

ASX Limited  
Exchange Centre, 20 Bridge Street  
Sydney NSW 2000

### **Management Services Agreement - ASX waiver and other details**

Benjamin Hornigold Ltd (**Company**) advises that ASX has granted a waiver from listing rules 15.16(b) and 15.16(c) and consequently the initial term of the Management Services Agreement with John Bridgeman Limited (**Manager**) will be ten years.

The Company also provides the following information in respect of the Management Services Agreement:

- 1. How the Company proposes to manage its assets or business after the Management Services Agreement expires.*

Prior to the expiry of the Management Services Agreement, the Company will seek competitive tenders from several investment management companies which it believes may have the relevant skills, expertise and experience to manage the portfolio of the Company as it has developed at that stage. The Company will then make a decision to appoint an investment manager on the basis of that information.

- 2. Whether the Company is precluded from appointing someone else to provide services of the kind being provided by the Manager.*

The Company is not precluded from appointing another party to provide services of the kind being provided by the Manager under the Management Services Agreement.

- 3. Any right the Manager may have to be issued securities of the Company including, where applicable, the number of securities in question and the basis on which the issue price will be calculated.*

The Management Services Agreement does not grant any right to the Manager to be issued any securities of the Company.

- 4. A summary of any provisions that allow the consideration to be paid or provided by the Company to the Manager to be reviewed or varied over the term of the Management Agreement.*

Clause 7 and Schedule 1 of the Management Services Agreement set out the consideration payable to the Manager, and the method of calculation of such consideration. Any review or amendment to such consideration may only occur in accordance with clause 22 of the agreement, which provides that such variation must be in writing and signed, and if material, must have both the consent of the Manager, and be approved by an ordinary resolution of the ordinary shareholders of the Company at general meeting. A proposed increase in consideration will be considered material and therefore subject to such consent and approval.

- 5. The circumstances in which the Manager has the right to terminate the Management Agreement.*

The Manager may only terminate the Management Services Agreement if it has given at least three months' written notice to the Company.

6. *How the Company proposes to manage its assets or business if the Management Agreement is terminated before its scheduled expiry.*

Termination of the Management Services Agreement before its scheduled expiry may occur if either party ceases to carry on business or enters into any kind of liquidation or winding up process. It may also occur if the Manager or the Company decides to terminate the agreement in accordance with clause 11 of the agreement. Any termination by the Manager requires three months' notice to be given to the Company. Any termination by the Company for material and substantial breach of this agreement by the Manager, requires the Company to give written notice to the Manager specifying the breach and allowing 14 days within which to remedy the breach. In addition, if the agreement is extended beyond the Initial Term, the shareholders of the Company at a general meeting called for that purpose may resolve by ordinary resolution to terminate the agreement upon three months' written notice to the Company.

Each of these circumstances of termination provide a period during which the Company has the opportunity to seek competitive tenders from alternative investment management companies which it believes may have the relevant skills, expertise and experience to manage the portfolio of the Company. Management and Board members will have sufficient knowledge of the industry to identify an appropriate manager within the time required.

7. *Whether shareholder approval is required, or will be sought, for any material amendment to the Management Agreement.*

In accordance with clause 22 of the Management Services Agreement, material changes to the Management Services Agreement require both the written consent of the Manager and the approval by ordinary resolution of the ordinary shareholders in general meeting.

8. *If the Manager is permitted to provide management services to someone else of a similar kind to those being provided to the Company, what processes will the Manager have in place to protect the confidentiality of information related to the Company and its assets under management and to manage any potential conflicts that may arise between the interests of its various clients.*

The Manager may provide management services to any third party of a kind similar to those being provided to the Company. In such circumstances, the Manager will comply with its processes to:

- (a) protect the confidentiality of information related to the Company and assets under management by internal controls, monitoring and supervision, including:
- i. ensuring all digital and physical copies of such information is kept and maintained separately from the confidential information of other clients;
  - ii. imposing obligations of confidentiality on all management and staff who may have access to information from several clients, and providing training in relation to confidentiality obligations for all relevant management and staff; and
- (b) manage potential conflicts of interest that may arise between the interests of its various clients in accordance with its Conflicts of Interest Policy. Under this policy, conflicts will be managed by using the following three mechanisms:
- i. Controlling conflicts of interest using internal controls, reporting structures, monitoring and supervision;
  - ii. Avoiding conflicts of interest which are of such a magnitude that disclosure or some other form of control is an inadequate remedy; and

- iii. Disclosing conflicts of interest where the conflicts are not of a serious magnitude or can be effectively dealt with through control methods.

9. *If the Manager is empowered to engage a related party to provide ancillary services (for example, to provide brokerage or advisory services in relation to any acquisition or disposal of assets), what processes will be in place to ensure that this power is properly exercised and that any fees charged to the Company for the provision of those ancillary services are appropriate and reasonable.*

If the Manager is considering engaging a related party to provide ancillary services, the Manager will comply with its Conflicts of Interest Policy, which requires it to evaluate the remuneration/consideration being paid, any competing obligations to other clients, the nature of its relationship with the related party, and to make appropriate disclosure. In evaluating any fees to be paid to a related party, the Manager must have reference to market and industry practices, the implications of the arrangement on the Company and its business plan, any risks associated with the arrangement, the commerciality of the terms of the arrangement, and whether the terms were reasonable in the circumstances as if the parties were dealing at arm's length.

In addition, the Board of the Company will ensure that in considering any agreement or proposal presented to the Board, any representative of the Manager on the Board of the Company declares the interest and refrains from voting on the proposal.

10. *Any provisions triggered by a change of control of the Company or the Manager.*

The Management Services Agreement does not contain any provisions that are triggered by a change of control of the Manager or the Company.

11. *Any option, pre-emptive right, right of first refusal or other right the Manager may have to acquire any of the assets under management.*

The Manager has no option, pre-emptive right, right of first refusal or other right to acquire any of the Company's assets under management under the Management Services Agreement.