

2 March 2018

ASX Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Attention: Company Announcements

Aurora Funds Management Limited – Director Appointment

- **Aurora appoints Mr Tony Hartnell AM, as Independent Chairman**
- **Aurora focusses on corporate governance and correcting public perception**

Aurora Funds Management Limited (“Aurora”) is an Australian-based alternative asset manager specialising in absolute-return investment strategies.

Aurora’s current ownership group purchased the business on 30 June 2016. At the time of purchase, Aurora’s business was in distress, primarily due to a significant investment made by the former managers in an ASX-listed convertible note that had run into financial difficulty, which had ultimately caused it to freeze certain fund liquidity. Having inherited this illiquid position, the incoming Group worked diligently to restore liquidity for the funds, allowing circa \$50 million of redemptions to be processed shortly after its purchase.

The incoming Group was led by John Patton. John had been a partner with Ernst and Young and prior to that, was Chief Financial Officer of a gas transmission business owned by the Hastings Diversified Utilities Fund.

The Group has sought to keep Aurora’s business independent. However, an impression has apparently been formed in some parts of the market that the business is associated with, in particular, its former owner Keybridge. Despite Keybridge retaining the management rights of one of Aurora’s funds (HHY Fund), and Aurora complying with its obligations under that arrangement, that impression is not correct.

This unfortunate impression was entrenched by recent findings in the Takeovers Panel where share acquisitions in an ASX company, Molopo Energy Limited, by each of Aurora and Keybridge had to be unwound. That position has been vigorously denied by Aurora, with the legality of the decision currently subject to judicial review in the Federal Court (NSW).

The Group has also had to deal with challenges associated with a financial theft, that resulted in the immediate termination of its long standing Chief Financial Officer (Ms Betty Poon), replacement of its auditor (Deloitte) and a review of its share registry service provider (Registry Direct).

The Group has continued its focus on rebuilding Aurora and becoming a sustainable funds management business. The key areas of focus for the Group include improving investor returns and correcting public perception, particularly around corporate governance. Aurora management recognises that it needs increased focus in these areas if it is to be seen by investors and the wider market, as what it believes it is – a truly independent, professional and proficient funds management business.

An important step in this direction is to appoint a new independent director to the Aurora Board. Mr Tony Hartnell AM has accepted our invitation to join the Board and to participate in working on the development of transparency, professionalism and independence.

Mr Tony Hartnell AM, who was previously the inaugural Chairman of what is today known as the Australian Securities and Investment Commission (ASIC), is a very welcome addition to the Aurora Board.

A copy of Mr Hartnell's CV is attached.

Yours faithfully
Aurora Funds Management Limited
as responsible entity for
Aurora Dividend Income Trust

A handwritten signature in dark ink, appearing to read 'Adrian Martin', written in a cursive style.

Adrian Martin
Company Secretary

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ANTHONY GEOFFREY HARTNELL, AM

Legal Practice

- A Founding Partner – Atanaskovic Hartnell, January 1994 to date
- Formerly a Partner of Allen Allen & Hemsley, July 1980 – June 1990 & January 1993 – December 1993
- Deputy Secretary, Department of Business & Consumer Affairs 1976-1979
- Senior Assistant Secretary, Australian Attorney-Generals Department, 1974-1975

Other Experience

- Chairman, Australian Securities Commission 1989-1992 (Inaugural)
- Chairman, National Companies & Securities Commission 1990-1991
- Member, Companies & Securities Advisory Committee 1990-1992
- Member, Trade Development Council 1987-89
- Director, Australian Film Finance Corporation Pty Ltd 1988-1990
- Special Legal Adviser, Australian Government Inquiry into Telecommunications 1985
- Member, Trade Practices Act Review Committee 1976 (Swanson Committee)
- Visiting Professor of Law, University of Newcastle
- Visiting lecturer, Sydney University Law School, LLM course
- Chief Legal Counsel - Bankers Trust Australia Group 1997
- Member, Australian Law Reform Commission Advisory Committee on the Adversarial System of Litigation
- Contributor to Butterworths Corporations Law Service
- Chairman NSW Thoroughbred Racing Board 2000-2004

Current Public Directorships

- Allegra Orthopaedics Limited

Major Areas of Specialisation

Corporate and Commercial Law, particularly, regulatory issues, corporate financing, takeovers, trade practices and collective investments, with more recent emphasis on investigations and enforcement actions.

University Qualifications

B Ec (ANU), LLB (Hons)(ANU), LLM (Highest Hons) (Geo. Washington Uni)

Honours

- Order of Australia (AM)
- Centenary Medal 2003

Other

Proprietor of Meringo Stud, Moruya NSW