

ASX: TBH

24 March 2016

## ENGAGEMENT OF ADVISORY SUPPORT AND CHANGE TO DIRECTORS' INDEPENDENCE STATUS

TopBetta Holdings Limited (ASX: TBH) (**TopBetta** or the **Company**) today announces its entry into consulting agreements with each of Ferghana Capital Pty Ltd (**Ferghana**) (a company controlled by non-executive Director, Matthew Cain) and Simon Dulhunty Media Solutions Company Pty Ltd (**SDMSC**) (a company controlled by non-executive Director, Simon Dulhunty) to formalise the provision of specialist advisory services to the Company which are in addition to the Directors' services as non-executive Directors of the Company. The key terms of these Consultancy Agreements are set out in the attached schedule.

SDMSC has been engaged to provide ongoing specialist consulting services relating to media relations, digital advisory, content and publishing advisory, business development and partnerships, issue and crisis management and staff training and development.

Ferghana has been engaged to provide ongoing specialist consulting services relating to strategic advice relating to the racing and wagering industry, merger and acquisition advisory support and communications and marketing support.

In response to the various needs of the Company since listing on ASX, Messers Dulhunty and Cain have offered their respective additional services to the Company on an informal basis which have proven to be integral to the implementation of the Company's strategy and growth of the Company's business. Accordingly, the non-interested Directors of TopBetta have sought to negotiate and formalise these arrangements on arms length terms and believe that the agreements with, and additional commitment, services and support to be provided by, each of SDMSC and Ferghana provide significant value for the Company.

The non-interested Directors of TopBetta have considered these additional relationships and believe that the scope of these arrangements will not affect the Directors' ability to bring an independent judgment to Board matters or otherwise affect their duties as non-executive Directors of the Company. However, in the interests of corporate governance, the Company advise that Mr Cain and Mr Dulhunty are no longer considered 'independent' in accordance with the factors set out in Box 2.3 of the ASX Corporate Governance Council, Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition (**ASX Principles and Recommendations**). The non-interested Directors of TopBetta believe that the Company is not presently of a size or complexity which justifies the appointment of additional independent directors to meet these independence recommendations of the ASX Principles and Recommendations.

Due to the above changes, the Board felt that it was in the interests of good corporate governance to appoint Mr Nick Chan, the Company's remaining independent Director, as Chair of the Nomination & Remuneration Committee in place of Mr Cain.

Accordingly, as a result of the above changes, TopBetta will no longer comply with the following ASX Principles and Recommendations:

1. Recommendation 2.4: The Board now comprises one independent non-executive director (Mr Nick Chan, Chair), two non-independent non-executive directors (Messers Dulhunty and Cain) and one executive Director (Mr Buckingham, Managing Director) and accordingly, will not comprise a majority of independent directors; and
2. Recommendations 2.1, 4.1, 7.1 and 8.1: Mr Cain will continue to chair TopBetta's Audit & Risk Committee and accordingly, this Committee will not be chaired by an independent Director or comprise a majority of independent Directors. Further, whilst the appointment of Mr Chan as Chair of the Nomination & Remuneration Committee allows this Committee to be chaired by an independent Director, this Committee will not comprise a majority of independent Directors.

Despite no longer satisfying the abovementioned ASX Principles and Recommendations, the Board of Directors believe that the Board and each Committee will continue to have the appropriate balance of skills, knowledge, experience and independence to enable the Board and each Committee to discharge its respective duties and responsibilities effectively.

In discussing these changes to the Board's composition, Todd Buckingham, Managing Director, stated *"We are grateful to both Matt and Simon that they have been able to commit so much time to TopBetta through the early stages and the Company is at a point where it is all hands on deck. We have been able to close some fantastic deals through the connections of our board and this will be further enhanced through these agreements."*

*We will continue our search for other executives to add to our team".*

**For further Information, please contact:**

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## SCHEDULE

### Summary of the key terms and conditions of the Consultancy Agreements with SDMSC and Ferghana:

1. **SDMSC Services:** SDMSC is to provide the following services to TopBetta:
  - a. media relations and communications;
  - b. digital product advisory;
  - c. content and publishing advisory;
  - d. business development and partnerships;
  - e. corporate communications;
  - f. issue and crisis management; and
  - g. staff training and development.
2. **Ferghana Services:** Ferghana is to provide the following services to TopBetta:
  - a. assistance with execution of the corporate strategy;
  - b. specialist strategic advice relating to the racing and wagering industry;
  - c. corporate and investor advisory support; and
  - d. direct communication and marketing support to the Managing Director.
3. **Term:** Both Consultancy Agreements commence on 24 March 2016 and continue until terminated in accordance with the terms of the agreement.
4. **Termination:** Each Consultancy Agreement may be terminated by either party with 20 Business Days notice (amongst other standard termination rights).
5. **Remuneration:** Each of Ferghana and SDMSC are to be paid \$10,000 (excl. GST) per month for the period 1 January 2016 until termination of the agreement.
6. **Non-compete:** Each of Ferghana, Matthew Cain, SDMSC and Simon Dulhunty are subject to non-compete and non-solicitation restrictions during the Term and for a maximum period of six months from the date of termination of the agreement, and within a maximum area of Australia.
7. **Interaction with Non-Executive Director Duties:** Each Consultancy Agreement requires the relevant Director's obligations and duties as a Director of the Company to prevail to the extent of any inconsistency or conflict with their obligations under the Consultancy Agreement.