Dividend, the Westoz Permitted Dividend:

(a) may be franked to the maximum extent possible; and

(b) is to be paid from accumulated profits, retained earnings or distributable reserves (or a combination of all or some of them) of Westoz existing immediately prior to the declaration of that dividend.

13.15 If the Scheme does not proceed

If the Scheme does not proceed, Westoz Shareholders will continue to hold Westoz Shares. In the absence of any Superior Proposal to the Scheme, Westoz will continue as a standalone entity. Westoz Shareholders will be exposed to the risks relating to Westoz's business set out in Sections 11.2 and 11.3. Westoz Shareholders may, in addition to the normal risks it faces, be exposed to the additional risks as described in Section 11.4.

Westoz will also be liable to pay certain transaction costs in relation to the Scheme, regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred.

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14. Scheme Consideration

14.1 Scheme Consideration

If the Scheme becomes Effective, each Scheme Shareholder (other than Ineligible Overseas Shareholders), will receive the Scheme Consideration.

The Scheme Consideration will comprise New WAM Capital Shares, with the number of New WAM Capital Shares to be issued to each Scheme Shareholder to be calculated using the following formula:

Number of New WAM Capital Shares to be issued per Westoz Share held by a Scheme Shareholder = (Westoz NTA x 1.075) / WAM Capital VWAP)

The Scheme Consideration of New WAM Capital Shares will be issued by WAM Capital on the Implementation Date, which is expected to be 21 April 2022.

Ineligible Overseas Shareholders will not be issued with New WAM Capital Shares. Instead, the New WAM Capital Shares that would otherwise have been issued to them will be issued to the Sale Agent on their behalf and they will be sold on ASX. The Cash Proceeds of the sale of these New WAM Capital Shares less brokerage and other costs, taxes and charges will then be paid pro-rata to Ineligible Overseas Shareholders.

Further details of the Scheme Consideration for Ineligible Overseas Shareholders are set out at Section 14.8.

A holding statement detailing the issue of the New WAM Capital Shares is expected to be despatched to Scheme Shareholders within two Business Days after the Implementation Date.

Scheme Shareholders may be unable to trade until they receive the holding statement confirming the number of New WAM Capital Shares held. It is the responsibility of each Scheme Shareholder to confirm their holding before trading in their securities. New WAM Capital Shareholders who sell their securities before they receive their holding statements do so at their own risk. Westoz and WAM Capital disclaim all liability (to the maximum extent permitted by law) to persons who trade the New WAM Capital Shares before receiving their holding statements.

14.2 Calculation of the NTA of Westoz

The Westoz NTA will be calculated as at the Calculation Date. The Westoz NTA will be used to determine the Scheme Consideration under the Scheme (see below for further details).

Westoz must procure that the Westoz NTA is calculated and delivered to WAM Capital within two Business Days of the Calculation Date with sufficient supporting information to permit WAM Capital to review and Confirm the calculation. For the avoidance of doubt, the Westoz NTA for Scheme Consideration must be calculated before all current and deferred tax balances and after Transaction Costs, which are treated as liabilities of Westoz.

WAM Capital has agreed to confirm in writing the Westoz NTA within two Business Days of receipt of Westoz's calculation of the Westoz NTA.

14.3 Calculation of WAM Capital VWAP

The WAM Capital VWAP will be calculated as at the Calculation Date. The WAM Capital VWAP will be used to determine the Scheme Consideration under the Scheme (see below for further details).

WAM Capital must procure that the WAM Capital VWAP is calculated and delivered to Westoz within two Business Days of the Calculation Date with sufficient supporting information to permit WAM Capital to review and Confirm the calculation.

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Westoz has agreed to confirm in writing the WAM Capital VWAP within two Business Days of receipt of WAM Capital's calculation of the WAM Capital VWAP.

14.4 Announcement of Scheme Consideration

Following the review and confirmation process outlined above, the Scheme Consideration (being the exchange ratio for each New WAM Capital Share) will be announced to the ASX no later than 6 April 2022.

14.5 Formula for calculating the Scheme Consideration

The Scheme Consideration comprises New WAM Capital Shares.

The number of New WAM Capital Shares to be issued to each Scheme Shareholder as part of the Scheme Consideration will be based on the following formula:

Number of New WAM Capital Shares = Number of Westoz Shares x (Westoz NTA x 1.075) / WAM Capital VWAP

Where:

- **Number of New WAM Capital Shares** means the number of New WAM Capital Shares to be issued to that Scheme Shareholder.
- **Number of Westoz Shares** means the number of Westoz Shares held by that Scheme Shareholder as at the Record Date.
- **Westoz NTA** means the NTA of Westoz on the Calculation Date and Confirmed by WAM Capital.
- **WAM Capital VWAP** means the one day volume weighted average price of WAM Capital Shares on the Calculation Date.

14.6 Fractional entitlements to Scheme Consideration

Any fractional entitlement of a Scheme Shareholder to a part of a New WAM Capital Share will be rounded up or down (as applicable) to the nearest whole number of New WAM Capital Shares and for the avoidance of doubt, fractional entitlements of 0.5 of a New WAM Capital Share will be rounded up.

14.7 Trading in New WAM Capital Shares

In accordance with the Scheme Implementation Agreement, WAM Capital will procure that, the New WAM Capital Shares issued as Scheme Consideration are approved for official quotation by ASX, subject to any conditions ASX may reasonably require and which are acceptable to both WAM Capital and Westoz, acting reasonably and promptly.

The New WAM Capital Shares are expected to commence trading on the ASX, initially on a deferred settlement basis from the Business Day after the Effective Date and, by the Business Day after the Implementation Date (or any later date as the ASX requires), on a normal settlement basis.

The exact number of New WAM Capital Shares to be issued to each Scheme Shareholder will not be known until the Scheme Consideration is calculated as set out above in Section 14.5 . See Section 14.4 for details on when the Scheme Consideration will be announced to the ASX. It is the responsibility of each Scheme Shareholder to confirm their holdings of New WAM Capital Shares before they trade them, to avoid the risk of committing to sell more than will be issued to them. Scheme Shareholders can confirm their holdings of New WAM Capital Shares by checking their holding statements from WAM Capital.

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Scheme Shareholders who sell New WAM Capital Shares before they receive their holding statements or confirm their holdings of New WAM Capital Shares, do so at their own risk. Neither Westoz nor WAM Capital takes any responsibility for such trading.

14.8 Ineligible Overseas Shareholders

WAM Capital is not obliged to issue New WAM Capital Shares as consideration to any foreign holder (being a Westoz Shareholder whose address in the Westoz Share Register is in a jurisdiction other than Australia or its external territories), unless WAM Capital is satisfied that the laws of a particular foreign holder's country of residence (as shown in the Westoz Share Register) would permit the issue and allotment of New WAM Capital Shares to that foreign holder, either unconditionally or after compliance with conditions which WAM Capital in its sole discretion regards as acceptable and not unduly onerous.

The New WAM Capital Shares that would have been issued to these Ineligible Overseas Shareholders will be issued to the Sale Agent on the Implementation Date and dealt with in the manner described in Section 14.9.

This Scheme Booklet does not constitute an offer of WAM Capital Shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the WAM Capital Shares may not be offered or sold, in any country outside Australia and its external territories.

Westoz Shareholders whose address shown on the Westoz Register is outside of Australia and its external territories should refer to the Important Information Section of this Scheme Booklet.

14.9 Eligibility to participate in the Scheme

The way in which a Westoz Shareholder participates in the Scheme will depend on whether that shareholder is an eligible Westoz Shareholder or an Ineligible Overseas Shareholder. Eligible Westoz Shareholders are Scheme Shareholders who are not Ineligible Overseas Shareholders. If the Scheme becomes Effective and is implemented, each Scheme Shareholder who is not an Ineligible Overseas Shareholder will receive Scheme Consideration in respect of each Westoz Share held on the Record Date.

Relevantly, an Ineligible Overseas Shareholder for the purpose of the Scheme is any person who as at the Record Date:

(a) holds Westoz Shares and to whom WAM Capital would be prohibited from issuing New WAM Capital Shares pursuant to any act, rule or regulation of Australia which prohibits WAM Capital from issuing New WAM Capital Shares to foreign persons;

(b) holds Westoz Shares and does not have a registered address in Australia or such other jurisdiction where Westoz and WAM Capital may determine it would be lawful and practicable for such registered shareholder to receive an offer under or to participate in the Scheme and receive Scheme Consideration in compliance with applicable laws; or

(c) is acting on behalf of or for the account of a person who holds Westoz Shares beneficially and resides in a jurisdiction outside of Australia except, with the consent of Westoz and WAM Capital, such a beneficial shareholder residing in another jurisdiction where Westoz and WAM Capital may determine it would be lawful and practicable for such beneficial holder to receive an offer under or to participate in the Scheme and receive Scheme Consideration in compliance with applicable laws.

Ineligible Overseas Shareholders will participate in the Scheme on the same basis as all eligible Westoz Shareholders. However, Scheme Consideration will not be issued to Ineligible Overseas Shareholders. Instead, all of the Scheme Consideration to which the Ineligible Overseas Shareholders would otherwise have been entitled will be issued to the Sale Agent and sold, within 20 Business Days of the Implementation Date, on a 'best endeavours' basis. The market price of the Scheme Consideration is subject to change from time to time. The

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current market price of WAM Capital Shares can be obtained from the ASX website (www.asx.com.au). The Sale Agent will remit the aggregate Sale Proceeds to Westoz or Computershare and Westoz or Computershare will then remit the Sale Proceeds to each Ineligible Overseas Shareholder. Applicable brokerage and other selling costs, taxes and charges will be allocated proportionally between each Ineligible Overseas Shareholder. The Sale Proceeds you receive may be more or less than the actual market price that is received by the Sale Agent for your WAM Capital Shares.

The Sale Proceeds will be paid to each Ineligible Overseas Shareholder in Australian dollars by Westoz or Computershare by direct credit to the nominated Australian bank account recorded on your shareholding at 3:00pm (WST) on the Record Date. Alternatively, if you wish to receive payment of the Sale Proceeds to an Australian bank account that is different to your current direct credit instructions for payment of dividends on your Westoz Shares, you may change your current direct credit instructions online at Computershare by 3:00pm (WST) on the Record Date.

Cheques and/or direct credit payment advices will be mailed, at your risk, to your address as shown on the Register at 3:00pm (WST) on the Record Date. The payment of the Sale Proceeds to Ineligible Overseas Shareholders through the Sale Facility will be in full satisfaction of the rights of Ineligible Overseas Shareholders to Scheme Consideration under the Scheme.

14.10 Warning against Westoz Share splitting

If WAM Capital reasonably believes that a Scheme Shareholder has been a party to the splitting or division of a shareholding in an attempt to obtain an advantage in relation to the rounding referred to in Section 14.6, then WAM Capital reserves the right to round the entitlement of such holdings so as to provide only the number of New WAM Capital Shares that would have been received but for the splitting or division.

14.11 Tax consequences of the Scheme and trading and holding New WAM Capital Shares for Australian resident Westoz Shareholders

A general guide to the Australian tax consequences for the Scheme for certain Scheme Shareholders who are Australian tax residents is set out in Section 12. This guide is not intended to provide specific tax advice in respect of the individual circumstances of any Scheme Shareholder. Accordingly, Scheme Shareholders should seek their own independent professional tax advice.

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15. Key terms of the Scheme Implementation Agreement

Westoz and WAM Capital entered into the Scheme Implementation Agreement on 22 December 2021.

The Scheme Implementation Agreement sets out the obligations of Westoz and WAM Capital in relation to the Scheme.

The Westoz Directors consider that the Scheme Implementation Agreement was entered into on arm's length commercial terms having regard to the fact that Westoz undertook an assessment of any alternative strategic options available to it.

In making the above statement, the Westoz Directors note that Westoz Shareholders are being given the opportunity to consider and vote on whether the Proposed Transaction is implemented at the Scheme Meeting.

This Section sets out a summary of the key terms and conditions of the Scheme Implementation Agreement that are not otherwise addressed in this Scheme Booklet.

15.1 Scheme Conditions under the Scheme Implementation Agreement

The Scheme is subject to the fulfilment or, in certain cases, waiver of the Scheme Conditions. Refer to Section 13.5 for further details.

Westoz must, at the hearing on the Second Court Date, provide to the Court a certificate confirming whether or not the Scheme Conditions for which it is responsible (other than the condition relating to Court approval of the Scheme) have been satisfied or waived as required by the Scheme Implementation Agreement, and an equivalent certificate must also be provided by WAM Capital.

An update as to the status of the Scheme Conditions will be provided at the Scheme Meeting.

15.2 Exclusivity

The Scheme Implementation Agreement contains certain exclusivity arrangements in favour of WAM Capital, which Westoz considers are in line with market practice, which run until the "End Date" (being 31 May 2022). Those arrangements include:

- (**No shop**) solicit, invite, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do any of these things, with a view to obtaining any offer, proposal or expression of interest in relation to a Competing Transaction;

- (**No talk**) negotiate or enter into, or participate in negotiations or discussions with any other person regarding, a Competing Transaction (or any agreement, understanding or arrangement that may be reasonably expected to lead to a Competing Transaction), even if the Competing Transaction was not directly or indirectly solicited or initiated by Westoz or any of its representatives or the person has publicly announced the Competing Transaction; and

- (**No due diligence**) in relation to a Competing Transaction, enable third parties to undertake due diligence investigations on Westoz, its business or operations, or receive non-public information.

However, Westoz and the Westoz Board will not be restricted from taking or refusing to take any action with respect to a genuine unsolicited Competing Transaction if the Westoz Board has determined in good faith after consultation with its financial advisers that the Competing Transaction is, or could reasonably be considered to become, a Superior Proposal and, after receiving written advice from Westoz's external legal advisers, that failing to respond to the Competing Transaction would be reasonably likely to constitute a breach of its fiduciary or statutory duties.

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If Westoz receives an unsolicited offer in respect of a Competing Transaction or a request for information which could lead to a Competing Transaction, it must promptly notify and disclose material details of the Competing Transaction and the proposed acquirer to WAM Capital. Upon receiving notice, WAM Capital will have the right within 5 Business Days to provide a new or amended proposal that constitutes a matching or superior proposal to the actual, proposed or potential Competing Transaction.

15.3 Conduct of business

Before implementation of the Scheme, Westoz must continue to conduct its business in the ordinary and usual course, including in substantially the same manner as previously conducted in the 12 months prior to the date of the Scheme Implementation Agreement. There are specific positive and negative obligations to support Westoz conducting its business in the ordinary and usual course, such as maintaining regulatory authorisations, no entry into or termination of material contracts, no changes to accounting policies and no dividends other than as permitted under the Scheme Implementation Agreement.

Westoz must also conduct its business in accordance with all applicable laws and the WFM Management Agreement, and must regularly consult with WAM Capital on the conduct of Westoz's business.

Certain exceptions apply, such as where WAM Capital consents to a particular action, circumstances or actions Disclosed to WAM Capital (as defined in the Scheme Implementation Agreement), or for actions required by law or permitted by the Scheme. In respect of permitted dividends, please refer to Section 13.14 for details.

15.4 Termination

The Scheme Implementation Agreement may be terminated by mutual agreement or by either party if:

(a) the Scheme has not become Effective on or before the "End Date", being 31 May 2022 (or such other date agreed by WAM Capital and Westoz in writing);

(b) either party is in material breach of the Scheme Implementation Agreement (taken in the context of the Scheme transaction as a whole) and the breach remains unremedied 5 Business Days after being notified;

(c) either party is insolvent; or

(d) the parties have failed to agree during the mandated consultation in respect of a breach or non-satisfaction of a Scheme Condition, or there is a failed appeal process in respect of the Court not approving the Scheme.

WAM Capital may also terminate the Scheme Implementation Agreement if a member of the Westoz Board changes their recommendation that Westoz Shareholders should vote in favour of the Scheme, or if a third party acquires a relevant interest in more than 20% of Westoz Shares.

Westoz may also terminate the Scheme Implementation Agreement if the Board determines that an unsolicited Competing Transaction is a Superior Proposal, or if the Independent Expert concludes that the Scheme is not in the best interests of Westoz Shareholders.

15.5 Representations and warranties

Both parties give customary power and capacity warranties, as well as a number of warranties in respect of the due diligence and information provided, compliance with the law (including continuous disclosure), and the securities each party has on issue. Westoz also gives certain warranties in respect of terminating the WFM Management Agreement with Westoz Funds Management Pty Ltd.

15.6 Limitation on liability

In the event of a breach of the Scheme Implementation Agreement by one of the parties, the party in breach may be liable to pay damages to the other party for breach of contract. The party which is not in breach would need to make a claim for breach of contract and provide evidence of the losses suffered by it.

The parties' respective liability for claims under the Scheme Implementation Agreement (including for breach of a warranty) is limited to $1,000,000, except that neither party's liability is limited for fraud and WAM Capital's liability is not limited for any breach of certain covenants in respect of issuing the Scheme Consideration. This is a cap on liability for breach of the agreement, and does not operate as a break fee or liquidated damages clause.

A breach which might lead to a claim by WAM Capital against Westoz might include:

(a) breach of exclusivity (refer to Section 15.2);

(b) a breach of the conduct of business restrictions (refer to Section 15.3); or

(c) a breach of warranty (refer to Section 15.5).

Westoz would not be liable to pay damages where the Scheme Implementation Agreement is terminated other than as a result of a breach by Westoz. For example, damages would not be payable where:

(a) Westoz Shareholders do not vote in favour of the Scheme;

(b) the Westoz Directors change their recommendation because the Independent Expert opines that the Scheme is no longer in the best interests of Westoz Shareholders; or

(c) the Scheme does not proceed because one of the Scheme Conditions is not satisfied (other than where a breach of the Scheme Implementation Agreement by Westoz led to the Scheme Condition not being satisfied).

The sorts of losses that Westoz may be required to reimburse in the event of a breach of the Scheme Implementation Agreement by Westoz include:

(a) fees for legal and financial advice in planning and implementing the Proposed Transaction;

(b) reasonable opportunity costs incurred in engaging in the Proposed Transaction or in not engaging in other alternative acquisitions or strategic initiatives;

(c) costs of management and directors' time in planning and implementing the Proposed Transaction; and

(d) other out of pocket expenses incurred in planning and implementing the Proposed Transaction.

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16. Additional information

16.1 Introduction

This Section 16 sets out additional information required to be disclosed to Westoz Shareholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to Westoz Shareholders.

16.2 Interests of Westoz Directors

As at the date of lodgement of this Scheme Booklet with ASIC for registration:

(a) Westoz Directors held interests in marketable securities of Westoz as set out in Section 8.12; and

(b) no Westoz Director held an interest in marketable securities of WAM Capital (as set out in Section 8.12).

No Westoz Director has acquired or disposed of a Relevant Interest in any Westoz Shares in the four month period ending on the date immediately before the date of this Scheme Booklet.

Westoz Directors who are Scheme Shareholders will be entitled to receive New WAM Capital Shares in accordance with the terms of the Scheme. No Westoz director has a material interest in relation to the Scheme, other than in their capacity as a Scheme Shareholder.

16.3 Benefits to Westoz officers in connection with retirement from office

There are no other current proposals for any payments or other benefit to be made or given to a director, secretary or executive officer of Westoz or any Related Body Corporate of Westoz as compensation for the loss of, or as consideration for or in connection with his or her retirement from office in Westoz or any Related Body Corporate of Westoz as a result of the Scheme.

Westoz pays premiums in respect of a directors and officers (**D&O**) insurance policy for the benefit of its directors and executive officers, and intends to put in place suitable arrangements for run-off D&O insurance for the benefit of its directors and executive officers as contemplated by the Scheme Implementation Agreement.

16.4 Agreements or arrangements connected with or conditional on the Scheme

There are no agreements or arrangements made between any Westoz Director and another person (including WAM Capital) in connection with, or conditional on, the outcome of the Scheme other than in their capacity as a Westoz Shareholder.

Westoz intends to terminate the WFM Management Agreement with effect no later than the Implementation Date. The termination will not impact accrued management fees, performance fees (where applicable) and expenses incurred under the WFM Management Agreement up to the Implementation Date, with all outstanding fees payable agreed by the Calculation Date, based on applicable figures as at the Calculation Date. No other termination fees will otherwise be payable by Westoz.

16.5 Westoz Directors' interests in WAM Capital contracts

No Westoz Director has any interest in any contract entered into with WAM Capital, or any interest as a creditor of WAM Capital.

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16.6 Remuneration of Westoz Directors

The Westoz Directors are entitled to be paid fees for their services as directors of Westoz and have been paid the following fees in the past two financial years (inclusive of superannuation entitlements):

Westoz Director	FY 2022	FY 2021	FY2020
Simon Joyner	$60,000	$55,000[1]	$55,000
Terry Budge	$65,000	$55,000[2]	$55,000

Notes:

1. Comprising of a salary payment of $50,228 and a superannuation payment of $4,772.
2. Comprising of a salary payment of $50,228 and a superannuation payment of $4,772.
3. Westoz Funds Management Pty Ltd, a company of which Mr Hughes is a Director, provides Key Management Personnel services to Westoz Investment Company Limited as it has the authority for the management of the investment portfolio of Westoz Investment Company Limited. Westoz Funds Management Pty Ltd received management fees from the Company for the management of its assets. Total management fees (inclusive of performance fees where applicable) of $8,654,155 (2020: $1,571,284) were charged in the period for these services. Of that, $6,906,259 performance fee was paid in respect of the 2021 financial year (2020: $1,571,284). There is $164,134 (2020: $131,226) accrued for management fees payable as at 30 June 2021. These fees were charged in accordance with a management agreement. The management fee is calculated at 1% per annum of funds managed. The performance fee as specified in the management agreement is payable where performance exceeds 10% over a twelve month period to end of June and is calculated at 20% of the performance exceeding the threshold. The manager is required to give three months written notice to terminate the agreement. The performance fee is based on the above performance condition to be able to link the performance of the Company to the services provided by the fund manager. No amount is paid by Westoz Investment Company Limited directly to the Directors of Westoz Funds Management Pty Ltd. Euroz Hartleys Securities Limited (formerly Euroz Securities Limited) of which Mr Hughes is a Director (but has not been operational since its merger with Euroz Hartleys Limited on 24 April 2021) and Euroz Hartleys Limited, of which Mr Hughes was formerly a Director (resigned 11 October 2021), received brokerage fees for transactions undertaken by the Company in respect of its investments. An amount of $584,621 (2020: $977,097) was paid in the year as brokerage to Euroz Hartleys Securities Limited and an amount of $108,351 (2020: $nil) was paid in the year as brokerage to Euroz Hartleys Limited. Of this brokerage, $nil was outstanding as at 30 June 2021 (2020: $4,776). The above transactions were entered into on normal commercial terms.

16.7 Payments to non-executive Westoz Directors

The Westoz Constitution provides that non-executive directors of Westoz may be paid, as remuneration for their services as directors of Westoz, a sum determined from time to time by Westoz Shareholders in a general meeting, with that sum to be divided amongst the non-executive directors in such manner and proportion as they agree.

As at the date of this Scheme Booklet, the aggregate maximum remuneration for non-executive Westoz Directors is $200,000 per annum.

16.8 Disclosure of payments and benefits to Westoz Directors, secretaries and executive officers

No Westoz Director, secretary or executive officer of Westoz (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from WAM Capital which is conditional on, or is related to, the Scheme other than in their capacity as a Westoz Shareholder or as set out in Section 16.3 or 16.4.

16.9 Creditors of Westoz

The Scheme, if implemented, will not affect the interests of creditors of Westoz.

Westoz has paid and is paying all of its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner.

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16.10 Right to inspect and obtain copies of the Westoz Share Register

A Westoz Shareholder has the right to inspect the Westoz Share Register, which contains the name and address of each Westoz Shareholder and certain other prescribed details relating to Westoz Shares, without charge. A Westoz Shareholder also has the right to request a copy of the register, upon payment of a fee (if any) up to a prescribed amount.

16.11 No administrator

It is not proposed that any person be appointed to manage or administer the Scheme.

16.12 No relevant restrictions in the constitution of Westoz

There are no restrictions on the right to transfer Westoz Shares in Westoz's constitution.

16.13 No unacceptable circumstances

The Westoz Directors do not believe that the Scheme involves any circumstances in relation to the affairs of any member of Westoz that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

16.14 Westoz Shareholders in jurisdictions outside Australia

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements that may be different to those applicable in other jurisdictions. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Any Westoz Shareholder whose address as shown in the Westoz Share Register at 3:00pm (WST) on the Record Date is outside of Australia or its external territories will be an Ineligible Overseas Shareholder for the purposes of the Scheme, other than a Westoz Shareholder in respect of whom WAM Capital is satisfied that the laws of that holder's country of residence (as shown in the Westoz Share Register) would permit the issue and allotment of New WAM Capital Shares, either unconditionally or after compliance with conditions which WAM Capital in its sole discretion regards as acceptable and not unduly onerous.

WAM Capital will not issue New WAM Capital Shares to an Ineligible Overseas Shareholder. If you are an Ineligible Overseas Shareholder, you should refer to Section 14.8 for further information.

16.15 Privacy and personal information

Westoz and WAM Capital, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Scheme. The personal information may include the names, contact details and details of the security holdings of Westoz Shareholders, and the names of individuals appointed by Westoz Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting.

The personal information is collected for the primary purpose of implementing the Scheme. The personal information may be disclosed to Westoz's and WAM Capital's share registry and investor relations advisers, to securities brokers and to print and mail service providers.

Westoz Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. To access and correct your personal information, and information on the privacy complaints handling procedure, please contact the Privacy Officer at privacy@computershare.com.au or see Computershare's Privacy Policy at http://www.computershare.com/au.

Westoz Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

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16.16 Supplementary information

Westoz will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the date of the Scheme Meeting:

(a) a material statement in this Scheme Booklet that is false or misleading;

(b) a material omission from this Scheme Booklet;

(c) a significant change affecting a matter included in this Scheme Booklet; or

(d) a significant new matter arising that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form of the supplementary document and whether a copy will be sent to each Westoz Shareholder will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on Westoz's website (https://westozfunds.com.au/westoz-investment-company-limited/). Any such supplementary document will also be released to ASX and accordingly will be available from ASX's website (www.asx.com.au).

16.17 Advisers and experts

(a) Roles of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

Name	Role	Estimate of Fees (ex. GST)
BDO Corporate Finance (WA) Pty Ltd	Independent Expert	$35,000
Steinepreis Paganin	Legal adviser to Westoz	$140,000
Counsel (Westoz)	Westoz's barrister	$40,000
Computershare	Westoz's share registry	$25,000
Ernst & Young	Tax adviser to Westoz	$20,000
Mills Oakley	Legal adviser to WAM Capital	$130,000
Counsel (WAM Capital)	WAM Capital's barrister	$12,000
Boardroom	WAM Capital's share registry	$45,000

(b) Consents of advisers and experts

BDO Corporate Finance (WA) Pty Ltd has given its consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure A of this Scheme Booklet and has not withdrawn that consent before the date of this Scheme Booklet.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than the Independent Expert's Report. The interests of BDO Corporate Finance (WA) Pty Ltd in its capacity as Independent Expert are disclosed in the Independent Expert's Report.

Steinepreis Paganin has given its consent to be named in this Scheme Booklet as legal adviser to Westoz in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Computershare has given its consent to be named in this Scheme Booklet as Westoz's share registry in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Ernst & Young has given, and has not withdrawn prior to the Date of the Scheme Booklet, its written consent to be named in this Scheme Booklet as auditor of the Ozgrowth for the years ended 30 June 2020, 30 June 2021 and half year ended 31 December 2021 and as tax adviser to Westoz in relation to the Offer in the form and context in which they appear.

WAM Capital has given its consent to the inclusion of the WAM Capital Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Mills Oakley has given its consent to be named in this Scheme Booklet as legal adviser to WAM Capital in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Boardroom has given its consent to be named in this Scheme Booklet as WAM Capital's share registry in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Pitcher Partners has consented to the inclusion in the Scheme Booklet of references to the audited financial statements of WAM Capital as at 30 June 2021 and 30 June 2020 and the reviewed interim financial report for the period ended 31 December 2021 in the form and context in which they appear, and has not withdrawn that consent before the date of this Scheme Booklet.

(c) **Disclaimers of responsibility**

Each person named in Section 16.17(a) as having consented to the inclusion of information or to be named in the form and context in which it appears in this Scheme Booklet:

(i) has not authorised or caused the issue of this Scheme Booklet or the making of the offer of New WAM Capital Shares under the Scheme;

(ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than a statement included in this Scheme Booklet with the written consent of that person as stated in Section 16.17(a); and

(iii) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any statements in or omissions from any part of this Scheme Booklet, other than a reference to its name and any statement or report that has been included in this Scheme Booklet with the consent of that person.

(d) **Fees**

Each person named in Section 16.17(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging. The estimated fees payable to these parties are set out in Section 16.17(a).

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16.18 No other material information

Other than as set out in this Scheme Booklet, including the Annexures to this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme or a decision by a Westoz Shareholder whether or not to vote in favour of the Scheme, being information that is within the knowledge of any Westoz Directors or of a Related Body Corporate of Westoz and which has not previously been disclosed to Westoz Shareholders.

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17. Glossary of defined terms

The following defined terms used throughout this Scheme Booklet have the meaning set out below unless the context otherwise requires.

A$** or **$ means the lawful currency of Australia.

AASB means the Australian Accounting Standards Board, being the Australian Regulatory Authority responsible for developing and issuing accounting standards applicable to Australian entities and the "care and maintenance" of the body of standards as set out in the Australian Securities and Investments Commission Act 2001 (Cth).

AASB Standards means the Australian Accounting Standards issued by the AASB.

Annexure means an annexure to this Scheme Booklet.

Announcement Date means 23 December 2021, being the date of announcement of the Proposed Transaction.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in sections 12 and 16 of the Corporations Act as if section 12(1) of that Act included a reference to this Scheme Booklet and Westoz was the designated body.

ASX means ASX Limited (ABN 98 008 624 691) or the financial market known as the Australian Securities Exchange operated by it, as the context requires.

ASX Listing Rules means the listing rules of ASX.

ASX Settlement Rules means the settlement rules of ASX Settlement Pty Ltd (ACN 008 504 532).

ATO means the Australian Taxation Office.

Boardroom means Boardroom Pty Limited (ACN 003 209 836), the security registry for WAM Capital.

Business Day means a day as defined in the ASX Listing Rules other than any day which banks are not open for general banking business in Perth, Western Australia.

Calculation Date means:

(a) 2:00pm (WST) on 31 March 2022; or

(b) otherwise, such other time and date as the parties agree in writing.

Cash Proceeds means the sale proceeds of New WAM Capital Shares sold under the Sale Facility by the Sale Agent in respect of Ineligible Overseas Shareholders.

CGT means Capital Gains Tax, as defined in the Income Tax Assessment Act 1997.

Combined Group means the corporate group comprising WAM Capital and its subsidiaries, including Westoz, if the Scheme is implemented (and for the avoidance of doubt, does not include Ozgrowth).

Combined Group Board means the board of directors of WAM Capital, after the implementation of the Scheme.

Competing Transaction means a proposal, transaction or arrangement (including a takeover bid, scheme of arrangement, capital reduction, sale of assets, sale or issue of securities, or

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joint venture) which, if completed, would mean a person (other than WAM Capital or its Related Bodies Corporate) whether alone or together with its Associates would, directly or indirectly:

(a) acquire an interest or Relevant Interest in or become the holder of 20% or more of the Westoz Shares on issue (other than as custodian, nominee or bare trustee);

(b) acquire control of Westoz, within the meaning of section 50AA of the Corporations Act;

(c) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in all or a substantial part or a material part of the assets of or business conducted by Westoz;

(d) otherwise acquire or merge with Westoz (including by a reverse takeover bid); or

(e) cause the Scheme to be required to be abandoned or otherwise fail to proceed.

Computershare means Computershare Investor Services Pty Limited (ACN 078 279 277), the security registry for Westoz.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

Court means the Supreme Court of Western Australia, or such other court of competent jurisdiction as agreed in writing by the parties.

Deed Poll means the deed poll dated 22 December 2021 executed by WAM Capital whereby, among other things, WAM Capital covenants to carry out its obligations under the Scheme, as set out in Annexure C.

Effective when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means 31 May 2022 or such other date as agreed in writing between WAM Capital and Westoz.

Implementation Date means the date that is the fifth Business Day after the Record Date.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045 and Australian Financial Services Licence No. 316 158).

Independent Expert's Report means the report of the Independent Expert in relation to the Scheme as set out in Annexure A of this Scheme Booklet.

Ineligible Overseas Shareholder means any person who:

(a) holds Westoz Shares and to whom WAM Capital would be prohibited from issuing New WAM Capital Shares pursuant to any act, rule or regulation of Australia which prohibits WAM Capital from issuing New WAM Capital Shares to foreign persons;

(b) holds Westoz Shares and does not have a registered address in Australia, or such other jurisdiction where Westoz and WAM Capital may determine it would be lawful and practicable for that registered shareholder to receive an offer under or to participate in the Scheme and receive Scheme Consideration in compliance with applicable laws; or

(c) is acting on behalf of or for the account of a person who holds Westoz Shares beneficially and resides in a jurisdiction outside of Australia except, with the consent of Westoz and WAM Capital, such a beneficial shareholder residing in another jurisdiction where Westoz and WAM Capital may determine it would be lawful and practicable for that beneficial holder to receive an offer under or to participate in the Scheme and receive Scheme Consideration in compliance with applicable laws.

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ITAA 1997 means the Income Tax Assessment Act 1997 (Cth).

Last Practicable Date means 24 February 2022, being the last practicable date before the finalisation of this Scheme Booklet.

Listed Securities means securities in a class which:

(a) are admitted to quotation on ASX;

(b) in the reasonable opinion of the Manager, is likely to be admitted to quotation on ASX within a period of twelve (12) months from the date of the investment in those securities; or

(c) are admitted to quotation on any other securities exchange approved by the Westoz Board in writing.

Manager or **WFM** means Westoz Funds Management Pty Ltd (ACN 106 677 721).

Material Adverse Effect has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

New WAM Capital Share means a WAM Capital Share to be issued as consideration under the Scheme.

NTA means the net tangible asset backing of Westoz or WAM Capital (as the context requires) per Westoz Share or WAM Capital Share (as the case may be) before current and deferred tax balances and calculated in accordance with the Corporations Act, Australian Accounting Standards (including the Australian Accounting Interpretations), and the Corporations Regulations. For the avoidance of doubt, the NTA will:

(a) not include any deferred tax balances and will reflect the pro-forma impact of any:

(i) Westoz Permitted Dividend (in respect of Westoz);

(ii) WAM Capital FY2022 fully franked interim dividend (in respect of WAM Capital); or

(iii) distribution payable in accordance with the Scheme Implementation Agreement,

with a record date scheduled to fall between the Calculation Date and the Record Date;

(b) be calculated on the basis of the last sale price of the relevant party's underlying portfolio positions on the Calculation Date; and

(c) be after any costs of selling (such as brokerage costs) that would be incurred if the portfolio positions were disposed on the Calculation Date.

Ozgrowth means Ozgrowth Limited (ACN 126 450 271).

Pro Forma Historical Financial Information has the meaning given in Section 10.

Proposed Transaction means the proposed acquisition of Westoz by WAM Capital on the terms and conditions in this Scheme Booklet.

Proposed Transactions means the Proposed Transaction and the proposed acquisition of Ozgrowth by WAM Capital on similar terms to the Proposed Transaction, as set out in the separate scheme booklet dated on or around the date of this Scheme Booklet.

Record Date means 3.00 pm (WST) on the second Business Day after the Effective Date or such other time and date as the parties agree in writing.

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Regulatory Authority includes:

(a) ASX;

(b) ASIC;

(c) the Takeovers Panel;

(d) a government or governmental, semi-governmental or judicial entity or authority;

(e) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and

(f) any regulatory organisation established under statute.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Requisite Majorities in respect of the Scheme, approval by:

(a) more than 50% in number of Westoz Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and

(b) at least 75% of the total number of votes cast on the Scheme Resolution by Westoz Shareholders.

Sale Agent means the agent appointed in relation to the Scheme by WAM Capital and Westoz to sell the Scheme Consideration that would have otherwise been issued to Ineligible Overseas Shareholders.

Sale Facility means the mechanism by which Ineligible Overseas Shareholders receive Cash Proceeds of any sale of New WAM Capital Shares they would otherwise receive, as described in Section 14.9.

Scheme means the scheme of arrangement between Westoz and the Scheme Shareholders as described in clause 4 of the Scheme Implementation Agreement and set out in Annexure B.

Scheme Booklet means this booklet that comprises the explanatory statement in respect of the Scheme to be approved by the Court and despatched to Westoz Shareholders and includes the Annexures to this booklet.

Scheme Conditions means the conditions for implementation of the Scheme as set out in Schedule 3 to the Scheme Implementation Agreement and clause 3.1 of the Scheme.

Scheme Consideration means the number of WAM Capital Shares to be issued per Westoz Share held by a Scheme Shareholder, having reference to the WAM Capital VWAP and the Westoz NTA, plus a premium of 7.5% to the Westoz NTA, being the consideration payable by WAM Capital for the transfer of Westoz Shares held by a Scheme Shareholder to WAM Capital.

The number of WAM Capital Shares to be issued per Westoz Share held by a Scheme Shareholder is calculated using the formula below:

Number of WAM Capital Shares = (Westoz NTA x 1.075) / WAM Capital VWAP

Scheme Implementation Agreement means the Scheme Implementation Agreement dated 22 December 2021 between Westoz and WAM Capital relating to the implementation of the Scheme.

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Scheme Meeting means the virtual meeting of Westoz Shareholders to be held at 10:00am (WST) on 4 April 2022 to consider and vote on the Scheme. The notice convening the Scheme Meeting is set out in Annexure D.

Scheme Resolution means the resolution set out in the Notice of Scheme Meeting set out in Annexure D.

Scheme Share means a Westoz Share on issue as at the Record Date.

Scheme Shareholder means each person who is a Westoz Shareholder as at the Record Date.

Second Court Date means the first day of the Second Court Hearing, expected to be on or about 10:00am (WST) 8 April 2022.

Second Court Hearing means the hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and, if applicable, 411(6) of the Corporations Act approving the Scheme.

Section means a section of this Scheme Booklet.

Subsidiaries has the meaning given in the Corporations Act.

Superior Proposal means a bona fide Competing Transaction which the Westoz Board or WAM Capital Board (as applicable), acting in good faith, and after receiving written advice from its legal and financial advisers, determines:

(a) is reasonably capable of being implemented taking into account all aspects of the Competing Transaction; and

(b) is more favourable to Westoz Shareholders or WAM Capital Shareholders (as applicable) than the Scheme, taking into account all terms and conditions of the Competing Transaction.

WAM Capital means WAM Capital Limited (ACN 086 587 395).

WAM Capital Board means the board of WAM Capital Directors as at the date of this Scheme Booklet.

WAM Capital Constitution means the constitution of WAM Capital.

WAM Capital Directors means the directors of WAM Capital.

WAM Capital Group means WAM Capital and its subsidiaries.

WAM Capital Information means the information concerning WAM Capital and the Combined Group provided by WAM Capital to Westoz in writing for inclusion in this Scheme Booklet.

WAM Capital Interested Person has the meaning given in Section 9.19.

WAM Capital Investment Manager or **Wilson Asset Management** means Wilson Asset Management (International) Pty Limited (ACN 081 047 118).

WAM Capital Management Agreement means the investment management agreement between WAM Capital and Wilson Asset Management dated 13 May 1999.

WAM Capital NTA means the NTA of WAM Capital on the Calculation Date.

WAM Capital Prescribed Occurrence has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

WAM Capital Share Price Premium means the WAM Capital VWAP less the WAM Capital NTA, divided by the WAM Capital NTA and expressed as a percentage number.

WAM Capital Register means the register of WAM Capital Shareholders maintained by Boardroom.

WAM Capital Share means a fully paid ordinary share in the capital of WAM Capital.

WAM Capital Shareholder means a person who is registered in the WAM Capital Register from time to time as the holder of a WAM Capital Share.

WAM Capital VWAP means the one day volume weighted average price of WAM Capital Shares on the Calculation Date.

Westoz or **Company** means Westoz Investment Company Limited (ACN 113 332 942).

Westoz Board means the board of Westoz Directors as at the date of this Scheme Booklet.

Westoz Directors means the directors of Westoz.

Westoz NTA means the NTA of Westoz on the Calculation Date and Confirmed by WAM Capital.

Westoz Permitted Dividend has the meaning given in Section 13.14.

Westoz Prescribed Occurrence has the meaning given in clause 1.1 of the Scheme Implementation Agreement.

Westoz Share means a fully paid ordinary share in the capital of Westoz.

Westoz Share Register means the register of Westoz Shareholders maintained by Computershare in accordance with the Corporations Act.

Westoz Shareholder means each person who is registered in the Westoz Share Register from time to time as the holder of a Westoz Share.

WFM Management Agreement means the investment management agreement between Westoz and the Manager dated 31 October 2007.

Wilson Asset Management Group means the following entities:

(a) Wilson Asset Management (International) Pty Ltd (ACN 081 047 118);

(b) MAM Pty Limited (ACN 100 276 542);

(c) WAM Capital Limited (ACN 086 587 395);

(d) WAM Research Limited (ACN 100 504 541);

(e) WAM Active Limited (ACN 126 420 719);

(f) Botanical Nominees Pty Ltd (ACN 081 032 000) as trustee of the Wilson Asset Management Equity Fund;

(g) WAM Leaders Limited (ACN 611 053 751);

(h) WAM Microcap Limited (ACN 617 838 418);

(i) WAM Global Limited (ACN 624 572 925);

(j) WAM Strategic Value Limited (ACN 649 096 220); and

(k) WAM Alternative Assets Limited (ACN 168 941 704).

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Annexure A – Independent Expert's Report

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WESTOZ INVESTMENT COMPANY LIMITED

Independent Expert's Report

25 February 2022

BDO

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Financial Services Guide

25 February 2022

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (**'we'** or **'us'** or **'ours'** as appropriate) has been engaged by Westoz Investment Company Limited (**'Westoz'** or **'the Company'**) to provide an independent expert's report on the proposed scheme of arrangement (**'the Scheme'**) to merge with WAM Capital Limited (**'WAM Capital'**). You are being provided with a copy of our report because you are a shareholder of Westoz and this Financial Services Guide (**'FSG'**) is included in the event you are also classified under the Corporations Act 2001 (**'the Act'**) as a retail client.

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by Westoz to assist you in deciding on whether or not to approve the Scheme.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed

amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $35,000. BDO also has been engaged by Ozgrowth Limited ('**Ozgrowth**') to prepare an independent expert's report on another proposed scheme of arrangement to merge Ozgrowth with WAM Capital. The fee for this engagement is approximately $35,000. Ozgrowth and Westoz are both managed by Westoz Funds Management Pty Ltd.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Westoz.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Westoz for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872 or by telephone or email using the contact details within the following report.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('**AFCA**').

AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 – Glossary and copyright notice

Appendix 2 – Valuation Methodologies

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25 February 2022

The Directors
Westoz Investment Company Limited
Level 18 Alluvion 58 Mounts Bay Road,
Perth WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 23 December 2021 Westoz Investment Company Limited ('**Westoz**' or '**the Company**') announced on the Australian Securities Exchange ('**ASX**') that the Company had entered into a Scheme Implementation Agreement ('**SIA**') with WAM Capital Limited ('**WAM Capital**'), under which it is proposed that WAM Capital will acquire the entire issued capital of Westoz by way of a scheme of arrangement under the Corporations Act 2001 (Cth) ('**the Scheme**').

Under the Scheme, Westoz shareholders will receive new WAM Capital shares ('**New WAM Capital Shares**') as consideration for their Westoz shares. The number of WAM Capital shares to be offered for each Westoz share will be determined by a formula ('**Exchange Ratio**') based on the ratio of the volume weighted average share price of WAM Capital to the net tangible assets ('**NTA**') of Westoz before tax, hereafter the '**Scheme Consideration**'. The indicative calculation date for this Exchange Ratio is 31 March 2022 ('**Calculation Date**'), or such other date as the parties may agree.

Westoz and WAM Capital are both public companies, listed on the ASX. Upon implementation of the Scheme, Westoz will become a wholly owned subsidiary of WAM Capital and Westoz shareholders will receive shares in the enlarged WAM Capital following the Scheme ('**Proposed Merged Entity**').

All currencies are quoted in Australian Dollars unless otherwise stated.

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2. Summary and Opinion

2.1 Requirement for the report

The directors of Westoz have requested that BDO Corporate Finance (WA) Pty Ltd ('**BDO**') prepare an independent expert's report ('**our Report**') to express an opinion as to whether or not the Scheme is in the best interests of the non-associated shareholders of Westoz ('**Shareholders**').

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 ('**Corporations Act**' or '**the Act**') and is to be included in the scheme booklet ('**Scheme Booklet**') prepared to assist the Shareholders in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('**ASIC**') Regulatory Guides 60 'Schemes of Arrangements' ('**RG 60**'), Regulatory Guide 111 'Content of Expert's Reports' ('**RG 111**') and Regulatory Guide 112 'Independence of Experts' ('**RG 112**').

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered:

- How the value of a Westoz share (on a control basis) compares to the value of the Scheme Consideration;
- The likelihood of an alternative offer being made to Westoz;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- The position of Shareholders should the Scheme not proceed.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Scheme is fair and reasonable to Shareholders.

Therefore, in the absence of a superior proposal, we conclude that the Scheme is in the best interests of Shareholders.

2.4 Fairness

In section 12, we compared the value of a Westoz share on a control basis to the value of the Scheme Consideration based on the Exchange Ratio to be received by Shareholders as consideration under the Scheme, on a minority interest basis, as detailed below. We note that our assessment of fairness is based on the information available to us around the date of our Report. As the actual Calculation Date is in the future (indicatively 31 March 2022), this is our best assessment of the Scheme Consideration at present and its actual value may vary on the Calculation Date.

	Ref	Low $	High $
Value of a Westoz share (control basis)	10.3	1.341	1.341
Value of the Scheme Consideration	11.2	1.300	1.663

Source: BDO Analysis

The above valuation ranges are graphically presented below:



We note from the table and graph above that the value of a Westoz share (on a control basis) falls within the lower range of the value of the Scheme Consideration. The mid and high end of the Scheme Consideration is greater than the value of a Westoz share (on a control basis).

The low end of the value of a Westoz share (on a control basis) incorporates a 10% fall in the pre-tax NTA of Westoz prior to the announcement of the Scheme, which BDO considers improbable. Although the low end of the Scheme Consideration is less than the value of a Westoz share (on a control basis), it is only marginally so and broadly, the Scheme Consideration offers a larger degree of upside to shareholders, compared to downside (particularly once the likelihood of a 10% fall in the pre-tax NTA of Westoz is considered).

Therefore, in the absence of any other relevant information, and an alternate offer, we consider that the Scheme is fair for the Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- advantages and disadvantages of the Scheme; and
- other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the transaction.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

Section	Advantages	Section	Disadvantages
13.3	The Scheme is fair	13.4	Change in investment exposure may not align with Shareholders' risk preferences
13.3	Scheme Consideration represents a premium over pre-Announcement prices	13.4	Termination fee will be payable under the WAM Management Agreement
13.3	Larger funds to spread operating and administrative costs across	13.4	Shareholders will own a smaller portion of the Proposed Merged Entity compared to their current ownership in Westoz
13.3	Opportunity for Shareholders to realise their investments at a premium to pre-tax NTA		

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Section	Advantages	Section	Disadvantages
13.3	The Scheme provides Shareholders with improved share market liquidity for their shares		
13.3	No termination fee payable to WFM		
13.3	Exposure to Wilson Asset Management expertise		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposal
13.2	Consequences of not approving the Scheme
13.5	Tax implications
13.6	Other considerations

3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Corporations Act Regulations 2001 ('**Regulations**') prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act ('**Section 411**').

An independent expert's report must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and set out the reasons for that opinion.

There are no common directors of Westoz and WAM Capital, nor is there any other party to the Scheme that holds 30% or more of the scheme company, being Westoz. Accordingly, there is no requirement for this report pursuant to Section 411. Notwithstanding the fact that there is no legal requirement to engage an independent expert to report on the Scheme, the directors of Westoz have requested that BDO prepare this report as if it were an independent expert's report pursuant to Section 411 and to provide an opinion as to whether the Scheme is fair and reasonable and in the best interests of Shareholders.

The requirement for an independent expert's report is also a condition precedent in the SIA, which states that, for the Scheme to proceed, the independent expert must conclude that the Scheme is in the best interests of Shareholders.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Scheme is fair and reasonable, we have had regard to the views expressed by

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ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of 'control' transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is 'fair and reasonable'. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, 'in the best interests' must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a 'fair and reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair'.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a Westoz share including a premium for control and the value of the Scheme Consideration being the corresponding shares in WAM Capital based on the Exchange Ratio on a minority interest basis (fairness – see Section 12 'Is the Scheme Fair?');
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness – see Section 13 'Is the Scheme Reasonable?'); and
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair

nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('**APES 225**').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Scheme

4.1 Introduction

On 23 December 2021, Westoz announced to the ASX that it had entered into a SIA with WAM Capital to merge the two entities ('**the Announcement**'). The Announcement also disclosed that WAM Capital had entered into a similar transaction involving Ozgrowth Limited, however that transaction is not inter-conditional with this one.

4.2 Key Terms

The SIA sets out key terms of the Scheme and indicative timing as envisaged by the Company for implementation of the Scheme. Key terms relevant to Shareholders are summarised below:

Scheme of Arrangement

The proposed merger between WAM Capital and Westoz will be effected by way of a scheme of arrangement pursuant to Section 411 of the Corporations Act and RG60 issued by ASIC. As per RG60.1, a scheme of arrangement is a binding, court-approved agreement that allows the reorganisation of the rights and liabilities of members and creditors of a company. Under the Scheme, Shareholders will receive New WAM Capital Shares in the Proposed Merged Entity in exchange for their existing shares in Westoz based on the Exchange Ratio.

The Scheme must be approved by a court and at a meeting of Shareholders of Westoz, for which the Company has set out indicative timing in the Announcement and summarised below.

Indicative Timing

Westoz anticipates scheme implementation to occur in April 2022. The key indicative dates are as follows:

Event	Indicative Key Dates
First Court date	28 February 2022
Scheme Booklet sent to Westoz shareholders	By 4 March 2022
Calculation date for the Exchange Ratio	31 March 2022
Scheme Meeting	4 April 2022
Second Court date	8 April 2022

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Event	Indicative Key Dates
Effective date	11 April 2022
Record date	13 April 2022
Implementation date	21 April 2022

Source: Westoz Announcement 23 December 2021.

Consideration

As consideration for their Westoz shares under the Scheme, Westoz shareholders will receive New WAM Capital Shares in the Proposed Merged Entity. The number of New WAM Capital Shares to be offered for each Westoz share will be determined by a formula, being the ratio of the 1-day volume weighted average price ('**VWAP**') of a WAM Capital share on the Calculation Date and a 7.5% premium to the pre-tax NTA of Westoz. The indicative Calculation Date for this Exchange Ratio is 31 March 2022, or such other date as the parties may agree. Any fractional entitlement in the Proposed Merged Entity will be rounded up or down (as applicable) to the nearest whole number of New WAM Capital Shares.

Features of the New WAM Capital Shares

The New WAM Capital Shares in the Proposed Merged Entity will have the following terms and features:

- the New WAM Capital Shares will rank equally in all respects with all existing WAM Capital shares from their date of issue;
- WAM Capital will do everything reasonably necessary to ensure that trading in the New WAM Capital Shares commences by the first business day after the implementation date; and
- WAM Capital intends for all New WAM Capital Shares to be eligible to receive the WAM Capital fully franked interim dividend for the 2022 financial year. As noted below, one of the conditions precedent to the Scheme is that Westoz will not pay an interim dividend, resulting in the withdrawal of Westoz's dividend target.

Termination Fees

An investment management agreement between Westoz and Westoz Funds Management Pty Ltd ('**WFM**') was entered into in October 2007 ('**WFM Management Agreement**'). Following the Scheme, the services of WFM will no longer be required by the Company as all of Westoz's investment assets and liabilities will be transferred to WAM Capital under the Scheme. The WFM Agreement does not include fees related to termination of the investment manager's services, hence Westoz will not incur any termination fees upon implementation of the Scheme.

Costs

As set out in the SIA, the parties agree to pay their own costs and expenses in connection with the preparation, negotiation, execution and performance of the SIA except for stamp duty and registration fees whereby WAM Capital agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with the SIA to the extent that they are not caused by Westoz's delay.

Westoz estimate that the transaction costs associated with the Scheme will be approximately $300,000.

Conditions Precedent

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The Scheme will be subject to a number of conditions as set out in section 3 of the SIA attached to the Announcement by Westoz, including:

- at the Calculation Date, the Westoz pre-tax NTA should not fall more than 10% compared to the Westoz pre-tax NTA most recently announced on the ASX prior to the date of the Announcement;
- at the Calculation Date, the WAM Capital share price premium to NTA remaining between 12.5% and 25.0%;
- Westoz will not pay an interim dividend and consequently the dividend target for Westoz is withdrawn;
- approval from Westoz Shareholders of the Scheme;
- agreement to terminate the WFM Management Agreement;
- The Independent Expert concluding the Scheme is in the best interest of Westoz Shareholders; and
- all other required regulatory and court approvals.

Certain Westoz shareholders with a registered address outside Australia and classified as Ineligible Overseas Shareholders (as defined in Section 13.9 of the Scheme Booklet) (**'Ineligible Overseas Shareholders'**), will not receive the Scheme Consideration in the form of New WAM Capital Shares. Instead, Ineligible Overseas Shareholders will have the New WAM Capital Shares that would otherwise have been issued to them under the Scheme, issued to an agent acting as nominee in trust for the Shareholders (**'the Sale Agent'**), for sale on market on a best endeavours basis within 20 business days following implementation of the Scheme. Applicable brokerage and other selling costs, taxes and charges will be allocated proportionally between each Ineligible Overseas Shareholder. These Ineligible Overseas Shareholders will then receive the net sale proceeds from the Sale Agent in cash. Further details on this are set out in the Scheme Booklet.

4.3 Key Implications

If approved by the Shareholders, the Scheme would result in the following changes when completed, from the perspective of the Westoz Shareholders:

- **Structure:** Shareholders will hold New WAM Capital Shares in the Proposed Merged Entity and no longer hold any shares in Westoz. The new shareholding will be diluted into the larger Proposed Merged Entity.
- **Dividend**: it is the intention of the WAM Capital Board of Directors to ensure that all Westoz shareholders receiving WAM Capital shares issued under the Scheme will be eligible to receive the WAM Capital fully franked interim dividend for the financial year ending 30 June 2022.
- **Manager**: Westoz Funds Management Pty Ltd is the current investment manager for the Company (**'the Manager'**) and the Manager's services will cease with the termination of the WFM Management Agreement. Wilson Asset Management (International) Pty Limited (**'Wilson Asset Management'**) will be the new investment manager and the investment strategy will follow the new investment manager. The investment management agreement between Wilson Asset Management and WAM Capital is known as the **'WAM Management Agreement'**.
- **Management fees**: holders of New WAM Capital Shares in WAM Capital will be subject to a base management fee of 1% of gross assets per annum. This is consistent with the existing management fee applied by Westoz Funds Management Pty Ltd to shareholders in Westoz.

- **Performance fees**: Wilson Asset Management is entitled to a performance fee as part of its role as investment manager of the Company. A similar performance fee exists in the WFM Management Agreement, however a different performance benchmark is utilised. The WAM Capital performance fee is calculated on 20% of the fund's outperformance against the All Ordinaries Accumulation Index (only if the value of the portfolio increased over that period), whereas the existing Westoz performance fee is calculated on 20% of the fund's outperformance against a 10% threshold (the starting point for the calculation of the threshold is the greater of the starting portfolio value and the number of shares on issue multiplied by $1.00).

5. Profile of Westoz

5.1 History

Overview

Westoz is an ASX listed investment company ('**LIC**') based in Perth and established in 2005. The Company's portfolio is managed by WFM, a 100% owned subsidiary of Euroz Hartleys Group Limited.

Directors and Management

The Westoz board of directors and senior management is comprised of:

- Mr Jay Hughes – Non-Executive Chairman
- Mr Terry Budge – Independent Non-Executive Director
- Mr Simon Joyner – Independent Non-Executive Director
- Mr Anthony Hewett – Company Secretary

Investment Strategy

The Company's objective is to generate a positive return over the medium to long-term, regardless of the movements of the broader share market, from an actively managed portfolio of small cap to mid cap ASX listed investments, and provide shareholders with a consistent stream of dividends.

The portfolio constraints of Westoz include:

- No one stock will represent more than 20% of the total portfolio value at the time of acquisition;
- The portfolio consists of between 10 and 25 securities, although more or less may be held depending on the number of securities identified that are expected to meet the performance expectations;
- Where suitable stocks cannot be identified, the portfolio may invest in cash. Whilst unlikely over the medium term, the portfolio may consist from time to time of significant cash deposits;
- Any short positions will not represent more than 20% of the total portfolio value; and
- Leverage may be employed in the portfolio, but total exposure will not exceed 120% of the portfolio value.

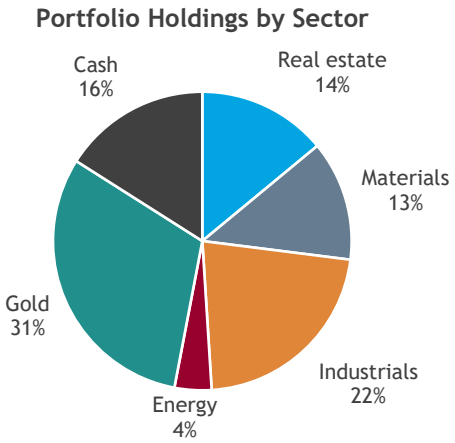
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December 2021 Portfolio

Westoz's investment allocation by portfolio holdings and by sector as at 31 December 2021 is shown below:

Portfolio Holdings	%
Orecorp	13%
West African Resources	11%
NRW Holdings	9%
Emeco Group	9%
Finbar Group	6%
Nickel Mines	6%
Firefinch	5%
Cedar Woods Properties	4%
Peet	3%
Kingsgate	3%
Jupiter Mines	3%
Neometals Ltd	3%
Other	9%
Cash	16%
Total 100%	**100%**



Source: Westoz's December 2021 update

The key portfolio metrics and performance figures of Westoz as at 31 December 2021 are shown below:

Westoz Portfolio Metrics	31 December 2021
Share price (cents per share)	131.0c
NTA before tax (cents per share)	140.1c
NTA before unrealised tax (cents per share)	140.4c
NTA after tax (cents per share)	134.4c
Market capitalisation ($ million)	$175 million
Gross assets ($ million)	$190 million

Source: Westoz's December 2021 update, Westoz management

The historical investment portfolio performance of Westoz up to 31 December 2021 is shown below. The below performance numbers are before expenses, fees and taxes, to compare to the relevant indexes which are also before expenses, fees and taxes.

Performance to 31 December 2021	FYTD	1 yr	3 yrs % pa	5 yrs % pa	10 yrs %pa	Since inception % pa Jun-05
Westoz Portfolio	15.7%	11.7%	19.2%	16.1%	11.0%	13.5%
S&P/ASX All Ordinaries Accumulation Index	4.6%	17.7%	14.8%	10.4%	11.0%	8.2%
Outperformance	**11.1%**	**-6.0%**	**4.4%**	**5.7%**	**0.0%**	**5.3%**
S&P/ASX Small Ordinaries Accumulation Index	5.5%	16.9%	15.7%	11.2%	8.0%	5.8%
Outperformance	**10.2%**	**-5.2%**	**3.5%**	**4.9%**	**3.0%**	**7.7%**

Source: Westoz management

Westoz Fees

Westoz pays management and (depending on the performance of the fund) performance fees to WFM as investment managers. These and the termination fees are summarised below.

Management Fee

Under the WFM Management Agreement, the Company must pay WFM a monthly management fee equal to 0.083333% of the portfolio value ('**WFM Management Fee**'). This equates to 1% per annum of portfolio value. The WFM Management Fee must be paid to WFM monthly in arrears within 20 days of the end of each month.

Performance Fee

The Company must, during the term, pay WFM a fee in respect of each twelve month Performance Calculation Period ('**PCP**') of 20% of OP ('**WFM Performance Fee**'), where the following formula calculates OP:

OP = EP – [IP x 1.10];

Where:

- OP is a dollar value not less than zero and is the amount to be used in calculating the WFM Performance Fee;
- EP is the portfolio value on the last day of the PCP;
- IP is the greater of:

(i) Where there is no preceding PCP the portfolio value on the commencement date, or where there is a preceding PCP, the portfolio value on the last day of the preceding PCP; and

(ii) The number of shares on issue in the Company at the start of the PCP multiplied by $1.00.

If the amount calculated is a negative value, no WFM Performance Fee is payable in respect of that PCP.

In the calculation of the WFM Performance Fee for a PCP, a change in the value of the portfolio as a result of a non-investment cash flows either positive or negative caused by the Company will be disregarded or adjusted for that calculation period in a manner determined by the auditor of the Company at the conclusion of that PCP.

Termination Fee

No termination fee is payable under the WFM Management Agreement. Westoz may terminate the WFM Management Agreement by giving 3 months written notice to WFM if at any time after the initial term the shareholders of Westoz pass an ordinary resolution approving the termination of the WFM Management Agreement at a general meeting.

Source: Westoz and WFM Management Agreement

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5.2 Historical Statement of Financial Position

Historical Statement of Financial Position	Reviewed as at 31-Dec-21 $	Audited as at 30-Jun-21 $	Audited as at 30-Jun-20 $
ASSETS			
Cash and cash equivalents	30,388,255	23,614,884	16,851,806
Other current assets	53,825	570,960	87,271
Income tax receivable	-	226,065	-
Investments in financial assets at fair value through profit or loss:			
Listed equities	159,093,900	149,835,455	127,660,234
Deferred tax assets	-	-	4,094,890
TOTAL ASSETS	**189,535,980**	**174,247,364**	**148,694,201**
LIABILITIES			
Trade and other payables	2,253,951	1,972,679	1,403,311
Dividend payable	-	-	4,015,059
Income tax payable	234,478	-	-
Deferred tax liabilities	7,416,415	5,299,297	-
TOTAL LIABILITIES	**9,904,844**	**7,271,976**	**5,418,370**
NET ASSETS	**179,631,136**	**166,975,388**	**143,275,831**
EQUITY			
Contributed equity	143,346,043	143,346,043	143,495,304
Profit reserve	61,363,473	65,373,802	43,488,933
Accumulated loss	(25,078,380)	(41,744,457)	(43,708,406)
TOTAL EQUITY	**179,631,136**	**166,975,388**	**143,275,831**

Source: Westoz's half-year reviewed financial report for the period ended 31 December 2021 and annual report for the financial year ended 30 June 2021.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents increased from $23.6 million as at 30 June 2021 to $30.4 million as at 31 December 2021. This increase was primarily the result of investments being sold as they reached Westoz's valuation targets.
- Financial assets at fair value through profit and loss is comprised of listed equities. This value increased by $22.2 million from 30 June 2020 to 30 June 2021 and is representative of significant portfolio improvement.
- The increase in trade and other payables from 30 June 2021 to 31 December 2021 reflects the accrual of performance fees over the period.
- The increase in deferred tax liabilities over time is from the increase in unrealised gains of portfolio investments.
- Profit reserve is comprised of amounts allocated from retained earnings that are preserved for future dividend payments. The increase of profit reserves over time is reflective of increased investment profits achieved.

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5.3 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 31-Dec-21 $	Audited for the year ended 30-Jun-21 $	Audited for the year ended 30-Jun-20 $
Revenue			
Interest revenue	79,480	73,088	118,999
Dividend revenue	1,771,750	4,325,148	4,072,198
Total Revenue	**1,851,230**	**4,398,236**	**4,191,197**
Changes in the fair value of investments at fair value through profit or loss	24,521,234	43,072,910	(5,493,995)
Total Income	**26,372,464**	**47,471,146**	**(1,302,798)**
Expenses			
Management and performance fees	(2,940,848)	(8,654,155)	(1,571,284)
Director fees	(62,500)	(110,000)	(110,000)
Professional fees	(13,306)	(77,524)	(78,413)
Share registry costs	(19,615)	(29,607)	(32,460)
ASX fees	(66,139)	(65,017)	(66,138)
Other expenses	(7,054)	(77,443)	(73,245)
Total Expenses	**(3,109,462)**	**(9,013,746)**	**(1,931,540)**
Profit before income tax expense	**23,263,002**	**38,457,400**	**(3,234,338)**
Income tax expense	(6,596,925)	(10,596,929)	2,033,056
Net profit attributable to members of the company	**16,666,077**	**27,860,471**	**(1,201,282)**
Other comprehensive income	-	-	-
Total comprehensive income for the period	**16,666,077**	**27,860,471**	**(1,201,282)**

Source: Westoz's half-year reviewed financial report for the period ended 31 December 2021 and annual report for the financial year ended 30 June 2021.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Changes in the fair value of investments at fair value through profit or loss is includes both realised and unrealised gains or losses from the underlying investments. This increased significantly from a loss of $5.5 million for the year ended 30 June 2020 to a profit of $43.1 million for the year ended 30 June 2021, reflecting the strong equity market performance following the initial COVID-19 crash.
- Management and performance fees increased significantly from $1.6 million for the year ended 30 June 2020 to $8.7 million for the year ended 30 June 2021. The increase was predominately driven by performance fees, which increased from nil for the financial year ended 30 June 2020 to $6.9 million in the following financial year.

5.4 Capital Structure

The share structure of Westoz as at 31 December 2021 is outlined below:

	Number
Total Ordinary Shares on Issue	133,686,000
Top 20 Shareholders	75,343,186
Top 20 Shareholders - % of shares on issue	56.36%

Source: Westoz shareholder registry provided by Westoz management

The range of shares held in Westoz as at 31 December 2021 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Capital (%)
1-1,000	163	68,735	0.05%
1,001-5,000	274	835,209	0.62%
5,001-10,000	275	2,209,408	1.65%
10,001-100,000	887	29,872,043	22.34%
100,001 - and over	146	100,700,605	75.33%
TOTAL	1,745	133,686,000	100.00%

Source: Westoz shareholder registry provided by Westoz management

The ordinary shares held by the most significant shareholders as at 31 December 2021 are detailed below:

Name	No. of Ordinary Shares Held	Percentage of Issued Shares (%)
ZERO NOMINEES PTY LTD	36,285,759	27.14%
CITICORP NOMINEES PTY LIMITED	10,218,982	7.64%
ICE COLD INVESTMENTS PTY LTD	4,397,385	3.29%
ICE COLD INVESTMENTS PTY LTD <BROWNS CHELTENHAM RD S/F A/C>	3,733,154	2.79%
Total Top 4	54,635,280	40.87%
Others	79,050,720	59.13%
Total Ordinary Shares on Issue	133,686,000	100.00%

Source: Westoz shareholder registry provided by Westoz management

As at 31 December 2021, Westoz did not have any options on issue.

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6. Profile of WAM Capital

6.1 History

Overview

WAM Capital is an ASX LIC based in Sydney and established in 1999. The Company's portfolio is managed by Wilson Asset Management (International) Pty Limited, founded by Geoff Wilson in 1997. In addition to WAM Capital, Wilson Asset Management manages seven other LICs, with investments of over $5 billion. The Company primarily invests in equities listed on the ASX to provide investors with exposure to an actively managed diversified portfolio of undervalued growth companies. WAM Capital's investment objectives are to deliver investors a stream of fully franked dividends, capital growth and capital preservation.

Directors and Management

WAM Capital's board of directors and senior management is comprised of:

- Geoff Wilson – Chairman
- Kate Thorley – Non-Independent Director
- James Chirnside - Independent Director
- Dr Philippa Ryan - Independent Director
- Lindsay Mann - Independent Director
- Matthew Pancino - Independent Director
- Jesse Hamilton – Joint Secretary
- Linda Kiriczenko – Joint Secretary

Investment Strategy

WAM Capital's strategy is to invest in undervalued, small-to-medium sized capitalisation companies listed on the ASX. The investment objective is to provide investors with exposure to an actively managed, diversified portfolio of companies to deliver a stream of fully franked dividends, capital growth and capital preservation. To achieve this, WAM Capital adopts the following two strategies which determine investment decisions:

- Research-driven strategy - buying securities after extensive research. This involves qualitatively and quantitatively assessing a potential portfolio company's management, industry, earnings per share ('**EPS**') growth and EPS/Price-to-Earnings ratio.
- Market-driven strategy – takes advantage of relatively short-term arbitrages and mispricing's in the market. This can involve trading in initial public offerings ('**IPOs**'), capital raisings, block trades, oversold positions, takeovers, valuation arbitrages, earnings momentum, market themes and more.

The portfolio constraints of WAM Capital include:

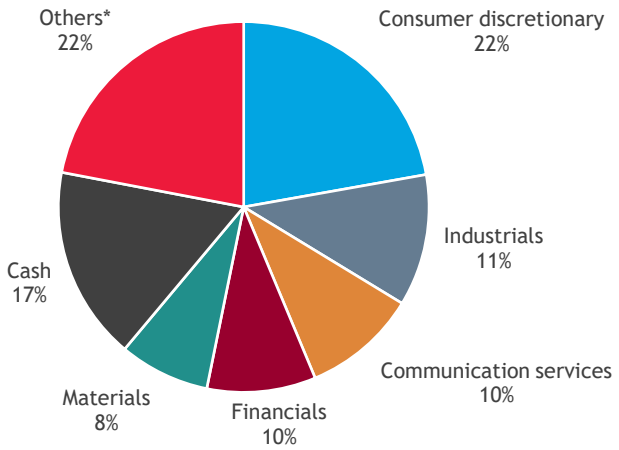
- Expected number of securities – 50 to 120
- Single stock exposure – typically initiated at less than 5%
- Gross exposure – max 100%

- Short exposure – maximum of 50%
- Cash – maximum of 100%

December 2021 Portfolio

WAM Capital's investment allocation by sector as at 31 December 2021 is shown below:

Portfolio holdings by sector



*Others comprises the following sectors: health care (6.6%), consumer staples (5.6%), information technology (5.0%), energy (2.8%) and real estate (2.0%)

Source: WAM Capital's December 2021 investment update

The portfolio's top 20 holdings are shown below in alphabetical order. WAM Capital has not disclosed the amount invested in each portfolio company as at 31 December 2021.

360	ACL	ALG	ALL	ALQ	ARB	AX1	BKW	CAR	CCP
EHE	EVT	IEL	IPH	MGH	PMV	PXA	SDF	TPG	VEA

Source: WAM Capital's December 2021 investment update

The key portfolio metrics of WAM Capital as at 31 December 2021 is shown below:

WAM Capital Portfolio Metrics	31 December 2021
Share price ($ per share)	$2.23
NTA before tax (cents per share)	188.33c
NTA before unrealised tax (cents per share)	196.02c
NTA after tax (cents per share)	191.78c
Market capitalisation ($ million)	$2,021.5m
Gross assets ($ million)	$1,711.8m

Source: WAM Capital's December 2021 investment update

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The historical investment portfolio performance of WAM Capital up to 31 December 2021 is shown below. The investment portfolio performance calculation is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is also before expenses, fees and taxes.

Performance to 31 December 2021	FYTD	1 yr	3 yrs % pa	5 yrs % pa	10 yrs %pa	Since inception % pa (Aug-99)
WAM Capital Investment Portfolio	4.8%	17.1%	16.4%	10.9%	14.8%	16.4%
S&P/ASX All Ordinaries Accumulation Index	4.6%	17.7%	14.8%	10.4%	11.0%	8.7%
Outperformance	**0.2%**	**-0.6%**	**1.6%**	**0.5%**	**3.8%**	**7.7%**
S&P/ASX Small Ordinaries Accumulation Index	5.5%	16.9%	15.7%	11.2%	8.0%	6.3%
Outperformance	**-0.7%**	**0.2%**	**0.7%**	**-0.3%**	**6.8%**	**10.1%**

Source: WAM Capital website

WAM Capital Fees

WAM Capital pays management and (depending on the performance of the fund) performance fees to Wilson Asset Management as investment managers. These and the termination arrangements are summarised below.

Management Fee

Under the Management Agreement, Wilson Asset Management is entitled to a management fee of 1% of the gross assets of the WAM Capital portfolio per annum (exclusive of GST), which is calculated and paid monthly in arrears (‘**WAM Management Fee**’).

Performance Fee

If the portfolio has increased in value over a 12 month PCP ending 30 June, Wilson Asset Management will also be entitled to a WAM Performance Fee (‘**WAM Performance Fee**’) of 20% exclusive of GST, where:

- the level of the All Ordinaries Accumulation Index has increased over that period, the amount by which the value of the portfolio exceeds this increase; or
- the level of the All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the value of the portfolio.

No performance fee will be payable to Wilson Asset Management in any performance period where the portfolio has decreased in value over that period. WAM Capital will also reimburse Wilson Asset Management expenses in relation to the management of the portfolio or acquisition, disposal or maintenance of any investment.

Termination Fee

WAM Capital may terminate the WAM Management Agreement at any time by giving to Wilson Asset Management at least 3 months written notice provided that security holders of WAM Capital by ordinary resolution resolve to deliver that notice. If the WAM Management Agreement is so terminated, WAM Capital must pay Wilson Asset Management an additional fee equal to the aggregate fees paid to Wilson Asset Management in respect of the 3-month period up to the date of termination. Based on the current

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WAM Management Fee of 1% per annum (excluding GST), the termination fee for WAM Capital would therefore be approximately 0.25% of gross assets.

Source: WAM Capital Prospectus

6.2 Historical Statement of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-21 $	Audited as at 30-Jun-21 $	Audited as at 30-Jun-20 $
Current assets			
Cash and cash equivalents	286,385,248	149,614,471	203,400,924
Trade and other receivables	1,976,247	29,789,191	20,984,982
Financial assets	1,431,524,349	1,566,906,061	963,612,288
Current tax assets	-	-	22,676,280
Total current assets	**1,719,885,844**	**1,746,309,723**	**1,210,674,474**
Non-current assets			
Deferred tax assets	73,000,025	72,200,056	68,540,392
Total non-current assets	**73,000,025**	**72,200,056**	**68,540,392**
Total assets	**1,792,885,869**	**1,818,509,779**	**1,279,214,866**
Current liabilities			
Trade and other payables	9,790,011	80,983,842	32,857,926
Financial liabilities	-	-	897,913
Current tax liabilities	3,347,849	13,128,785	-
Total current liabilities	**13,137,860**	**94,112,627**	**33,755,839**
Non-current liabilities			
Deferred tax liabilities	38,438,805	27,179,121	23,778,042
Total non-current liabilities	**38,438,805**	**27,179,121**	**23,778,042**
Total liabilities	**51,576,665**	**121,291,748**	**57,533,881**
Net assets	**1,741,309,204**	**1,697,218,031**	**1,221,680,985**
Equity			
Issued capital	1,753,705,463	1,688,342,901	1,352,964,191
Profits reserve	178,636,898	184,758,357	44,600,021
Accumulated losses	(191,033,157)	(175,883,227)	(175,883,227)
Total Equity	**1,741,309,204**	**1,697,218,031**	**1,221,680,985**

Source: WAM Capital's annual report for the financial year ended 30 June 2021 and reviewed financial report for the half-year ended 31 December 2021.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents as at 30 June 2021 decreased from 30 June 2020 primarily a result of dividends paid to WAM Capital shareholders.
- Financial assets are comprised of both listed and unlisted investments at fair value. The increase over the 30 June 2021 financial year was driven by the gains on portfolio investments.
- Trade and other payables are comprised of outstanding settlements, management fee payable, performance fee payable and sundry payments. The increase from $32.8 million as at 30 June 2020 to $80.9 million as at 30 June 2021 was primary driven by increased outstanding securities and performance fees payable.

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- Financial liabilities at 30 June 2020 is comprised of borrowed stock, which WAM Capital paid off during the financial year ended 30 June 2021.
- The profits reserve is made up of amounts transferred from current year profits and are preserved for future dividend payments. The increase in profits reserves from $44.6 million as at 30 June 2020 to $184.76 million as at 30 June 2021 is primarily driven by an increase of approximately $165 million in profits transferred during the financial year (net of dividends paid).

6.3 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 31-Dec-21 $	Audited for the year ended 30-Jun-21 $	Audited for the year ended 30-Jun-20 $
Net realised and unrealised gains/(losses) on financial investments	65,507,039	285,626,844	(56,631,902)
Other revenue from operating activities	12,720,359	93,943,426	28,967,203
Management fees	(8,830,308)	(14,883,996)	(13,118,338)
Performance fees	-	(14,015,604)	-
Director fees	(90,000)	(173,333)	(140,710)
Brokerage expense on share purchases	(2,650,143)	(5,121,104)	(4,811,676)
Expenses paid on borrowed stock	-	(18,770)	(138,909)
Custody fees	(63,446)	(77,342)	(107,464)
ASX listing and chess fees	(131,637)	(250,154)	(228,690)
Share registry fees	(383,514)	(413,073)	(291,044)
Disbursements, mailing and printing	(197,268)	(369,484)	(280,782)
Legal and professional fees	(260,450)	(475,968)	(41,307)
ASIC industry funding levy	(34,264)	(55,861)	(54,042)
Other expenses from ordinary activities	(183,052)	(372,781)	(371,378)
Profit/(loss) before income tax	**65,403,316**	**343,342,800**	**(47,249,039)**
Income tax (expense)/benefit	(17,312,368)	(76,727,686)	20,542,072
Profit/(loss) after income tax attributable to members of WAM Capital	**48,090,948**	**266,615,114**	**(26,706,967)**
Other comprehensive income			
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income/(loss) for the year	**48,090,948**	**266,615,114**	**(26,706,967)**

Source: WAM Capitals's annual report for the financial year ended 30 June 2021 and reviewed financial report for the half-year ended 31 December 2021.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Net realised and unrealised gains/(losses) on financial investments increased from a loss of $56.6 million over the year ended 30 June 2020 to a gain of $285.6 million for the year ended 30 June 2021 due to improved investment portfolio performance. This was the most significant contributor to the increase in profit/(loss) after income tax from ($26.7) million for the year ended 30 June 2020 to $266.6 million for the year ended 30 June 2021.
- Other revenue from operating activities increased from $28.9 million for the year ended 30 June 2020 to $93.9 million for the year ended 30 June 2021. This was largely due to increased Australian sourced dividends from portfolio investments. In addition to Australian sourced dividends, other revenue includes trust distributions, interest, foreign sourced dividends, and underwriting fees.

- While management fees remained fairly consistent across both periods, a performance fee was payable for the financial year ended 30 June 2021 following the improved portfolio returns during that year.

6.4 Capital Structure

The share structure of WAM Capital as at 31 December 2021 is outlined below:

	Number
Total Ordinary Shares on Issue	906,502,634
Top 20 Shareholders	59,857,691
Top 20 Shareholders - % of shares on issue	6.60%

Source: WAM Capital

The range of shares held in WAM Capital as at 31 December 2021 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Capital (%)
1-1,000	5,655	2,887,265	0.32%
1,001-5,000	11,359	33,589,336	3.71%
5,001-10,000	7,714	60,524,369	6.68%
10,001-100,000	17,635	519,334,162	57.29%
100,001 - and over	1,185	290,167,502	32.01%
TOTAL	**43,548**	**906,502,634**	**100.00%**

Source: WAM Capital

The ordinary shares held by the most significant shareholders as at 31 December 2021 are detailed below:

Name	No of Ordinary Shares Held	Percentage of Issued Shares (%)
JOHN NEIL BISHOP & NICHOLAS CHAPMAN ANDERSON <ADARE A/C>	16,678,217	1.84%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,854,366	0.98%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	4,344,284	0.48%
EHJ INVESTMENTS PTY LTD	3,000,000	0.33%
Total Top 4	**32,876,867**	**3.63%**
Others	873,625,767	96.37%
Total Ordinary Shares on Issue	**906,502,634**	**100.00%**

Source: WAM Capital

As at 31 December 2021, WAM Capital did not have any options on issue.

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7. Economic analysis

Both WAM Capital and Westoz invest primarily in Australian-listed equities and hence are largely exposed to risk factors associated with the Australian economy. Accordingly, we have presented an economic analysis on Australia below.

Overview

In its November 2021 Statement of Monetary Policy, the Reserve Bank of Australia ('**RBA**') stated that it expected the Australian economy to grow by around 3% over 2021, with the economic recovery underway notwithstanding outbreaks of COVID-19.

COVID-19 led to the largest contraction in global economic activity since the 1930s. Labour markets were disrupted, and inflation initially declined. The easing of containment measures in some nations led to a new surge in infections, postponing a fuller and faster economic recovery. The global economic downturn was concentrated in the services (mainly travel and hospitality) sector, with the manufacturing sector staging a recovery, initially in China, but then in other industrial nations.

The pandemic has had a significant impact on the Australian economy and financial system, along with causing increased volatility in financial markets. Equity prices experienced sharp declines and the yield on government bonds reached historic lows in March 2020, however both have risen since. Measures taken by the Australian Government and the RBA have improved stability in equity and bond markets over the back end of 2020 and through the course of 2021.

Globally, financial market conditions have rebounded from the period of dislocation in March 2020, with the improvement of financial conditions driven by the successful development of COVID-19 vaccines, historically low interest rates and increasing housing prices. Financial conditions in Australia continue to remain highly accommodative, with most lending rates at record lows.

Currently, economic conditions vary considerably around the country and across industries, with economic activity threatened by the rapid spread of the Omicron variant across the nation. Prior to the discovery of the Omicron variant in November 2021, economic activity was on target for a strong recovery despite bottlenecks in global supply chains, high demand for imports and a shortage of shipping containers. The severity and duration of the Omicron variant remain unknown, as economic activity is set to mirror the extent of transmission in affected states. The Australian Government has responded with the recent introduction of rapid antigen tests, encouragement for citizens to be fully vaccinated and tightening of restrictions on activity. Overall, the RBA's central forecast is for GDP to grow by approximately 4.25% over 2022, however, any forecasts of the Australian economy are marred with uncertainty due to the interruption caused by the Omicron outbreak.

Government and RBA Policies

The Australian Government introduced a range of stimulus measures in response to the economic impact of COVID-19, totalling more than $500 billion since the beginning of the pandemic.

Support from public policy has cushioned the effects of the health-related activity restrictions on incomes and has shaped the recovery of the economy. In aggregate, household disposable income has increased throughout the pandemic, despite the large contraction in economic activity and even as many people lost their jobs or worked fewer hours. The largest contributor to this support was the $101 billion JobKeeper program, which is estimated to have supported more than 25% of all workers nationwide.

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In mid-March 2020, the RBA introduced a comprehensive package of policy measures to support the Australian economy. Most notably, the RBA announced it would focus on lowering the cash rate and the yield on 3-year Australian Government bonds to 0.25%. In November 2020, the RBA further lowered the cash rate to 0.10% and has maintained this rate since. Since March 2020, the RBA has purchased more than $300 billion worth of government bonds in the secondary market and will continue to do so until 10 February 2022. By then, it is expected that the RBA will hold a total of $350 billion of government bonds, with these holdings providing significant support to the economy.

At its November 2021 meeting, the RBA made the decision to discontinue the 0.10% target for the yield on 3-year government bonds, reflecting the improvement in the economy and the earlier than expected progress towards the inflation target. The RBA explained that given that other market interest rates have moved in response to the expectations of higher inflation and lower unemployment, the effectiveness of the yield target in maintaining the structure of interest rates in Australia had diminished.

In addition, the RBA established a term funding facility (**'TFF'**) for authorised deposit-taking institutions, unlocking access to additional funding for small and medium-sized businesses. The TFF closed to new drawdowns on 30 June 2021, at which time $188 billion of funding was outstanding, however the TFF will continue to support low-cost fixed-rate borrowing costs until mid-2024.

Economic Indicators

At the RBA's February 2022 meeting, it announced that under the central scenario, the Australian economy is expected to grow by approximately 4.25% over 2022 and 2.00% over 2023.

Over the twelve months to December 2021, Consumer Price Index (**'CPI'**) inflation was 3.5%, slightly higher than the RBA expected, but lower than in many other countries. However, underlying inflation is lower at 2.6%. Measures of underlying inflation attempt to remove the effect of irregular or temporary price changes in the CPI, which may be unrelated to broad conditions in the economy. The disparity between the CPI and underlying inflation is largely due to higher petrol prices, higher home-building costs and disruptions to global supply chains. According to the RBA's baseline scenario, underlying inflation is expected to be around 3.25% in 2022, before gradually decreasing to 2.75% over 2023 as supply-side problems are resolved and consumption patterns normalise.

The RBA has remained firm in its position that it will not increase the cash rate until inflation is sustainably within the 2% to 3% target range, which will require the labour market to tighten enough in order to generate increased wage growth.

Wages growth is expected to pick up in the near term, as the remaining wage freezes and cuts implemented in 2020 are unwound and the labour market conditions tighten. The Wage Price Index is forecast to increase to be around 2.50% over 2022, and 3.00% over 2023 as the unemployment rate declines, approaching 4.00%. The main uncertainties relate to the persistence of the current disruptions to global supply chains and the access to foreign labour as international travel restrictions continue.

From late September 2021, Australian Government bond yields have risen alongside increases in sovereign bond yields globally, to be around the levels reached in early 2021. This reflected rising inflation expectations both domestically and offshore, and expectations that central banks would reduce stimulus earlier than previously expected. Concerns over the Omicron variant initially resulted in declining yields towards the end of 2021, however, bond yields have resumed their upward trajectory over the start of 2022 as inflationary expectations rose.

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The COVID-19 outbreak has severely affected the labour market. The measured unemployment rate increased by more than 2% over the course of a few months, reaching 7.4% in June 2020, the highest rate in more than two decades. However, since June 2020, the unemployment rate has declined to 4.2% as of December 2021, lower than the pre-pandemic levels of 5.2%. The Delta outbreak has caused hours worked in Australia to fall, however a bounce-back is now underway, with job advertisement data suggesting that many firms are now hiring which will boost employment over the coming months. The RBA expects the unemployment rate to trend lower over the next couple of years, reaching 4.00% at the end of 2022 and around 3.75% at the end of 2023. The country's participation rate is expected to recover quickly to historically high levels, in contrast to the experience of other advanced economies.

Against the United States dollar, the Australian dollar depreciated significantly during the height of the market turmoil in March 2020. It recovered quickly over the remainder of 2020 and into the start of 2021, in line with the currencies of a range of other developed economies against the backdrop of a depreciation of the United States dollar, as well as an increase in the demand for Australian commodity exports. Since mid-May 2021 however, the Australian dollar has been in a depreciating trend against the United States dollar and in early February 2022, it remains around its lows of the past year or so at around USD$0.71 per Australian Dollar. The depreciation in the Australian dollar is driven by several factors including expectations of increased interest rate hikes in the United States economy and the relative pace of the reopening of the Australian economy compared to other developed market economies.

Outlook

The ongoing rollout of vaccinations and government policy stimulus has laid the groundwork for a sustained economic recovery. Whilst economic activity in Australia contracted sharply in the September 2021 quarter due to the Delta outbreak and was further impacted by the Omicron variant in the December 2021 quarter, these setbacks have delayed but not derailed the economic recovery. Under the RBA's central scenario, GDP is forecast to grow by 4.25% over 2022 and 2.00% over 2023 as vaccination rates increase even further and restrictions are eased. Further outbreaks of the virus and associated restrictions on activity are the key risks to the outlook. At its February 2022 meeting, the RBA concluded that while inflation had picked up, it was too early to determine that it was sustainably within the target band. Uncertainties remained around how persistent the pick-up in inflation will be as supply-side problems are resolved and wages growth continue to remain modest with expectations that it will likely be some time before aggregate wages growth is at a rate consistent with the sustainable inflation target.

Source: www.rba.gov.au *Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 1 February 2022 and prior periods,* www.rba.gov.au *Statement on Monetary Policy November 2021,* www.abs.gov.au *Consumer Price Index, Australia September 2021 and prior periods,* Australian Government *2020-21 Budget Overview.*

8. Industry analysis

We consider Westoz and WAM Capital to operate within the Funds Management Industry ('**the Industry**'). The following market commentary is based around the key factors impacting this Industry in Australia, with a focus on LICs. Westoz and WAM Capital hold portfolios of primarily ASX-listed companies and shares across various industries, such as resources, industrials, materials, consumer discretionary, consumer staples, real estate, and more.

Overview

LICs operating within the Funds Management Industry are mainly closed-end funds, meaning they do not regularly issue new shares or decrease current shares on issue for rebalancing purposes. Closed-ends funds

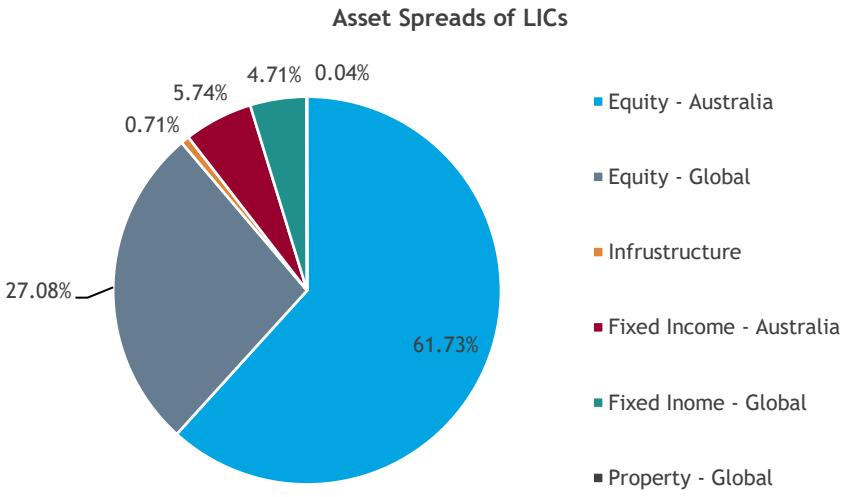
are considered advantageous for the LICs management as there is minimal risk of an unexpected outflow of money. Majority of LICs aim to provide shareholders with dividends.

Investment Styles

The investment styles performed by LICs vary by fund and range from conservative to aggressive. In Australia, they are typically divided into the following four categories:

- Australia share investments – invest primarily in ASX-listed shares
- International share investments – invest primarily in shares in international stock indices
- Private equity investments – invest primarily in international, unlisted private companies
- Specialist share investments – invest in specialised assets or industries such as resources, technology companies or telecommunication providers

The below diagrams show the asset spreads of LICs in Australia as at 31 December 2021.



Source: ASX Investment Products monthly report dated 31 December 2021

As shown above, equity investments make up the largest portion of asset spreads by LICs, taking up a total of 88.11%. Of this, 61.73% comprises Australian equities and the remaining 27.08% comprise global equities. Investments in the above assets classes have been steadily increasing in recent years.

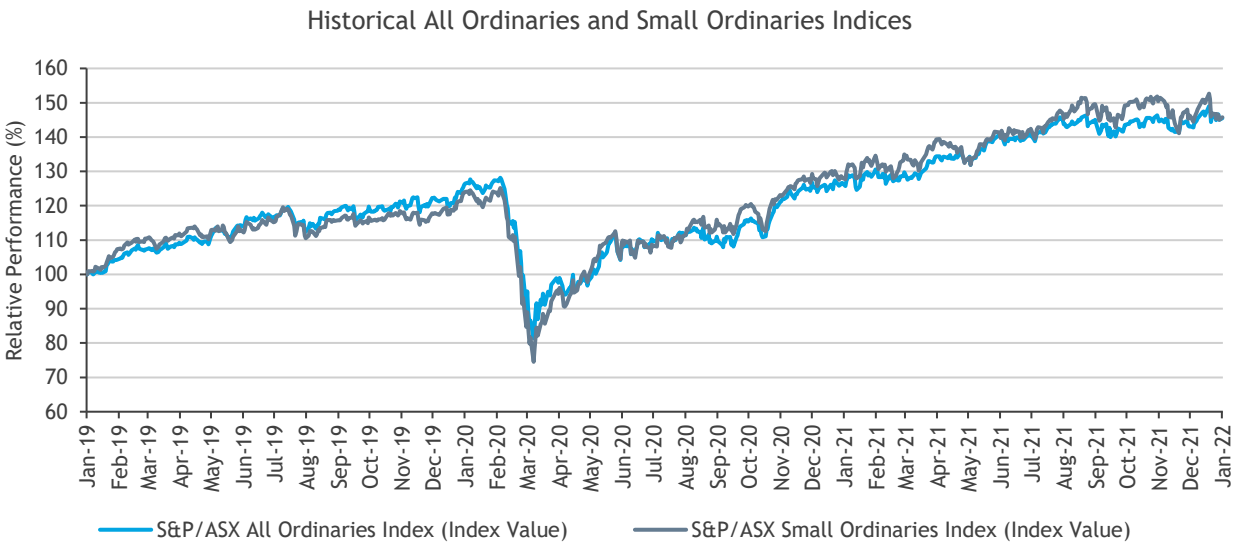
Key External Drivers

All Ordinaries Index and Small Ordinaries Index

As LICs are mainly invested in equity securities, their performance is highly correlated with the stock market and tend to fluctuate in value as the market moves. A strong share market is expected to raise the value of securities held by funds, increasing the value of funds under management ('**FUM**'). While the All Ordinaries Index and Small Ordinaries Index fell during the COVID-19 pandemic, both have since rebounded strongly, as shown below. This correlated with the many funds that recorded a significantly improved performance following the initial fall out from the COVID-19 pandemic. The graph below shows the relative performance of both indices over the last three years to 17 January 2022.

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Source: S&P Global Indices – 3 years data to 17 January 2022

Cash Rate

The cash rate is known to influence investment allocations, affecting industry demand and subsequent revenue. An increase in the cash rate will negatively affect the performance of the share market, as the cost of borrowing rises and affects the profitability of companies, whilst saving becomes more attractive to individuals. A historically low cash rate has continued due to the COVID-19 government stimulus, positively affecting the industry.

High Income Earners

High income earners are considered the top quintile of income earners and often employ fund managers to manage their wealth. According to IBIS World forecasts, the income received by high income earners is expected to rise by 0.3% over 2021 to 2022, driven from increased business profits, the strong performance of the All Ordinaries Index and rising property prices.

Current Outlook

The Funds Management Industry in Australia is forecast to grow at an annualised 1.8% over the next five years through 2025-26. Several factors are predicted to drive this demand, including an ageing population, increasing wealth, evolving investment products and demand from superannuation funds. Over recent years, large funds have dominated the market as acquiring smaller funds becomes a more common strategy for growth.

Source: S&P Global, IBIS World Funds Management Services in Australia (February 2021) and ASX Investment Products monthly report (31 December 2021)

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('**FME**')
- Discounted cash flow ('**DCF**')

- Quoted market price basis ('**QMP**')
- Net asset value ('**NAV**')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of Westoz shares we have chosen to employ the following methodologies:

- Net asset value ('**NAV**')
- Quoted market price basis ('**QMP**')

We have chosen these methodologies for the following reasons:

- We have adopted the NAV methodology to determine the value of Westoz. Given the nature of the Company as an LIC, and the weekly and monthly frequency with which the NTA position is reported (which itself is calculated based on the market values of the underlying investments), we consider the NTA as an appropriate basis for our NAV valuation methodology. We have been able to reconcile the announced 31 December 2021 post-tax NTA (announced on 5 January 2022) to the Company's net assets per share at 31 December 2021 per management unaudited accounts. LICs report NTA data on both a pre-tax and post-tax basis, with the latter reflecting any deferred tax assets and/or deferred tax liabilities as at the reporting date. For the purposes of our valuation, we have used the post-tax NTA as the basis of our NAV valuation.
- The QMP basis is a relevant methodology to consider because Westoz's shares are listed on the ASX, therefore reflecting the value that a Shareholder will receive for a share sold on market. This means that there is a regulated and observable market where Westoz's shares can be traded. However, in order for the QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed on the Company's activities.
- While the FME methodology is a commonly utilised methodology, we do not consider the application of this methodology to be appropriate as:
  - The Company currently holds long and short investment interests in various listed entities, the market values of which are updated and available on a monthly basis, and is not a trading business; and
  - there is not a consistent level of earnings from which maintainable earnings could be determined. As a result of fluctuations in the market value of its investments, the Company's historical earnings before income tax has fluctuated significantly during the last 4 financial years as presented below:

	2018 $ millions	2019 $ millions	2020 $ millions	2021 $ millions
Earnings before income tax	41.7	(5.9)	(3.2)	38.5

- We consider that the use of a discounted cash flow methodology is not appropriate due to the lack of available forecast cash flows, and the inherent uncertainty with respect to the timing and process that the Company will undertake to exit its current investments or enter into new investments.

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In valuing the Scheme Consideration, we have given consideration to the conditions precedent under the Scheme and have also assessed the value of a WAM Capital share using the QMP methodology, as its shares are listed on the ASX.

10. Valuation of Westoz

Our valuation of Westoz involves the following:

- Net Asset Value valuation methodology as our primary valuation methodology (Section 10.1); and
- QMP of Westoz including a premium for control as our secondary valuation methodology (Section 10.2).

10.1 Net Asset Valuation of Westoz

We have assessed the value of Westoz shares on a controlling basis using an asset-based valuation methodology. Since the Company discloses its NTA position on a weekly and monthly basis, we have adopted the post-tax NTA as announced on the ASX on 5 January 2022 as the basis for our valuation. As discussed previously, the post-tax NTA of LICs reflects the marked-to-market value of the investments as well as the fair value of liabilities, including deferred tax assets and/or deferred tax liabilities at a point in time.

In determining the net asset value of Westoz, we have relied on management information with respect to the portfolio investments held by the Company and estimated costs to determine the assessed value per Westoz Share on a control basis.

	Note	31-Dec-21 $
Net Tangible Assets after tax per Westoz Share as at 31 December 2021	1	1.344
Number of Westoz Shares outstanding as at 31 December 2021	2	133,686,000
Net Tangible Assets after tax as at 31 December 2021		**179,673,984**
Less		
Scheme transaction costs	3	(300,000)
Operating costs	4	(105,000)
Adjusted Net Asset Value as at 31 December 2021		**179,268,984**
Number of Westoz Shares outstanding as at 31 December 2021		133,686,000
Assessed value per Westoz Share on a control basis		**1.341**

We note the following with respect to the net tangible assets per share calculation above:

1. The post-tax NTA per share at 31 December 2021 was announced to the ASX on 5 January 2022. Management has provided us with the management accounts of the Company as at 31 December 2021 to support the NTA figure. We have requested further support from the Company, including bank statements and a list of portfolio holdings as at 31 December 2021, in order to provide reasonable grounds for reliance on the unaudited financial information.
2. Number of fully paid ordinary shares as advised by management.

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3. Adjustment for an estimate of Scheme transaction costs of $300,000 as advised by Westoz management, which we consider reasonable. The estimate includes legal costs, share registry costs, accounting costs and various other costs associated with the transaction.
4. Adjustment for estimated operating costs, until the expected implementation date of the Scheme (primarily comprises the base management fee which is around 0.0833% of the portfolio value per month). Such costs are adjusted for the 30% tax saving calculated based on the resultant reduction in income tax payable as a result of the additional expenses being incurred.

In our assessment of the adjustments to the NTA we have considered the following:

a. Should the Scheme be approved and the transaction completes, WFM as the manager will not be paid any termination fees. Normal base and performance fees are payable on completion when the management agreement terminates. These fees are accrued and already reflected in the NTA.
b. The post-tax NTA accounts for Westoz's net deferred tax liability position ('**DTL**'). The net DTL of Westoz arises from significant trading gains accumulated over the periods. For the purpose of our valuation, we have not excluded the net DTL from the valuation of Westoz as the investment portfolio is currently in a gain making position and therefore, assuming immediate liquidation of the investment portfolio, the net DTL will be payable.
c. There were no outstanding dividends payable as at 31 December 2021 and pursuant to the Scheme, Westoz has announced it will not pay an interim dividend for the half-year ended 31 December 2021.
d. Since our assessment of NAV is performed on a going concern basis, we do not consider it appropriate to provide for brokerage fees associated with a potential liquidation of the portfolio held by Westoz.

Based on the above, we have determined the value of Westoz on a net asset value basis at 31 December 2021 to be $1.341 per share. We note that the net asset value basis implicitly assumes control.

10.2 Quoted Market Prices for Westoz Securities

To provide a comparison to the valuation of a Westoz share in Section 10.1, we have also assessed the quoted market price for a Westoz share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of approval the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

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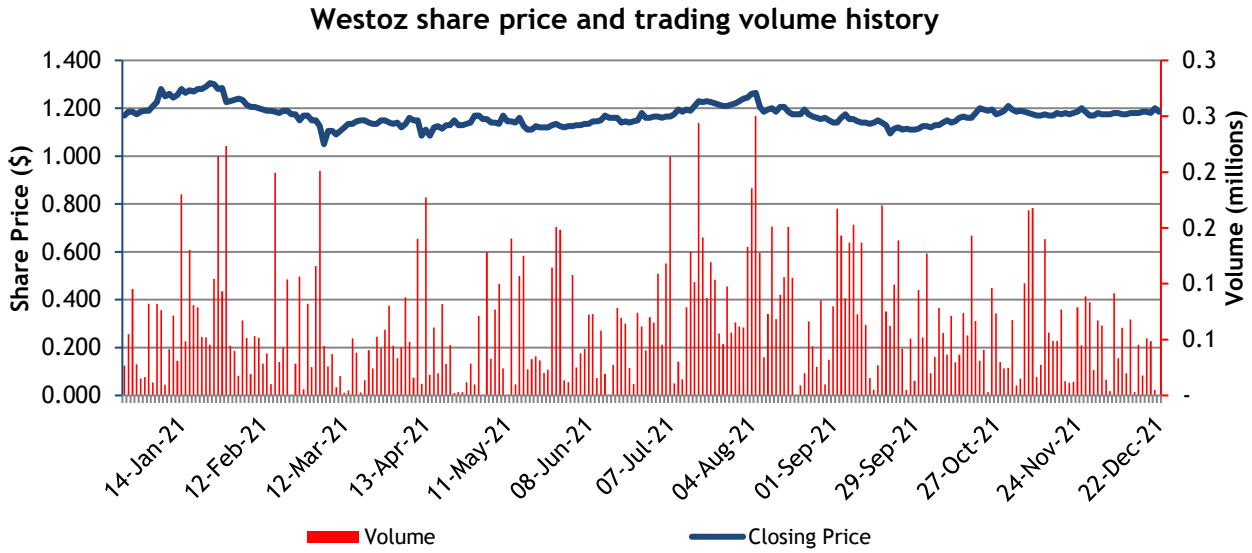
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Since WAM Capital will be acquiring 100% of the Company, our calculation of the quoted market price of a Westoz share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Westoz share is based on the pricing prior to the announcement of the Scheme. This is because the value of a Westoz share after the announcement may include the effects of any change in value as a result of the Scheme. However, we have considered the value of a Westoz share following the announcement when we have considered reasonableness in section 13.

Information on the Scheme was announced to the market on 23 December 2021. Therefore, the following chart provides a summary of the share price movement over the 12 months to 22 December 2021 which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of Westoz shares from one year prior to announcement to trading day prior to announcement has ranged from a low of $1.050 on 5 March 2021 to a high of $1.305 on 25 January 2021.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		$ (movement)			$ (movement)		
19/08/2021	Appendix 4E and Full Year Statutory Accounts	1.175	▸	0%	1.175	▸	0%

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Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		$ (movement)			$ (movement)		
15/07/2021	Performance enables 8.3% increase in FY22 dividend target	1.120	▲	2%	1.230	▲	2%
18/02/2021	Half Yearly Report and Accounts	1.180	▼	0.4%	1.175	▼	0.4%
13/01/2021	Dividend/Distribution - Westoz	1.255	▲	1%	1.275	▲	2%

Source: Bloomberg, ASX Announcements and BDO analysis

On 19 August 2021 the Company announced its full year statutory accounts for the period ended 30 June 2021. Compared to the prior financial year, earnings increased more than 2,419% and the NTA per share increased by 13%. The price per Westoz share did not change on the day of the announcement nor over the subsequent three trading days.

On 15 July 2021 the Company announced a strong portfolio performance that has enabled an 8.3% increase in the 2022 financial year dividend target. The Westoz share price increased by 2% on the day of the announcement and by a further 2% three days following the announcement.

On 18 February 2021 the Company announced its accounts for the half year ended 31 December 2020 and reported an increase in earnings of over 109% compared to the preceding year, while the NTA per share increased from $1.223 (31 December 2019) to $1.280 (31 December 2020) an increase of 4.7%. Dividends for the year totalled 3 cents per share. The Westoz share price decreased by 0.4% on the day of the announcement and by a further 0.4% three days following the announcement.

On 13 January 2021 the Company announced a distribution of dividends with an ex-date of 1 February 2021 and a payment date of 19 February 2021. The distribution totalled 3 cents per share. The Westoz share price increased by 1% on the day of the announcement and by a further 2% three days following the announcement.

To provide further analysis of the market prices for a Westoz share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 22 December 2021.

Share Price per unit	22-Dec-21	10 Days	30 Days	60 Days	90 Days
Closing price	$1.185				
Volume weighted average price (VWAP)		$1.182	$1.181	$1.171	$1.159

Source: Bloomberg and BDO analysis

The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in price of Westoz shares that has occurred since the Scheme was announced.

An analysis of the volume of trading in Westoz shares for the twelve months to 22 December 2021 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	$1.185	$1.185	5,103	0.00%
10 Days	$1.170	$1.200	353,171	0.26%

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
30 Days	$1.165	$1.200	1,362,561	1.02%
60 Days	$1.110	$1.210	3,197,575	2.38%
90 Days	$1.090	$1.210	5,324,880	3.97%
180 Days	$1.085	$1.270	11,631,666	8.67%
1 Year	$1.050	$1.320	15,879,843	11.83%

Source: Bloomberg and BDO analysis

This table indicates that Westoz's shares display a low level of liquidity, with only 11.83% of the Company's current issued capital being traded in a twelve month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale.

We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Westoz, we do not consider there to be a liquid and active market for the Company's shares. Over the twelve-month period assessed, there were days where no trading in the Company's shares occurred and on average, less than 1% of Westoz's securities were traded on a weekly basis.

Our assessment is that a range of values for Westoz shares based on market pricing, after disregarding post announcement pricing, is between $1.180 and $1.185. This range was determined based on the VWAP leading up to the announcement. This value reflects a minority interest in the Company.

Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of investment management companies, investment companies, closed-end fund companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium). We have summarised our findings below:

Investment management companies, investment companies, closed-end fund companies

We note that this subset of data primarily comprises of closed-end fund company transactions.

Year	Number of Transactions	Average Deal Value ($m)	Average Control Premium (%)
2021	6	679.25	53.73
2020	2	73.48	76.03

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Year	Number of Transactions	Average Deal Value ($m)	Average Control Premium (%)
2019	2	78.27	15.94
2018	2	97.10	6.69
2017	0	0.00	0.00
2016	1	45.13	21.84
2015	0	0.00	0.00
2014	1	5.47	34.30
2013	3	480.67	30.67
2012	4	42.37	51.53
2011	0	0.00	0.00

Source: Bloomberg, BDO Analysis

All ASX listed companies

Year	Number of Transactions	Average Deal Value ($m)	Average Control Premium (%)
2021	39	1,374.64	46.41
2020	27	419.16	48.36
2019	46	2,961.67	38.09
2018	47	1,054.74	40.74
2017	30	940.18	42.05
2016	42	718.51	49.58
2015	34	828.14	34.10
2014	46	507.34	39.97
2013	41	128.21	50.99
2012	51	481.33	52.19
2011	25	1,409.86	34.36

Source: Bloomberg, BDO Analysis

The mean and the median of the entire data sets comprising control transactions from 2011 onwards for investment management companies, investment companies, closed-end fund companies and all ASX-listed companies, are set out below:

Entire Data Set Metrics	Investment, Investment Management and Funds Companies		All ASX-Listed Companies	
	Deal Value ($m)	Control Premium (%)	Deal Value ($m)	Control Premium (%)
Mean	306.91	41.62	949.78	43.84
Median	73.52	22.82	111.38	34.30

Source: Bloomberg, BDO Analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;

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- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium by acquirers of investment management companies, investment companies and closed-end fund companies is approximately 41.62%. However, in assessing the transactions included in the table, we noted transactions that appear to be extreme outliers.

These outliers included one investment management company and one closed-end fund company and 34 ASX-listed company transactions, for which the announced premium was in excess of 100%. We consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. In contrast the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 22.82% for investment management companies, investment companies, and closed-end fund companies, and 34.30% for all ASX-listed companies.

For LICs, we consider an appropriate control premium to be on the lower end of historical averages compared to other operating companies. Westoz is an investment vehicle with portfolio interest in its investments, as opposed to an entity with control over the underlying businesses. A competitor may also be able to replicate Westoz's investment portfolio with relative ease based on publicly available information and therefore, we believe that an acquirer would not be willing to pay a control premium in line with historical averages of other operating companies. This is also reflected in the control premiums for other completed LIC acquisitions as shown below.

Completion date	Target	Acquirer	Deal Value ($m)	Control Premium (%)
07-Oct-21	Milton Corp Ltd	Washington H Soul Pattinson & Co Ltd	3,682.63	20.72
21-Apr-21	Concentrated Leaders Fund Ltd/Fund	WAM Capital Ltd	76.25	23.05
24-Dec-19	URB Investments Ltd	360 Capital REIT	85.75	12.95
13-Dec-18	Wealth Defender Equities Ltd	WAM Capital Ltd	97.10	10.46
15-Apr-13	LinQ Resources Fund	IMC Resource Holdings	106.04	18.04
20-Feb-12	Contango Capital Partners Ltd	Naos Small Cap Opportunities Company Ltd	11.91	27.93

Source: Bloomberg, BDO Analysis

Based on the above, we consider an appropriate premium for control to be between 10% and 20%.

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Quoted market price including control premium

Applying a control premium to Westoz's quoted market share price results in the following quoted market price value including a premium for control:

	Low $	Midpoint $	High $
Quoted market price value	$1.180	$1.183	$1.185
Control premium	10%	15%	20%
Quoted market price valuation including a premium for control	**$1.298**	**$1.360**	**$1.422**

Source: BDO Analysis

Therefore, our valuation of a Westoz share based on the quoted market price method and including a premium for control is between $1.298 and $1.422, with a midpoint value of $1.360. This range broadly supports the value derived from our Net Asset Value valuation methodology.

10.3 Conclusion on the value of a Westoz share

We have chosen to rely solely on the NAV for the purposes of determining our value per Westoz share for the following reasons:

- The core value of Westoz lies in the investments held and their fair market value. Since the Company regularly reports its net tangible asset value, it is a more reliable measure than the QMP valuation methodology; and
- As detailed in Section 10.2, based on the pre-announcement trading data, Westoz shares display a low level of liquidity. The QMP methodology relies on there being a liquid and active market for the company's shares, therefore it would not be appropriate to solely rely on the QMP methodology in preforming our valuation.

Therefore, our assessed value of a Westoz share, on a controlling interest basis, is $1.341.

11. Valuation of the Scheme Consideration

Westoz shareholders will receive New WAM Capital Shares in WAM Capital as consideration for their Westoz shares. The number of WAM Capital shares to be offered for each Westoz share will be determined by a formula, based on the ratio of the 1-day volume weighted average share price of WAM Capital on the calculation date and a 7.5% premium to the pre-tax NTA of Westoz. This formula is known as the Exchange Ratio and is as follows:

$$Exchange\ Ratio = \frac{Westoz's\ Pretax\ NTA \times 1.075}{WAM\ Capital's\ 1\ day\ VWAP}$$

The indicative Calculation Date for this ratio is 31 March 2022.

At the Calculation Date, the following are conditions precedent to the transaction:

- the Westoz pre-tax NTA has not fallen more than 10% compared to the Westoz pre-tax NTA most recently announced on the ASX prior to the date of the Announcement; and
- the WAM Capital share price premium to NTA remains between 12.5% and 25.0%.

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11.1 Assessing non-cash consideration in control transactions

When assessing non-cash consideration in control transactions, RG 111.31 suggests that a comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

(a) the acquirer is obtaining or increasing control of the target; and

(b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

Since the Scheme Consideration is a function of the Exchange Ratio to be calculated as at the Calculation Date, we have estimated its components being:

- the Westoz pre-tax NTA prior to the Announcement date (having regard for the condition precedent relating to the Westoz pre-tax NTA); and
- WAM Capital's 1-day VWAP.

Based on the above, we have determined the Exchange Ratio range and calculated the number of WAM Capital shares receivable by Shareholders per Westoz share. Since the value of the Scheme Consideration is also dependent on the value of the WAM Capital shares received, we have assessed the value of a WAM Capital share using the QMP methodology.

Westoz pre-tax NTA

The last reported pre-tax NTA prior to the Announcement was on 21 December 2021, which was announced on 22 December 2021. We present below the last pre-tax NTA announced prior to the Announcement along with monthly pre-tax NTA and share price premium to pre-tax NTA of Westoz:

Westoz Date	Pre-Tax NTA ($)	Share Price ($)	Premium/(Discount)
21-Dec-21 (most recent pre-Announcement)	1.350	1.200	(11.1%)
31-Dec-21	1.401	1.310	(6.5%)
30-Nov-21	1.346	1.170	(13.1%)
31-Oct-21	1.367	1.190	(12.9%)
30-Sep-21	1.307	1.115	(14.7%)
31-Aug-21	1.326	1.150	(13.3%)
31-Jul-21	1.363	1.230	(9.8%)
30-Jun-21	1.287	1.160	(9.9%)
31-May-21	1.278	1.120	(12.4%)
30-Apr-21	1.296	1.170	(9.7%)
31-Mar-21	1.235	1.140	(7.7%)
28-Feb-21	1.281	1.170	(8.7%)
31-Jan-21	1.367	1.285	(6.0%)

Source: Westoz ASX announcements

The Exchange Ratio calculation is based on the latest available pre-tax NTA on the Calculation Date. It is a condition precedent to the transaction that Westoz's pre-tax NTA does not fall below 10% from the most recent pre-tax NTA available prior to the Announcement.

Over the past year, the monthly pre-tax NTA has fluctuated between $1.235 and $1.401, representing a -3.6% to +9.3% range around the $1.350 pre-tax NTA on 21 December 2021. We have adopted a range of -10% to +10% of change in the pre-tax NTA announced prior to the Announcement to take into account this condition precedent. Additionally, in calculating the Scheme Consideration, a 7.5% premium to the pre-tax NTA is applied in the Exchange Ratio calculation. The range of pre-tax NTA of Westoz is therefore as follows:

Westoz		Low	High
Pre-tax NTA as at 21-Dec-21	*$/Share*	1.350	1.350
Change in pre-tax NTA	*%*	-10.0%	+10.0%
Pre-tax NTA range	***$/Share***	**1.215**	**1.485**
Premium on Pre-Tax NTA	*%*	7.5%	7.5%
Assessed pre-tax NTA	***$/Share***	**1.306**	**1.596**

Source: BDO Analysis

Therefore, for the purposes of our Exchange Ratio calculation, we have assessed the Westoz's pre-tax NTA to range between $1.306 and $1.596 per share (including a 7.5% premium).

1-day VWAP of WAM Capital

The 1-day volume weighted average share price of WAM Capital on the Calculation Date will be used to calculate the Exchange Ratio. Since that information is not available yet, we have used the latest available 1-day VWAP of a WAM Capital share. The 1-day VWAP of WAM Capital on 28 January 2022 was $2.160. We have used this price as an input in the Exchange Ratio calculation, however caution that the actual 1-day VWAP of a WAM Capital share could be higher or lower than this, and consequently result in a lower or higher Exchange Ratio, respectively.

We note that a condition precedent to the transaction is that the WAM Capital share price premium to its pre-tax NTA must remain between 12.5% and 25.0%. WAM Capital has typically traded at a premium to its pre-tax NTA as shown in the table below:

WAM Capital Date	Pre-Tax NTA ($)	Share Price ($)	Premium/(Discount)
31-Dec-21	1.883	2.230	18.4%
30-Nov-21	1.860	2.220	19.4%
31-Oct-21	1.890	2.290	21.2%
30-Sep-21	1.980	2.370	19.7%
31-Aug-21	1.970	2.310	17.3%
31-Jul-21	1.890	2.210	16.9%
30-Jun-21	1.890	2.190	15.9%
31-May-21	1.870	2.220	18.7%
30-Apr-21	1.960	2.330	18.9%
31-Mar-21	1.890	2.210	16.9%
28-Feb-21	1.860	2.120	14.0%
31-Jan-21	1.810	2.240	23.8%

Source: WAM Capital ASX announcements

As shown in the above table, the share price to pre-tax NTA premium has ranged between 14.0% to 23.8% over the year.

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Based on the latest available WAM Capital pre-tax NTA of $1.883 as at 31 December 2021, applying a premium of between 12.5% and 25.0% results in the following price range for a share in WAM Capital:

WAM Capital		Low	High
Pre-tax NTA as at 31-Dec-21	*$/Share*	1.883	1.883
Share price premium to NTA	*%*	12.5%	25.0%
WAM Capital share price	*$/Share*	**2.119**	**2.354**

Source: BDO Analysis

The above calculation is only presented for illustrative purposes to give Shareholders guidance on the range of prices a share in WAM Capital can trade at, and for the condition precedent to be met, assuming no changes in the underlying pre-tax NTA from 31 December 2021.

The price of WAM Capital used in the Exchange Ratio calculation is based on the 1-day VWAP of WAM Capital on the Calculation Date. As discussed above we have assumed a value of $2.160 for our purposes.

Exchange Ratio

Based on the assessed Westoz pre-tax NTA and the 1-day VWAP for a WAM Capital share, the Exchange Ratio range is as follows:

Exchange Ratio		Low	High
Assessed Westoz pre-tax NTA	*$/Share*	1.306	1.596
Assessed 1-day VWAP of a WAM Capital share	*$/Share*	2.160	2.160
Assessed Exchange Ratio	*Ratio*	**0.605**	**0.739**

Source: BDO analysis

We have determined that for each Westoz share, based on the information available to us as of the date of the Report, Shareholders are likely to receive between 0.605 and 0.739 shares in WAM Capital.

The actual Exchange Ratio will be calculated at the prevailing 1-day VWAP at Calculation Date which is expected to fall on 31 March 2022. As the exact values of both the Westoz pre-tax NTA and the 1-day VWAP of the WAM Capital share are unknown at present, the exact value of the Exchange Ratio is also not known and may be higher or lower than our calculation. However we note that Shareholders are afforded a certain level of protection through the condition precedents, one of which is that the WAM Capital share price has to trade at a premium of between 12.5% and 25% as at the Calculation Date.

QMP valuation of a WAM Capital share

In assessing the value of a WAM Capital share that Shareholders will receive as part of the Scheme Consideration, we have relied on the quoted market price for a share in WAM Capital. As stated previously in section 10.2, the quoted market price is reflective of a minority interest. Based on our assessed Exchange Ratio, it is expected that the New WAM Capital Shares only form a minority portion of the total issued capital of the Proposed Merged Entity (see table below) and therefore it is appropriate to assess the price of a WAM Capital share on a minority basis.

% of New WAM Capital Shares in Proposed Merged Entity		Low	High
Assessed Exchange Ratio		0.605	0.739
Multiplied by: Westoz's current issued capital	*# of shares*	133,686,000	133,686,000
New WAM Capital Shares issued	*# of shares*	80,838,253	98,802,309
WAM Capital's current issued capital[1]	*# of shares*	923,550,259	923,550,259
Total shares in Proposed Merged Entity	*# of shares*	1,004,388,512	1,022,352,568

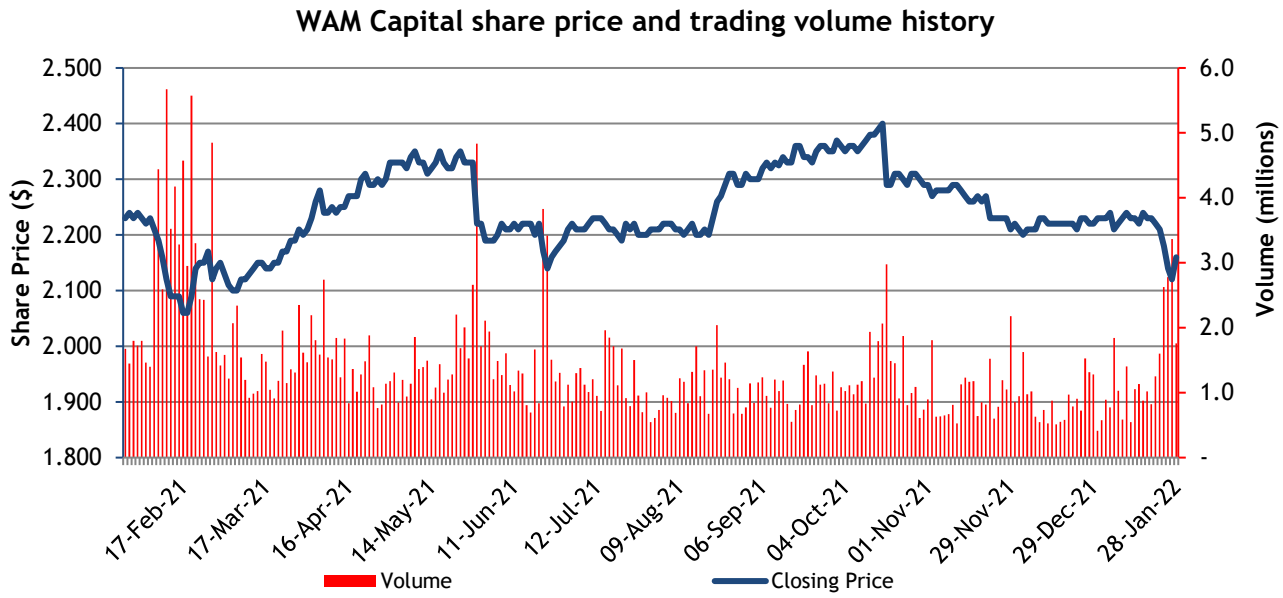
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% of New WAM Capital Shares in Proposed Merged Entity		Low	High
% New WAM Capital Shares	%	8%	10%

Source: BDO analysis

Note 1) WAM Capital's current issued capital per its Appendix 2A announcement on 28 January 2021

A chart of the share price movement of WAM Capital over the 12 months to 28 January 2022, being the latest practicable date we were able to conduct our analysis up to.



Source: Bloomberg

The daily price of WAM Capital shares ranged from a low of $2.060 on 18 February 2021 to a high of $2.400 on 15 October 2021. The highest single day of trading over the assessed period was 11 February 2021, when 5,673,227 shares (approximately 0.6% of the current issued capital) were traded.

WAM Capital's volume weighted average market price for 10, 30, 60 and 90 day periods to 28 January 2022 are presented below.

Share Price per unit	28-Jan-22	10 Days	30 Days	60 Days	90 Days
Closing price	$2.160				
VWAP		$2.189	$2.211	$2.227	$2.268

Source: Bloomberg

We also consider there to be a sufficiently liquid and active market for the shares in WAM Capital for us to be able to rely on the QMP methodology to value them. This is aided by the monthly NTA announcements WAM Capital releases to keep its investors informed of the movements in NTA and to provide updates on the underlying investments. This is illustrated in the table below which shows that approximately 38% of the issued capital of WAM Capital traded over the one year period analysed, and in the most recent 180 trading days, approximately 23% of the issued capital of WAM Capital exchanged hands.

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Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	$2.150	$2.170	1,756,439	0.19%
10 Days	$2.100	$2.240	17,231,005	1.87%
30 Days	$2.100	$2.250	35,501,312	3.84%
60 Days	$2.100	$2.300	64,309,028	6.96%
90 Days	$2.100	$2.400	101,362,518	10.98%
180 Days	$2.100	$2.400	217,219,429	23.52%
1 Year	$2.060	$2.400	356,664,544	38.62%

Source: Bloomberg, BDO analysis

In addition, WAM Capital shares traded on a regular basis over the period assessed, with trades occurring on each of the trading days, further supporting the use of the QMP valuation methodology.

Placing more weight to the more recent trading periods and corresponding VWAPs, our assessed range of values for WAM Capital's shares based on market pricing up to 28 January 2022 is between $2.150 and $2.250. This value range is reflective of a minority interest.

11.2 Conclusion on the value of a Scheme Consideration

Based on our assessed Exchange Ratio and QMP value of a WAM Capital share discussed above, the resulting range of values for the Scheme Consideration is presented below:

Scheme Consideration Valuation		Low	High
Number of shares in Westoz	*# of Shares*	1.000	1.000
Exchange Ratio	*Ratio*	0.605	0.739
Number of shares in WAM Capital	*# of Shares*	0.605	0.739
QMP valuation of a WAM Capital share	*$/Share*	2.150	2.250
Value of the Scheme Consideration	*$/Westoz Share*	**1.300**	**1.663**

Source: BDO Analysis

We have determined the value of the Scheme Consideration to range between $1.300 and $1.663 per share held in Westoz.

As the value of the Scheme Consideration is determined by the 1-day VWAP of a WAM Capital share on the Calculation Date, as well as the value of a WAM Capital share (which we have assessed using the QMP valuation methodology), the exact value of the Scheme Consideration will fluctuate based on movements in the financial markets and may vary from our calculated value (which we have assessed using current information available as at the date of our Report). However, we note that any variation in the QMP price would likely also be reflected by a proportional variation in the 1-day VWAP of a WAM Capital share used in the Exchange Ratio calculation, such that the value of the Scheme Consideration would not change materially.

12. Is the Scheme fair?

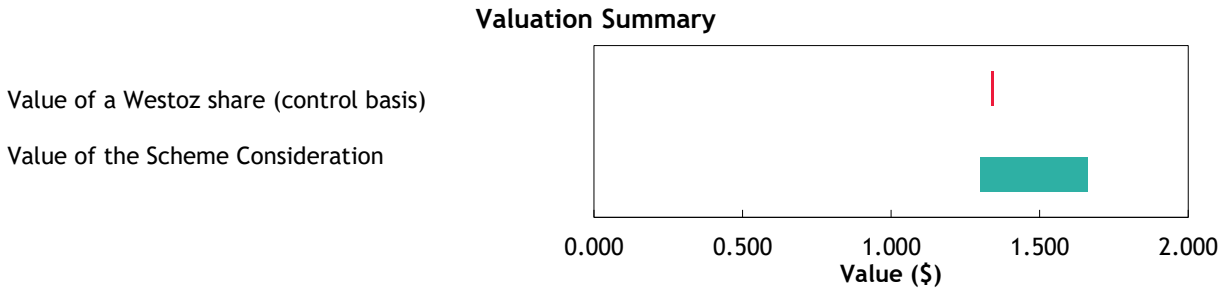
The value of a Westoz share on a controlling interest basis is compared to the Value of the Scheme Consideration below. We note that our assessment of fairness is based on the information available to us around the date of our Report. As the actual Calculation Date is in the future (indicatively 31 March 2022), this is our best assessment of the Scheme Consideration at present and its actual value may vary on the Calculation Date:

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	Low $	High $
Value of a Westoz share (control basis)	1.341	1.341
Value of the Scheme Consideration	1.300	1.663

Source: BDO Analysis

The above valuation ranges are graphically presented below:



We note from the table and graph above that the value of a Westoz share (on a control basis) falls within the lower range of the value of the Scheme Consideration. The mid and high end of the Scheme Consideration is greater than the value of a Westoz share (on a control basis).

The low end of the value of a Westoz share (on a control basis) incorporates a 10% fall in the pre-tax NTA of Westoz prior to the announcement of the Scheme, which BDO considers improbable. Although the low end of the Scheme Consideration is less than the value of a Westoz share (on a control basis), it is only marginally so and broadly, the Scheme Consideration offers a larger degree of upside to shareholders, compared to downside (particularly once the likelihood of a 10% fall in the pre-tax NTA of Westoz is considered).

Therefore, in the absence of any other relevant information, and an alternate offer, we consider that the Scheme is fair for the Shareholders.

13. Is the Scheme reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Westoz a premium over the value resulting from the Scheme.

13.2 Consequences of not Approving the Scheme

Consequences

If the Scheme is not approved, Shareholders will continue to own shares in Westoz. WFM will continue to be the manager for the fund and the Company could look to reinstate its interim dividend as well as dividend target.

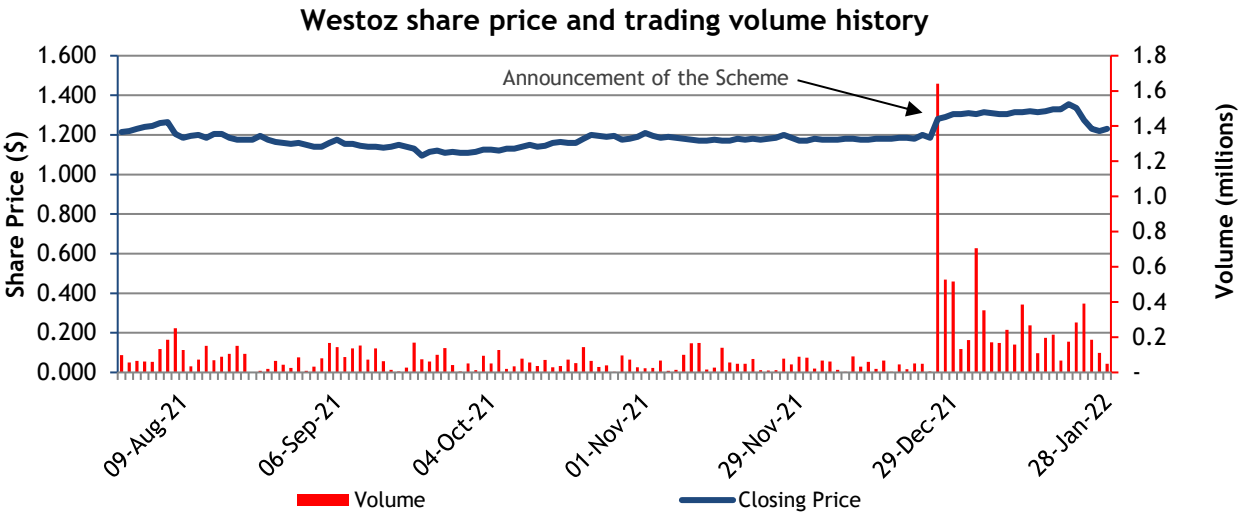
Westoz has confirmed there will not be any break fee payable by the Company to WAM Capital if the Scheme is not approved.

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Potential decline in share price

We have analysed movements in Westoz's share price since the Scheme was announced. A graph of Westoz's share price and trading volume leading up to, and following the announcement of the Scheme is set out below.



Source: Bloomberg

The closing price of a Westoz share from 28 July 2021 to 28 January 2022 ranged from a low of $1.095 on 21 September 2021 to a high of $1.355 on 20 January 2022. The Scheme was announced on 23 December 2021. On the date the Scheme was announced the share price closed at $1.280, up 8.02% from a closing price of $1.185 on the previous trading day. On that day, 1.64 million shares were traded, representing approximately 1.22% of Westoz's current issued capital. Following the announcement of the Scheme, the daily share price of Westoz has continued to trade marginally higher, reaching a high of $1.355 on 20 January 2022. Towards the end of January 2022 however, Westoz's share price began to decline, although this was likely driven by the broader market fall than any Scheme-related announcements (the benchmark S&P/ASX 200 index had declined by 10% from its previous peak during this period). Given the above analysis, it is possible that if the Scheme is not approved, then Westoz's share price may decline back to pre-announcement levels.

13.3 Advantages of Approving the Scheme

We have considered the following advantages when assessing whether the Scheme is reasonable.

Advantage	Description
The Scheme is fair	As set out in section 12 the Scheme is fair. RG 111 states that an offer is reasonable if it is fair.
Scheme Consideration represents a premium over pre-Announcement prices	Our assessed value of the Scheme Consideration between $1.300 and $1.663 per Westoz share represents a premium over the Westoz share price prior to the Announcement. Compared to the closing share price and 10-day VWAP of Westoz on 22 December 2021, the Scheme Consideration

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Advantage	Description
	represents a premium of between 10% and 41% as shown below.

Scheme Consideration vs Westoz share price on 22 December 2021	Low	High
Scheme Consideration	**$1.300**	**$1.663**
Westoz's closing share price on 22 December 2021	$1.185	$1.185
Premium over closing share price	***10%***	***40%***
Westoz's 10-day VWAP on 22 December 2021	$1.182	$1.182
Premium over 10-day VWAP	***10%***	***41%***

Larger funds to spread operating and administrative costs across	Should Shareholders approve the Scheme, Westoz will merge with WAM Capital and the Proposed Merged Entity will be a significantly larger fund compared to a standalone Westoz. As an indication, at 31 December 2021, the post-tax NTA of Westoz alone was approximately $180 million, compared to WAM Capital's post-tax NTA of approximately $1.7 billion. A significantly larger fund has the potential to reduce costs to shareholders, as operating and administrative costs are distributed across a bigger funds under management base. This has the potential to then result in a lower management expense ratio which will benefit shareholders of the Proposed Merged Entity.
Opportunity for Shareholders to realise their investments at a premium to pre-tax NTA	As discussed in section 11.1, Westoz has historically traded at a discount to its pre-tax NTA, with the discount exceeding 20% on occasion. If the Scheme is approved, Shareholders will receive New WAM Capital Shares calculated based on a 7.5% premium to the pre-tax NTA of Westoz on the Calculation Date. Broker analysis suggests that Westoz shares have rarely traded at a premium to pre-tax NTA since listing in 2009. This is in contrast to the shares of WAM Capital which have typically traded at a premium to its pre-tax NTA since 2013 (although shares in WAM Capital have previously traded at a discount to pre-tax NTA, prior to 2013). The Scheme therefore provides Shareholders with the opportunity to realise the value of their investments at a premium to pre-tax NTA, or, if they do not sell, continue to own New WAM Capital Shares in an investment vehicle that has historically traded at a premium, rather than a discount to its pre-tax NTA.
The Scheme provides Shareholders with improved share market liquidity for their shares	Based on our analysis in section 10.2, there does not appear to be a liquid

Advantage	Description
	and active market for trading in Westoz 's shares. This means that Shareholders wishing to sell their shares may have to accept a lower price, and this could partially explain the discount in Westoz 's share price to its pre-tax NTA. On the other hand, our analysis in section 11.1 indicates that trading in WAM Capital shares is significantly more liquid, both relative to WAM Capital's issued capital and in absolute dollar terms. We therefore expect trading in the Proposed Merged Entity to be more liquid compared to the liquidity of trading in Westoz 's shares.
No termination fee payable to WFM	Westoz and WAM Capital have agreed to terminate the current WFM Management Agreement with WFM and there will be no termination fees payable by the Company. Analysis of similar transactions involving LICs have indicated that generally, a termination fee is payable to the previous investment manager of the fund. The absence of any termination fee payable is an advantage as this lowers the resultant transaction related costs to Shareholders.
Exposure to Wilson Asset Management expertise	Shareholders will have exposure to Wilson Asset Management's investment management expertise if the Scheme is approved. Aside from having a longer investment track record than WFM, Wilson Asset Management also manages more LICs than WFM (eight compared to two) totalling more than $5.4 billion in funds under management. Its team of 14 investment professionals is also larger than Westoz 's suggesting more resources could be devoted to researching companies and investment opportunities.

13.4 Disadvantages of Approving the Scheme

If the Scheme is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Change in investment exposure may not align with Shareholders' risk preferences	Although both Westoz and WAM Capital provide investors with exposure to an actively managed portfolio of primarily ASX-listed companies, the companies Westoz invests in typically have a greater exposure to Western Australia whether it be through their assets, operations and/or management. This also impacts the industries that the Westoz is exposed to. For example, at 31 December 2021, Westoz's top three sector exposures were: Gold (31%), Industrials (22%) and Materials (13%). This compares to WAM Capital's top three sector exposures at 31 December 2021: Consumer Discretionary (22%), Industrials (11.5%) and Communication Services (10%). Approval of the Scheme could therefore be a disadvantage for some Shareholders who are specifically seeking a higher level of exposure to Western Australia and its industries, as the exposure to risks will be different under the Proposed Merged

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Disadvantage	Description
	Entity.
Termination fee will be payable under the WAM Management Agreement	Under the WAM Management Agreement, WAM Capital may terminate Wilson Asset Management's role as the investment manager by giving Wilson Asset Management at least 3 months written notice. If the WAM Management Agreement is so terminated, WAM Capital must pay to Wilson Asset Management an additional fee equal to the aggregate fees paid to Wilson Asset Management in respect of the 3-month period up to the date of termination (equivalent to approximately 0.25% of the gross assets of WAM Capital). As discussed above, the WFM Management Agreement does not have a termination fee, therefore this is a disadvantage of approving the Scheme.
Shareholders will own a smaller portion of the Proposed Merged Entity compared to their current ownership in Westoz	Based on our assessed Exchange Ratio, the New WAM Capital Shares are expected to form between 8% and 10% of the issued capital of the Proposed Merged Entity. This means that Shareholders would have less influence over the Proposed Merged Entity compared to their current ownership in Westoz.

13.5 Tax implications

Shareholders are directed to the Scheme Booklet for a more detailed explanation of the tax implications of the Scheme for Shareholders. We emphasise that the tax circumstances of each shareholder can differ significantly and individual shareholders are advised to obtain their own specific advice.

13.6 Other considerations

Potential overhang in WAM Capital's shares following the Scheme

If the Scheme is implemented, there is a potential that existing Shareholders who wish to realise the value of their investments sell their New WAM Capital Shares on market immediately after receiving them. Furthermore, the Sale Agent will act to sell on a best endeavours basis the portion of New WAM Capital Shares meant for Ineligible Overseas Shareholders. We note that, based on our assessed Exchange Ratio, the New WAM Capital Shares are only expected to form between 8% and 10% of the Proposed Merged Entity, and therefore the overhang impact may not have a big impact on depressing WAM Capital's trading prices. However as the quantum of selling of the New WAM Capital Shares is unknown, we have listed this as a consideration for Shareholders.

Cancellation of Westoz's interim dividend

A condition precedent of the Scheme is that Westoz will not pay an interim dividend. Therefore, Shareholders will not be eligible to receive the Westoz interim dividend for the financial year ended 30 June 2022 if the Scheme is approved. However, we note that WAM Capital has declared its intention to ensure all Shareholders receiving New WAM Capital Shares under the Scheme will be eligible to receive WAM Capital's interim dividend for the financial year ended 30 June 2022. The quantum of this dividend has not been announced.

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Change in performance fee structure could be disadvantageous in certain scenarios

As summarised in section 4.3, the 20% performance fee that WAM Capital charges is calculated based on outperformance of the fund against the All Ordinaries Accumulation Index (only if the value of the fund increased over that period). Westoz's 20% performance fee on the other hand, is calculated on outperformance over a 10% threshold.

This means that in a year where both funds grow by less than 10%, and WAM Capital manages to outperforms its benchmark, a performance fee would be payable for shareholders in WAM Capital while no performance fee is payable for shareholders in Westoz. We note that the reverse could also be true in a year when both funds grow by more than 10% but WAM Capital does not outperform its benchmark.

14. Conclusion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Scheme is fair and reasonable to Shareholders.

Therefore, in the absence of a superior proposal, we conclude that the Scheme is in the best interests of Shareholders.

15. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of this report;
- Audited financial statements of Westoz and WAM Capital for the years ended 30 June 2021 and 30 June 2020;
- Unaudited management accounts of Westoz for the half-year ended 31 December 2021;
- Scheme Implementation Agreement between WAM Capital and Westoz and the Scheme of Arrangement between Westoz and Scheme Participants in connection with the Scheme;
- ASX Announcement on the Scheme by Westoz on 23 December 2021;
- Westoz and Westoz Funds Management Pty Ltd Management Agreement dated 31 October 2007;
- WAM Capital Prospectus dated 26 May 1999;
- Westoz and WAM Capital company websites;
- Bell Potter Listed Investment Companies and Trusts September Quarter 2021 report dated 18 November 2021;
- Reserve Bank of Australia website;
- Share registry information;
- S&P CapitalIQ;
- Bloomberg;
- Information in the public domain; and
- Discussions with Directors and Management of Westoz.

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16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of approximately $35,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report. BDO also has been engaged by Ozgrowth to prepare an independent expert's report on another proposed scheme of arrangement to merge Ozgrowth with WAM Capital. The fee for this engagement is approximately $35,000. Ozgrowth and Westoz are both managed by Westoz Funds Management Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Westoz in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Company, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Westoz and WAM Capital and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Westoz and WAM Capital and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Westoz, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Westoz and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit

and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Westoz for inclusion in the Scheme Booklet which will be sent to all Westoz Shareholders. Westoz engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the acquisition of the entire issued capital of Westoz by WAM Capital through an exchange of scrip by way of a Scheme of Arrangement.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Westoz. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Westoz, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

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Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes

Director



Adam Myers

Director

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Appendix 1 – Glossary of Terms

Reference	Definition
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Limited
BDO	BDO Corporate Finance (WA) Pty Ltd
Calculation Date	Date of calculation of the Exchange Ratio, expected to be 31 March 2022
Corporations Act	The Corporations Act 2001 Cth
CPI	Consumer Price Index
DCF	Discounted Future Cash Flows
DTL	Deferred Tax Liability
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Exchange Ratio	The ratio of the 1-day volume weighted average share price of WAM Capital on the Calculation Date and a 7.5% premium to the pre-tax NTA of Westoz
FME	Future Maintainable Earnings
FSG	Financial Services Guide
FUM	Funds Under Management
GDP	Gross Domestic Product
Ineligible Overseas Shareholders	Certain Shareholders with a registered address outside of Australia and as defined in Section 13.9 of the Scheme Booklet
IPOs	Initial Public Offerings
LIC	Listed Investment Company
NAV	Net Asset Value
New WAM Capital Shares	New WAM Capital shares to be offered for each Westoz share under the Scheme
NTA	Net tangible assets
our Report	This Independent Expert's Report prepared by BDO
Ozgrowth	Ozgrowth Limited
PCP	Performance Calculation Period

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Reference	Definition
Proposed Merged Entity	The enlarged WAM Capital following implementation of the Scheme
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 60	Schemes of arrangement (September 2011)
Sale Agent	The agent acting as nominee in trust for the Shareholders
Scheme Booklet	The Scheme Booklet prepared to assist Shareholders in their decision whether to approve the Scheme
Scheme Consideration	The number of New WAM Capital Shares per Westoz shares receivable by Shareholders under the Scheme as calculated by the Exchange Ratio
Section 411	Section 411 of the Corporations Act
Shareholders	The non-associated shareholders of Westoz
SIA	Scheme Implementation Agreement
TFF	Term Funding Facility
The Act	The Corporations Act 2001 Cth
The Announcement	Westoz's announcement on 23 December 2021 on the ASX that it had entered into a SIA with WAM Capital to merge the two entities
The Company	Westoz Investment Company Limited
The Industry	the Funds Management Industry
The Manager	Westoz Funds Management Pty Ltd
The Scheme	WAM Capital will acquire the entire issued capital of Westoz by way of a scheme of arrangement under the Corporations Act 2001 (Cth)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
WAM Capital	WAM Capital Limited
WAM Management Agreement	The investment management agreement between WAM Capital and Wilson Asset Management (International) Pty Limited
WAM Management Fee	Management fee under the WAM Management Agreement of 1% per annum exclusive of GST, calculated and paid monthly in arrears

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Reference	Definition
WAM Performance Fee	Performance fee under the WAM Management Agreement of 20% exclusive of GST, calculated over outperformance against the All Ordinaries Accumulation Index over a 12 month performance calculation period
Westoz	Westoz Investment Company Limited
WFM	Westoz Funds Management Pty Ltd
WFM Management Agreement	The investment management agreement between Westoz and Westoz Funds Management Pty Ltd entered into on October 2007
WFM Management Fee	Monthly management fee under the WFM Management Agreement of 0.083333% of the portfolio value
WFM Performance Fee	Performance fee under the WFM Management Agreement of 20% of any outperformance over a 7% hurdle rate, calculated over a 12 month performance calculation period
Wilson Asset Management	Wilson Asset Management (International) Pty Limited

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Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

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3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('**EBIT**') or earnings before interest, tax, depreciation and amortisation ('**EBITDA**'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows ('DCF')*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

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Annexure B – Scheme of Arrangement

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Scheme of Arrangement

under

Section 411 of the Corporations Act

Westoz Investment Company Limited
(ACN 113 332 942) (**Westoz**)

Scheme Participants

MILLS OAKLEY
Level 7, 151 Clarence Street
SYDNEY NSW 2000
Telephone: +61 2 8289 5800
Facsimile: +61 2 9247 1315
DX 13025, SYDNEY MARKET STREET
www.millsoakley.com.au

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Details

Date	**2021**	
Parties	**Westoz** and **Scheme Participants**	
Westoz	Name	Westoz Investment Company Limited
	ACN	113 332 942
	Address	Level 18, Alluvion, 58 Mounts Bay Road, Perth WA 6000
	Email	prees@westozfunds.com.au
	Attention	Phil Rees
Scheme Participants	Each person who is a Westoz Shareholder at the Record Date, other than WAM Capital.	
Governing law	Western Australia, Australia	

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1 Definitions and Interpretation

1.1 Definitions

In this Scheme:

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited or the market operated by it, as the context requires.

ASX Operating Rules means the operating rules of ASX Settlement.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

Boardroom means WAM Capital's share registry, Boardroom Pty Limited (ACN 003 209 836).

Business Day has the meaning given in the Listing Rules.

Calculation Date means:

(a) 5:00pm (Sydney time) on 31 March 2022; or

(b) or such other time and date as Westoz and WAM Capital agree in writing.

CHESS means the Clearing House Electronic Sub-register System, for the electronic transfer of securities, operated by ASX Settlement.

Computershare means Westoz's share registry, Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Conditions Precedent means the conditions precedent in clause 3.1 of the Scheme Implementation Agreement.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Court means the Supreme Court of Western Australia, or any other court of competent jurisdiction under the Corporations Act agreed by Westoz and WAM Capital in writing.

Deed Poll means the deed poll dated on or about the date of this document executed by WAM Capital, under which WAM Capital covenants in favour of the Scheme Participants to perform the actions attributed to it under this document.

Details means the section of this Scheme headed "Details".

D&O Run-Off Insurance has the meaning given in clause 7.4(b) of the Scheme Implementation Agreement.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) in relation to the Scheme, but not before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the *Personal Property Securities Act* 2009 (Cth) or any agreement to create any of them or allow them to exist.

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End Date means 31 May 2022 or such other date agreed by WAM Capital and Westoz in writing.

Euroz means Euroz Hartleys Limited (ACN 104 195 057).

Euroz Securities means Euroz Hartleys Securities Limited (ACN 089 314 983).

Explanatory Statement means the statement under section 412 of the Corporations Act which has been, or will be, registered by ASIC in relation to the Scheme.

GST has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Implementation Date means the 4th Business Day following the Record Date or such other date that Westoz and WAM Capital agree in writing.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).

Ineligible Overseas Shareholder means any person who:

(a) holds Westoz Shares and to whom WAM Capital would be prohibited from issuing New WAM Capital Shares pursuant to any act, rule or regulation of Australia which prohibits WAM Capital from issuing New WAM Capital Shares to foreign persons;

(b) holds Westoz Shares and does not have a registered address in Australia or such other jurisdiction where Westoz and WAM Capital may determine it would be lawful and practicable for such registered shareholder to receive an offer under or to participate in the Scheme and receive Scheme Consideration in compliance with applicable laws; or

(c) is acting on behalf of or for the account of a person who holds Westoz Shares beneficially and resides in a jurisdiction outside of Australia except, with the consent of Westoz and WAM Capital, such a beneficial shareholder residing in another jurisdiction where Westoz and WAM Capital may determine it would be lawful and practicable for that beneficial holder to receive an offer under or to participate in the Scheme and receive Scheme Consideration in compliance with applicable laws.

Listing Rules means the listing rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.

Management Agreement means the investment management agreement between Westoz and the Manager dated 15 April 2005 and amended on 14 June 2006, 29 June 2009 and 29 July 2009.

Manager means Westoz Funds Management Pty Ltd (ACN 106 677 721).

New WAM Capital Shares means the WAM Capital Shares to be issued to Scheme Participants as the Scheme Consideration, pursuant to the terms of this Scheme.

NTA means the net tangible asset backing of Westoz or WAM Capital (as the context requires) per Westoz Share or WAM Capital Share (as the case may be) before current and deferred tax balances calculated in accordance with the Corporations Act, Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations. For the avoidance of doubt, the NTA will:

(a) not include any deferred tax balances and will reflect the pro-forma impact of any:

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(i) Westoz Permitted Dividend (in respect of Westoz);

(ii) WAM Capital Permitted Dividend (in respect of WAM Capital); or

(iii) distribution payable in accordance with this Agreement,

with a record date scheduled to fall between the Calculation Date and the Record Date;

(b) be calculated on the basis of the last sale price of the relevant party's underlying portfolio positions on the Calculation Date; and

(c) be after any costs of selling (such as brokerage costs) that would be incurred if the portfolio positions were disposed on the Calculation Date.

Record Date means 5.00pm on the 2nd Business Day following the Effective Date or such other time and date as Westoz and WAM Capital agree in writing.

Registered Address means, in relation to a Scheme Participant, the address of the Scheme Participant shown in the Share Register as at the Record Date.

Regulatory Authority includes:

(a) ASX, ASIC and the Takeovers Panel;

(b) a government or governmental, semi-governmental or judicial entity or authority, including the ATO;

(c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and

(d) any regulatory organisation established under statute.

Sale Agent means the agent appointed in relation to the Scheme by WAM Capital and Westoz to sell the Scheme Consideration that would have otherwise been issued to Ineligible Overseas Shareholders.

Sale Facility means the facility described in clause 5.5 of this Scheme.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act recorded in this document, subject to any modifications or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by WAM Capital and Westoz in writing.

Scheme Booklet means the information booklet to be approved by the Court and despatched to Westoz Shareholders which includes this Scheme, the Explanatory Statement, the Deed Poll, the Independent Expert's Report, notice of the Scheme Meeting and proxy form.

Scheme Consideration means the number of WAM Capital Shares to be issued per Westoz Share held by a Scheme Participant, having reference to the WAM Capital VWAP and the Westoz NTA, plus a premium of 7.5% to the Westoz NTA, being the consideration payable by WAM Capital for the transfer of Westoz Shares held by a Scheme Participant to WAM Capital.

The number of WAM Capital Shares to be issued per Westoz Share held by a Scheme Participant is calculated using the formula below:

Number of WAM Capital Shares = (Westoz NTA x 1.075) / WAM Capital VWAP

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Scheme Implementation Agreement means the document titled "Scheme Implementation Agreement" between WAM Capital and Westoz dated on or about the date of this document, relating to (among other things) the implementation of this Scheme.

Scheme Meeting means the meeting to be convened by the Court at which Westoz Shareholders will vote on the Scheme.

Scheme Participant means each person who is a Westoz Shareholder at the Record Date other than WAM Capital.

Scheme Share means a Westoz Share held by a Scheme Participant at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard (as agreed between Westoz and WAM Capital) or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard (as agreed between Westoz and WAM Capital).

Share Register means the register of holders of Westoz Shares maintained by or on behalf of Westoz.

Subsidiary has the meaning given to that term in the Corporations Act.

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) paid, payable or assessed as being payable by any authority together with any fines, penalties and interest in connection with them.

Transaction means the acquisition of Westoz by WAM Capital through implementation of the Scheme, in accordance with the Scheme Implementation Agreement or as otherwise agreed between Westoz and WAM Capital in writing.

Transaction Costs means, unless otherwise agreed in the Scheme Implementation Agreement, all of Westoz's costs associated with implementing the Transaction (including fees for Westoz's financial, taxation, legal and other professional advisers, counsel fees, fees of the Independent Expert, all fees payable to the Manager (including any accrued fees, termination payments and costs and expenses under the Management Agreement), all fees payable to Euroz and/or Euroz Securities (including any termination payments and costs and expenses under any agreement with those entities), all claims arising in relation to or under the Management Agreement, costs associated with the D&O Run-Off Insurance, and including GST paid on such costs to the extent not reduced by an input tax credit referrable in any way to the Transaction or the period up to the Calculation Date that remain unpaid as at the Calculation Date.

WAM Capital means WAM Capital Limited (ACN 086 587 395).

WAM Capital Permitted Dividend has the meaning given to it in clause 4.5(a) of the Scheme Implementation Agreement.

WAM Capital Register means the register of members of WAM Capital maintained in accordance with the Corporations Act and **WAM Capital Registry** has a corresponding meaning.

WAM Capital Share means a fully paid ordinary share in the capital of WAM Capital.

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WAM Capital VWAP means the one day volume weighted average price of WAM Capital Shares on the Calculation Date.

Westoz Board means the board of directors of Westoz.

Westoz NTA means the NTA of Westoz on the Calculation Date, as determined in accordance with clauses 5.2(u) and 5.3(h) of the Scheme Implementation Agreement and Confirmed by WAM Capital.

Westoz Permitted Dividend has the meaning given to it in clause 4.6(b) of the Scheme Implementation Agreement.

Westoz Share means a fully paid ordinary share in the capital of Westoz.

Westoz Shareholder means each person who is registered in the Share Register from time to time as the holder of a Westoz Share.

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this Scheme:

(a) the singular includes the plural and vice versa;

(b) a reference to a document includes any agreement or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);

(c) a reference to a document also includes any variation, replacement or novation of it;

(d) a reference to a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this Scheme;

(e) headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Scheme;

(f) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;

(g) a reference to "person" includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;

(h) a reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

(i) a reference to a time of day is a reference to Sydney time;

(j) other than as expressly provided in this Scheme, if an act under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;

(k) if a day on which a party must do something under this Scheme is not a Business Day, the party must do it on the next Business Day;

(l) if a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;

(m) a reference to dollars, $ or A$ is a reference to the currency of Australia;

(n) a reference to "law" includes common law, principles of equity and legislation (including regulations);

(o) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;

(p) a reference to "regulations" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);

(q) a reference to a group of persons is a reference to any two or more of them jointly and to each of them individually; and

(r) a reference to any thing (including an amount) is a reference to the whole and each part of it.

2 Preliminary matters

2.1 Westoz

(a) Westoz is a public company limited by shares, incorporated in Australia and registered in Western Australia.

(b) As at the date of the Scheme Implementation Agreement, Westoz's issued securities were 133,686,000 Westoz Shares.

(c) The Westoz Shares are officially quoted on ASX.

2.2 WAM Capital

(a) WAM Capital is a public company limited by shares, incorporated in Australia and registered in New South Wales.

(b) As at the date of the Scheme Implementation Agreement, WAM Capital's issued securities were 904,113,461 WAM Capital Shares.

(c) The WAM Capital Shares are officially quoted on ASX.

2.3 Scheme summary

If this Scheme becomes Effective, then:

(a) on the Implementation Date, all Scheme Shares will be transferred to WAM Capital in accordance with this Scheme;

(b) WAM Capital must provide or procure the provision of the Scheme Consideration to each Scheme Participant in accordance with this Scheme and the Deed Poll (other than Ineligible Overseas Shareholders, who will be dealt with in accordance with clause 5.5 below); and

(c) on the transfer of the Scheme Shares to WAM Capital, Westoz will become a wholly owned Subsidiary of WAM Capital.

2.4 Implementation

(a) WAM Capital and Westoz have agreed, by executing the Scheme Implementation Agreement, to implement this Scheme.

(b) This Scheme attributes actions to WAM Capital but does not itself impose an obligation on WAM Capital to perform those actions. WAM Capital has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including to provide the Scheme Consideration.

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3 Conditions precedent and Effectiveness

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will not become Effective until, the satisfaction of each of the following conditions precedent:

(a) as at 8:00am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll have been terminated in accordance with their terms;

(b) all of the Conditions Precedent as set out in the Scheme Implementation Agreement (other than clause 3.1(c) of the Scheme Implementation Agreement in respect of Court approval of this Scheme) have been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement (unless they cannot be waived, in which case they must be satisfied);

(c) the Court has approved this Scheme, with or without any modification or condition, under section 411(4)(b) of the Corporations Act, and if applicable, WAM Capital and Westoz having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act and any such conditions having been satisfied or waived; and

(d) the coming into effect, under section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

3.2 Conditions precedent and operation of clauses 4 and 8

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clauses 4 and 8 of this Scheme.

3.3 Certificate in relation to conditions precedent

(a) Westoz and WAM Capital must provide to the Court on the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clause 3.1(c) and clause 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

(b) The certificate referred to in this clause 3.3 will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1 of this Scheme (other than the conditions precedent in clause 3.1(c) and clause 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

3.4 Effective Date

Subject to clause 3.5, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

3.5 End Date

Without limiting any rights under the Scheme Implementation Agreement, this Scheme will lapse and be of no further force or effect if:

(a) the Effective Date does not occur on or before the End Date; or

(b) the Scheme Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

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unless WAM Capital and Westoz otherwise agree in writing.

4 Implementation

4.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(d) of this Scheme) are satisfied, in accordance with section 411(10) of the Corporations Act, Westoz must lodge with ASIC an office copy of the Court order approving the Scheme as soon as practicable, and in any event, by no later than 5:00pm on the first Business Day after the day on which the Court approves this Scheme, or any later date agreed in writing with WAM Capital.

4.2 Transfer and registration of Scheme Shares

On the Implementation Date, subject to WAM Capital issuing the Scheme Consideration under clause 5.2 and providing Westoz with written confirmation that this has occurred:

(a) the Scheme Shares must, without the need for any further act by a Scheme Participant other than acts performed as attorney and agent for the relevant Scheme Participant by Westoz under clause 9.6, be transferred to WAM Capital by:

(i) Westoz executing and delivering to WAM Capital, under the authority in clause 9.6, a valid share transfer form or forms (which may be a master transfer) to transfer all of the Scheme Shares to WAM Capital;

(ii) WAM Capital executing and delivering that share transfer form or those forms to Westoz; and

(iii) where Scheme Shares are held in a CHESS holding, Westoz causing a message to be transmitted to ASX Settlement in accordance with the ASX Operating Rules to transfer the Scheme Shares held by the relevant Scheme Participant from the CHESS sub-register to the issuer sponsored subregister operated by Westoz, and subsequently completing a proper instrument of transfer of those Scheme Shares to WAM Capital under clauses 4.2(a)(i) and 4.2(a)(ii) above; and

(b) immediately upon receipt of the executed share transfer form or forms, Westoz must enter the name and address of WAM Capital in the Share Register as the holder of all Scheme Shares.

5 Consideration

5.1 Entitlement to consideration

Subject to the terms of this Scheme, on the Implementation Date each Scheme Participant will be entitled to and will receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with this clause 5.

5.2 Provision of Scheme Consideration

Subject to clauses 5.4 and 5.5, WAM Capital must:

(a) on the Implementation Date, issue to each Scheme Participant the Scheme Consideration to which it is entitled without the need for any further act by that Scheme Participant other than acts performed as attorney and agent for that Scheme Participant by WAM Capital under clause 8.3, by causing the name and

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Registered Address of that Scheme Participant to be entered into the WAM Capital Register as the holder of the New WAM Capital Shares issued to that Scheme Participant; and

(b) within five Business Days of the Implementation Date, procure that a holding statement (or equivalent document) for that Scheme Consideration is sent to the Registered Address of that Scheme Participant.

5.3 Joint holders

In the case of Westoz Shares held in joint names:

(a) any Scheme Consideration to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the WAM Capital Register must take place in the same order as the holders' names appear in the Register;

(b) the holding statement (or equivalent document) to be issued to Scheme Participants pursuant to clause 5.2(b) will be issued in the name of the joint holders and will be forwarded to the holder whose name appears first in the Share Register as at the Record Date; and

(c) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Share Register as at the Record Date.

5.4 Fractional entitlements

Any fractional entitlement of a Scheme Participant to a part of a New WAM Capital Share will be rounded up or down to the nearest whole number of New WAM Capital Shares and, for the avoidance of doubt, fractional entitlements of 0.5 of a New WAM Capital Share will be rounded up.

5.5 Ineligible Overseas Shareholders

(a) WAM Capital is under no obligation to issue, and will not issue, any Scheme Consideration to Ineligible Overseas Shareholders, and instead:

(i) all Scheme Consideration that would otherwise be required to be issued to any Ineligible Overseas Shareholder under the Scheme, if they were eligible to receive them, must be issued by WAM Capital to the Sale Agent;

(ii) WAM Capital must procure that, as soon as reasonably practicable, the Sale Agent sells all of the Scheme Consideration issued to the Sale Agent under clause 5.5(a)(i) on a "best endeavours" basis (and at the risk of the Ineligible Overseas Shareholders); and

(iii) WAM Capital must procure that the Sale Agent remits to Computershare the net proceeds of sale generated by the Sale Agent under clause 5.5(a)(ii) (after deducting any applicable brokerage and other selling costs, Taxes and charges).

(b) Westoz must, promptly after the net proceeds of sale generated by the Sale Agent under clause 5.5(a)(ii) are remitted to Computershare under clause 5.5(a)(iii), procure Computershare to pay to each Ineligible Overseas Shareholder the amount "A" calculated in accordance with the following formula and rounded down to the nearest cent:

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$$A = (B \div C) \times D$$

Where:

B = the number of New WAM Capital Shares that would have been issued to that Ineligible Overseas Shareholder had it not been an Ineligible Overseas Shareholder;

C = the total number of New WAM Capital Shares that would otherwise have been issued to all Ineligible Overseas Shareholders and which are issued to the Sale Agent; and

D = the net proceeds of sale generated by the Sale Agent under clause 5.5(a)(ii) (after deducting any applicable brokerage and other selling costs, Taxes and charges),

by either:

(i) despatching, or procuring the despatch, of a cheque in the name of that Ineligible Overseas Shareholder by prepaid post to that Ineligible Overseas Shareholder's Registered Address, subject to clause 5.3;

(ii) making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) ("**ADI**") in Australia notified by that Ineligible Overseas Shareholder to Westoz as recorded in or for the purposes of the Register at the Record Date; or

(iii) paying, or procuring the payment of, the relevant amount in Australian currency to a bank account nominated by that Ineligible Overseas Shareholder by an appropriate authority from that Ineligible Overseas Shareholder to Westoz.

(c) Payment to an Ineligible Overseas Shareholder in accordance with this clause 5.5 satisfies in full the Ineligible Overseas Shareholder's right to Scheme Consideration.

(d) Each Ineligible Overseas Shareholder appoints Westoz as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the nominee is required to provide to Ineligible Overseas Shareholders under the Corporations Act.

(e) Neither Westoz nor WAM Capital make any representation as to the amount of proceeds of sale to be received by Ineligible Overseas Shareholders in accordance with this clause 5.5. Both Westoz and WAM Capital expressly disclaim any fiduciary duty to the Ineligible Overseas Shareholders which may arise in connection with this clause 5.5.

5.6 Unclaimed consideration

(a) Westoz may cancel a cheque issued under this clause 5 if the cheque:

(i) is returned to Westoz; or

(ii) has not been presented for payment within six months after the date on which the cheque was sent.

(b) During the period of one year commencing on the Implementation Date and in any event not earlier than 20 Business Days after the Implementation Date, on

request from a Scheme Participant, Westoz must reissue a cheque that was previously cancelled under clause 5.6(a).

(c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to Scheme Consideration issued as cash proceeds to an Ineligible Overseas Shareholder which becomes 'unclaimed money' (as defined in section 7 of that Act).

5.7 Orders of a court or Regulatory Authority

If written notice is given to Westoz (or Computershare) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that:

(a) requires payment to a third party of a sum in respect of Westoz Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant as Scheme Consideration in accordance with this clause 5, Westoz may direct WAM Capital to issue, or to issue to a trustee or nominee, the Scheme Consideration in accordance with that order; or

(b) prevents payment of Scheme Consideration to any particular Scheme Participant in accordance with this clause 5 or the payment is otherwise prohibited by applicable law, Westoz may direct WAM Capital not to issue, or to issue to a trustee or nominee, the Scheme Consideration to which the Scheme Participant would otherwise be entitled, until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that order or otherwise by law.

6 Dealings in Westoz Shares

6.1 Determination of Scheme Participants

To establish the identity of Scheme Participants, Westoz will only recognise dealings in Scheme Shares if:

(a) in the case of dealings of a type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the Westoz Shares on or before the Record Date; and

(b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by Computershare on or before the Record Date. Westoz must register those registrable transfers or transmission applications received on or before the Record Date.

6.2 No issue

Westoz must not issue any Westoz Shares after the Effective Date and on or before the Implementation Date.

6.3 No registration of transfers

If this Scheme becomes Effective:

(a) a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Effective Date in any way except as set out in this Scheme, and any such disposal will be void and of no legal effect whatsoever; and

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(b) Westoz must not accept for registration nor recognise for any purpose any transmission application, transfer or other dealing in respect of Westoz Shares received after the Record Date, other than a transfer to WAM Capital, or to itself, in accordance with this Scheme.

6.4 Statements of holding

Subject to provision of the Scheme Consideration and registration of the transfer to WAM Capital contemplated in clause 4.2, all statements of holdings (or certificates) for Scheme Shares will cease to have any effect from the Record Date as documents of title in respect of those Scheme Shares, except as evidence of entitlement to the Scheme Consideration.

6.5 Maintenance of Share Register

(a) In order to determine entitlements to the Scheme Consideration, Westoz must maintain, or procure the maintenance of, the Share Register in accordance with this clause 6 and close the Share Register as at the Record Date.

(b) The Share Register in this form will solely determine the entitlements of Scheme Participants to the Scheme Consideration.

6.6 Details of Scheme Participants

As soon as possible and in any event within one Business Day of the Record Date, Westoz must make available to WAM Capital the details of the names, Registered Addresses and holdings of Westoz Shares for each Scheme Participant as shown in the Share Register as at the Record Date, in the form WAM Capital reasonably requires.

7 Quotation of Westoz Shares

7.1 Suspension of trading

Westoz must apply to ASX for Westoz Shares to be suspended with effect from the close of trading on the Effective Date.

7.2 Termination of quotation

After the Scheme has been fully implemented and on a date after the Implementation Date to be determined by WAM Capital, Westoz must apply for termination of the official quotation of Westoz Shares and to have itself removed from the official list of ASX.

8 WAM Capital's obligations and ancillary matters

8.1 Status of New WAM Capital Shares

The Scheme Consideration to be issued in accordance with this Scheme will:

(a) be validly issued;

(b) be fully paid;

(c) be free from any Encumbrance; and

(d) rank equally in all respects with all existing WAM Capital Shares then on issue (other than in respect of any dividend already declared or determined and not yet paid by WAM Capital, where the record date for entitlement to that dividend occurred prior to the Record Date).

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8.2 Quotation of Scheme Consideration

WAM Capital will do everything reasonably necessary to ensure that trading in the New WAM Capital Shares commences by the first Business Day after the Implementation Date.

8.3 Appointment of WAM Capital as attorney and agent

On the Effective Date, each Scheme Participant, without need for any further act, irrevocably appoints WAM Capital and each of its directors and officers, jointly and severally, as that Scheme Participant's attorney and agent for the purpose of executing any form of application required for Scheme Consideration to be issued to that Scheme Participant under this Scheme.

8.4 Scheme Participants bound

Each Scheme Participant agrees, for all purposes including section 231 of the Corporations Act, to:

(a) become a member of WAM Capital and to accept the Scheme Consideration issued to them in accordance with this Scheme subject to, and to be bound by, WAM Capital's constitution and other constituent documents; and

(b) have their name and address entered into the WAM Capital Register.

9 General Scheme provisions

9.1 Consent to Court amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

(a) Westoz may by its counsel consent on behalf of all persons concerned to those alterations or conditions; and

(b) each Scheme Participant agrees to any such alterations or conditions to which counsel for Westoz has consented.

9.2 Further action by Westoz

Each Scheme Participant irrevocably consents to Westoz doing all things (on its own behalf and on behalf of each Scheme Participant) necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it.

9.3 Warranties by Scheme Participants

(a) Each Scheme Participant acknowledges that this Scheme binds Westoz and all Scheme Participants, including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting.

(b) Each Scheme Participant:

(i) agrees to the transfer of their Scheme Shares together with all rights and entitlements attaching to those shares in accordance with this Scheme;

(ii) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares, as relevant, constituted by or resulting from this Scheme; and

(iii) agrees to, at the direction of WAM Capital, destroy any share certificates relating to their Scheme Shares.

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(c) Each Scheme Participant is taken to have warranted to WAM Capital, and appointed and authorised Westoz as its attorney and agent to warrant to WAM Capital, that it has no existing rights to be issued any Westoz Shares, Westoz options, Westoz convertible notes or any other Westoz securities.

(d) Each Scheme Participant is taken to have warranted to WAM Capital, and appointed and authorised Westoz as its attorney and agent to warrant to WAM Capital, that:

(i) all of its Scheme Shares transferred to WAM Capital under this Scheme, including any rights and entitlements attaching to those shares, will, at the date of transferring them, be fully paid and free from all:

(A) Encumbrances; and

(B) restrictions on transfer of any kind (but acknowledging that a security interest holder may potentially have an interest in the Scheme Consideration in accordance with the terms of that security interest); and

(ii) it has full power and capacity to transfer its Scheme Shares to WAM Capital together with any rights and entitlements attaching to those shares under the Scheme.

(e) Westoz undertakes that it will provide the warranties in clauses 9.3(c) and 9.3(d) to WAM Capital as agent and attorney of each relevant Scheme Participant.

9.4 Title to and rights in Scheme Shares

(a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements) transferred under this Scheme to WAM Capital will, at the time of transfer to WAM Capital, vest in WAM Capital free from all:

(i) Encumbrances; and

(ii) restrictions on transfer of any kind.

(b) Immediately upon the provision of the Scheme Consideration to each Scheme Participant in the manner contemplated in clause 5, WAM Capital is beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Westoz of WAM Capital in the Share Register as the holder of those Scheme Shares.

9.5 Appointment of sole proxy

Immediately upon the Scheme Consideration being issued by WAM Capital to each Scheme Participant under clause 5 and until Westoz registers WAM Capital as the holder of all Scheme Shares in the Share Register:

(a) each Scheme Participant is deemed to have appointed WAM Capital as attorney and agent (and to have directed WAM Capital in that capacity) to appoint any director, officer, secretary or agent nominated by WAM Capital as its sole proxy and where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution whether in person, by proxy or by corporate representative;

(b) no Scheme Participant may itself attend or vote at any shareholders' meetings or sign any shareholders' resolutions, whether in person, by proxy or by corporate representative (other than under clause 9.5(a));

(c) each Scheme Participant must take all other actions in the capacity of a registered holder of Scheme Shares as WAM Capital reasonably directs; and

(d) each Scheme Participant acknowledges and agrees that in exercising the powers conferred by clause 9.5(a), WAM Capital and any director, officer, secretary or agent nominated by WAM Capital under that clause may act in the best interests of WAM Capital as the intended registered holder of the Scheme Shares.

9.6 Authority given to Westoz

Each Scheme Participant, without the need for any further act, irrevocably appoints Westoz and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

(a) enforcing the Deed Poll against WAM Capital;

(b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including executing any share transfer forms,

and Westoz accepts that appointment.

Westoz, as attorney and agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 9.6 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

9.7 Scheme binding

Each of the Scheme Participants:

(a) irrevocably consents to Westoz and WAM Capital doing all things necessary or expedient for or incidental to the implementation of this Scheme; and

(b) acknowledges that this Scheme binds Westoz and all of the Scheme Participants (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Westoz.

10 General

10.1 Stamp duty

(a) WAM Capital will:

(i) pay or reimburse all stamp duty, registration fees and any similar taxes payable or assess as being payable (if any) and any related fines and penalties payable on or in respect of this Scheme; and

(ii) indemnify each Scheme Participant against, and agrees to reimburse and compensate it, for any liability arising from failure to comply with clause 10.1(a)(i).

(b) However, WAM Capital need not pay, reimburse or indemnify against any fees, fines, penalties or interest to the extent they have been imposed because of Westoz's delay.

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10.2 Notices

(a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Westoz, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Westoz's registered office or at the office of Computershare.

(b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Westoz Shareholder does not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting

10.3 Governing law

The law in force in Western Australia governs this Scheme. The parties submit to the non-exclusive jurisdiction of the courts of that place and waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

10.4 Serving documents

Without preventing any other method of service, any document in an action in connection with this Scheme may be served on a party by being delivered or left at that party's address set out in the Details.

10.5 Further action

Westoz must promptly execute all documents and do all acts and things as may be necessary or expedient (on its own behalf and on behalf of each Scheme Participant) to implement and give full effect to this Scheme in accordance with its terms.

10.6 No liability when acting in good faith

Without prejudice to each parties' rights under the Scheme Implementation Agreement, each Scheme Participant agrees that Westoz, WAM Capital and their respective directors, officers, secretaries and employees will not be liable for anything done or omitted to be done in performance of this Scheme or the Deed Poll in good faith.

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Annexure C – Deed Poll

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Scheme Deed Poll

WAM Capital Limited (ACN 086 587 395)

(**WAM Capital**)

In favour of each Scheme Participant

MILLS OAKLEY
Level 7, 151 Clarence Street
SYDNEY NSW 2000
Telephone: +61 2 8289 5800
Facsimile: +61 2 9247 1315
DX 13025, SYDNEY MARKET STREET
www.millsoakley.com.au

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Details

Date	22 December 2021
BY	WAM Capital Limited (ACN 086 587 395) of Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000 (**WAM Capital**)
IN FAVOUR OF	Each person who is a Westoz Shareholder at the Record Date, other than WAM Capital (**Scheme Participants**)

Recitals

A. WAM Capital and Westoz have entered into the Scheme Implementation Agreement, under which WAM Capital has agreed to enter into this deed.

B. Westoz has agreed in the Scheme Implementation Agreement, subject to the satisfaction or waiver of certain conditions, to propose the Scheme.

C. Under the Scheme, all Scheme Shares held by Scheme Participants will be transferred to WAM Capital for the Scheme Consideration.

D. WAM Capital is entering into this deed to covenant in favour of the Scheme Participants that it will observe and perform its obligations under the Scheme.

Terms and Conditions

1 Definitions and Interpretation

1.1 Defined terms

In this deed:

Controller has the meaning given in the Corporations Act.

Details means the section of this deed headed "Details".

A person is **Insolvent** if:

(a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or

(b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property; or

(c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement); or

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(d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 14 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of the things described in paragraphs (a), (b) or (c); or

(e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or

(f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this agreement reasonably deduces it is so subject); or

(g) it is otherwise unable to pay its debts when they fall due; or

(h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Westoz and the Scheme Participants in respect of all Scheme Shares in the form agreed in writing between Westoz and WAM Capital, subject to any amendment or modification made under section 411(6) of the Corporations Act and agreed to in writing by Westoz and WAM Capital.

Westoz Directors means the directors of Westoz.

All other words and phrases used in this deed have the meaning given to them in the Scheme.

1.2 Interpretation

The rules for interpretation specified in clause 1.2 of the Scheme apply in interpreting this deed unless the context otherwise requires, except that references to 'this Scheme' are to be read as references to 'this deed'.

1.3 Nature of deed poll

WAM Capital acknowledges that:

(a) this deed may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not party to it; and

(b) under the Scheme, each Scheme Participant irrevocably appoints Westoz and any of the Westoz Directors (jointly and each of them severally) as its agent and attorney to enforce this deed against WAM Capital.

2 Condition precedent and termination

2.1 Condition

WAM Capital's obligations under clause 3 are subject to the Scheme becoming Effective (other than clause 3.1(a), which applies on and from the date of this deed).

2.2 Termination

If:

(a) the Scheme Implementation Agreement is terminated in accordance with its terms before the Scheme becomes Effective; or

(b) the Scheme does not become Effective on or before the End Date,

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then WAM Capital's obligations under this deed automatically terminate and the terms of this deed are of no further force or effect, unless WAM Capital and Westoz otherwise agree in writing.

2.3 Consequences of termination

If this deed is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to WAM Capital or the Scheme Participants:

(a) WAM Capital is released from its obligations to further perform this deed except those obligations contained in clause 7.4 and any other obligations which by their nature survive termination; and

(b) each Scheme Participant retains any rights, power or remedies it has against WAM Capital in respect of any breach of this deed by WAM Capital that occurred before termination of this deed.

3 Obligations and Scheme Consideration

3.1 Performance of obligations generally

(a) WAM Capital must comply with its obligations under the Scheme Implementation Agreement and do all acts and things necessary or desirable on its part to give full effect to the Scheme.

(b) Subject to clause 2, WAM Capital undertakes in favour of each Scheme Participant to perform the actions attributed to it under the Scheme as if it were a party to the Scheme.

3.2 Undertaking to provide Scheme Consideration

Subject to clause 2, WAM Capital undertakes in favour of each Scheme Participant to:

(a) provide or procure the provision of the Scheme Consideration to each Scheme Participant (or to the Sale Agent in respect of Ineligible Overseas Shareholders) in accordance with the terms of the Scheme; and

(b) undertake all other actions attributed to it under the Scheme.

4 Representations and warranties

WAM Capital represents and warrants to each Scheme Participant that:

(a) **(status)** it is a company limited by shares and validly existing under the laws of its place of incorporation, and has power and authority to own its assets and carry on its business as it is now being conducted;

(b) **(power)** it has full legal capacity and power to enter into this deed and to carry out the transactions that this deed contemplates;

(c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its entry into this deed and its carrying out of the transactions this deed contemplates;

(d) **(deed effective)** this deed constitutes legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping;

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(e) **(rank equally)** the New WAM Capital Shares to be issued as Scheme Consideration under the Scheme will:

(i) be validly issued;

(ii) be fully paid;

(iii) be free from any Encumbrance;

(iv) rank equally in all respects with all existing WAM Capital Shares on issue as at the Implementation Date (other than in respect of any dividend already declared or determined and not yet paid by WAM Capital, where the record date for entitlement to that dividend occurred prior to the Record Date); and

(v) be approved for official quotation by ASX, subject to any conditions which ASX may reasonably require and which are acceptable to both WAM Capital and Westoz, acting reasonably and promptly;

(f) **(no restrictions)** this deed does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound; and

(g) **(solvency)** it is not Insolvent.

5 Continuing obligations

This deed is irrevocable and, subject to clause 2, remains in full force and effect until:

(a) WAM Capital has completely performed its obligations under this deed; or

(b) the earlier termination of this deed under clause 2.2.

6 Variation and assignment

6.1 Variation

This deed or any right created under it may not be varied, altered or otherwise amended unless:

(a) before the Second Court Date:

(i) Westoz and WAM Capital agree to that variation, alteration or amendment in writing; and

(ii) the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme; or

(b) on or after the Second Court Date, WAM Capital agrees to a variation in writing as approved by the Court,

in any of which events, WAM Capital must enter into a further deed poll in favour of Scheme Participants giving effect to that variation.

6.2 Assignment

The rights and obligations of a person under this deed are personal. They cannot be assigned, novated, encumbered, charged or otherwise dealt with at law or in equity without the prior written consent of WAM Capital, and any purported dealing in contravention of this clause 6.2 is invalid.

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7 General

7.1 Notices

Unless expressly stated otherwise in this deed, all notices, certificates, consents, approvals, waivers and other communications in connection with this deed must be in writing and sent to the address stated in the Details, or as otherwise advised by WAM Capital from time to time, and marked to the attention of the person stated in the Details.

7.2 Governing law

(a) This deed is governed by the laws in force of Western Australia.

(b) The parties irrevocably submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with the Scheme, and waive any right they might have to claim that those courts are an inconvenient forum.

7.3 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Details.

7.4 Stamp duty and registration fees

WAM Capital must:

(a) pay or reimburse all stamp duty, registration fees and any similar taxes payable or assessed as being payable, including any related fines, interest and penalties, in respect of or in connection with this deed, the performance of this deed and each transaction effected by or made or any instrument executed under this deed or the Scheme, including the transfer of the Scheme Shares to WAM Capital under the Scheme; and

(b) indemnify each Scheme Participant against, and agrees to reimburse and compensate it, for any liability arising from failure to comply with clause 7.4(a),

however, WAM Capital need not pay, reimburse or indemnify against any fees, fines, penalties or interest to the extent they have been imposed because of Westoz's delay.

7.5 Cumulative rights

The rights, powers and remedies of WAM Capital and the Scheme Participants under this deed are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed.

7.6 Waiver of rights

(a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement, of a right provided by law or under this deed by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right provided by law or under this deed.

(b) A waiver or consent given by a party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.

(c) No waiver of a breach of a term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.

7.7 Consent

WAM Capital consents to Westoz producing this deed to the Court.

7.8 Further assurances

WAM Capital must promptly do all further acts and execute and deliver all further documents (on its own behalf or on behalf of each Scheme Participant) necessary or desirable to give full effect to this deed and the transactions contemplated by this deed.

7.9 Severability

If the whole or any part of a provision of this deed is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this deed has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause 7.9 has no effect if the severance alters the basic nature of this deed or is contrary to public policy.

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Execution page

EXECUTED as a deed poll

EXECUTED by **WAM CAPITAL LIMITED (ACN 086 587 395)** in accordance with section 127 of the *Corporations Act 2001* (Cth):

REDACTED

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Annexure D – Notice of Scheme Meeting

Notice of Scheme Meeting of Westoz Shareholders

Notice is hereby given that, by order of the Supreme Court of Western Australia (**Court**) made on 28 February 2022 pursuant to section 411(1) of the Corporations Act, a meeting of Westoz Shareholders will be held virtually on 4 April 2022 commencing at 10:00am (WST).

The Court has also directed that Mr Jonathan Murray act as chairperson of the Scheme Meeting, or failing him, Mr Toby Hicks, and has directed the chairperson to report the result of the Scheme Meeting to the Court.

Westoz Shareholders will be able to participate in the Scheme Meeting, vote and ask questions, from smartphones, tablets or desktop devices through an online platform, details of which are set out in Section 5.2.

For instructions on how to participate online please view the online meeting user guide at http://www.computershare.com.au/virtualmeetingguide.

Purpose of the Scheme Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree (with or without any alterations or conditions agreed and approved by the Court or any alterations or conditions required by the Court to which Westoz and WAM Capital agree) to a scheme of arrangement (the **Scheme**) proposed to be made between Westoz and Westoz Shareholders.

A copy of the Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet of which this Notice forms part. Terms and abbreviations used (and not otherwise defined) in this Notice have the same meaning as set out in the glossary of defined terms in Section 17 of the Scheme Booklet.

Resolution – Approval of Scheme

The Scheme Meeting will be asked to consider, and if thought fit, to pass (with or without any alterations or conditions agreed or any alterations or conditions required by the Court) the following resolution:

> *"That pursuant to and in accordance with section 411 of the Corporations Act, the members agree to the arrangement proposed between Westoz Investment Company Limited and the holders of its fully paid ordinary shares, designated the **Scheme**, as contained in and more particularly described in the Scheme Booklet accompanying the notice convening this meeting (with or without any alterations or conditions agreed or any alterations or conditions required by the Court) and, subject to approval of the Scheme by the Court, the Board of Directors of Westoz Investment Company Limited is authorised to implement the Scheme with any such alterations or conditions."*

DATED 28 February 2022

BY ORDER OF THE COURT

_____

Anthony Hewett
Company Secretary

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NOTES TO THE NOTICE OF COURT ORDERED SHARE SCHEME MEETING

General

This notice should be read in conjunction with the entire Scheme Booklet of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the proposed resolution. The Scheme Booklet includes a copy of the Scheme (refer Annexure B) and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme (the explanatory statement being all Sections of this Scheme Booklet, other than this Annexure D).

Majority Required

In accordance with section 411(4)(a)(ii) of the Corporations Act, the resolution to approve the Scheme must be passed at the Scheme Meeting by:

- unless the Court orders otherwise, a majority in number (more than 50%) of the Westoz Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a Westoz Shareholder that is a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the resolution by Westoz Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a Westoz Shareholder that is a corporation, by corporate representative).

Court Approval

In accordance with section 411(4)(b) of the Corporations Act, to become Effective, the Scheme (with or without any alterations or conditions agreed or any alterations or conditions required by the Court) must also be approved by an order of the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC. If the resolution put to the Scheme Meeting is passed by the majority required, and the other Scheme Conditions (other than approval by the Court) are satisfied or waived by the time required under the Scheme, Westoz intends to apply to the Court for the necessary orders to approve the Scheme.

Westoz Shareholders who are Entitled to Vote

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining a person's entitlement to vote at the Scheme Meeting is 10:00am (WST) on 2 April 2022. Only those Westoz Shareholders entered on the Westoz Register as at that time will be entitled to attend and vote at the Scheme Meeting either in person, by proxy, by attorney or, in the case of a Westoz Shareholder that is a corporation, by corporate representative. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

How to Vote

Voting at the Scheme Meeting will be by poll.

Westoz Shareholders can vote in one of the following ways:

- by attending the Scheme Meeting (virtually) and voting in person or by attorney or, in the case of a Westoz Shareholder that is a corporation, by corporate representative; or
- by appointing one or more proxies to attend and vote on their behalf, using the Proxy Form enclosed with the Scheme Booklet or lodging a proxy vote online in accordance with the instructions on the Proxy Form.

Attendance

To participate in the meeting, you can log in by entering the following URL *https://meetnow.global/MHCSQNQ* on your computer, tablet or smartphone.

Online registration will open 30 minutes before the meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details.

To participate in the meeting online follow the instructions below.

1. Click on 'Join Meeting Now'.

2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 three hours prior to the meeting to obtain their login details.

3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.

4. Accept the Terms and Conditions and 'Click Continue'.

For instructions on how to participate online please view the online meeting user guide at http://www.computershare.com.au/virtualmeetingguide.

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Corporate Directory

Westoz Investment Company Limited

Directors

Jay Hughes

Simon Joyner

Terry Budge

Company Secretary

Anthony Hewett

Registered & Principal Office

Level 18, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Solicitors

Steinepreis Paganin
Level 4
16 Milligan Street
PERTH WA 6000

Auditor

Ernst & Young
11 Mounts Bay Road
PERTH WA 6000

Share Registry

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
PERTH WA 6000

WAM Capital Limited

Directors

Geoff Wilson AO (Chairman)

Dr. Philippa Ryan

James Chirnside

Lindsay Mann

Matthew Pancino

Kate Thorley

Joint Company Secretaries

Jesse Hamilton and Linda Kiriczenko

Registered & Principal Office

Level 26, Governor Phillip Tower
1 Farrer Place
SYDNEY NSW 2000

Solicitors

Mills Oakley
Level 7
151 Clarence Street
SYDNEY NSW 2000

Auditor

Pitcher Partners
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