

JOHN.BRIDGEMAN

1 November 2018

JOHN BRIDGEMAN LIMITED
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National Stock Exchange of Australia Limited
1 Bligh Street
Sydney NSW 2000

Dear Sirs

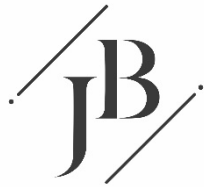
OFF-MARKET TAKEOVER BID FOR HENRY MORGAN AND BENJAMIN HORNIGOLD

I **attach** a copy of John Bridgeman Limited's (NSX: JBL) Bidder's Statements in respect of Henry Morgan Limited and Benjamin Hornigold Ltd.

The Bidder's Statements were lodged with ASIC and served on each of Henry Morgan Limited and Benjamin Hornigold Ltd after markets closed last night.

Yours faithfully

Kevin Mischewski
Company Secretary
John Bridgeman Limited



JOHN.BRIDGEMAN
LIMITED

BIDDER'S STATEMENT

OFFER BY JOHN BRIDGEMAN LIMITED

to acquire all of your shares in

HENRY MORGAN LIMITED

for

0.95 JBL Shares for each of your HML Shares

**HML'S VOTING DIRECTORS UNANIMOUSLY
RECOMMEND THAT YOU ACCEPT THIS OFFER
IN THE ABSENCE OF A SUPERIOR PROPOSAL**

The Offer is dated 6 November 2018 and will close at 7.00pm (Sydney time) on 7 December 2018, unless extended.

Please call 1300 963 991 (or +61 1300 963 991 for overseas domiciled holders) if you require assistance with your acceptance.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR
IMMEDIATE ATTENTION**

**If you are in any doubt as to how to deal with it, you should
consult your legal, financial or other professional adviser as soon
as possible**

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Important notices

This Bidder's Statement is given by John Bridgeman Limited ACN 603 477 185 (**JBL**) under part 6.5 Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire your shares in Henry Morgan Limited ACN 602 041 770 (**HML**).

This Bidder's Statement is dated 31 October 2018. It includes an Offer dated 6 November 2018 on the Offer Terms set out in Schedule 1.

You should read this Bidder's Statement in its entirety. A copy of this Bidder's Statement was lodged with ASIC, ASX and NSX on 31 October 2018. None of ASIC, ASX, NSX nor any of their officers takes any responsibility for the content of this Bidder's Statement.

Investment decisions

This Bidder's Statement does not take into consideration your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer for your HML Shares.

Forward looking statements

This Bidder's Statement contains certain forward looking statements and statements of current intention. The forward looking statements in this Bidder's Statement reflect views held at the date of this Bidder's Statement. Such statements are only predictions and are subject to inherent risks and uncertainties. The risks this Offer is subject to are discussed in detail under Section 9.

You should be aware that those statements involve inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and those deviations are both normal and to be expected.

None of JBL, its officers or any person named in this Bidder's Statement with their consent or involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statements, except to the extent required by law. You should not place undue reliance on those statements. Matters as yet not known to JBL or not currently considered material by JBL may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

Information regarding HML

The information contained in this Bidder's Statement on HML and HML Shares has been prepared by JBL using publicly available information.

None of that information has been independently verified by JBL. Accordingly, JBL does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to HML's business may be included in the Target's Statement, which HML must provide to its shareholders in response to this Bidder's Statement.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 13.1 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretations as in the Corporations Act.

Privacy statement

JBL has collected your information from the register of HML Shareholders. The Corporations Act permits information to be made available to certain persons, including JBL. Your information may also be disclosed on a confidential basis to JBL's related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC. You can contact us for details of information held by us about you.

How to accept

Acceptances for the Offer must be received before the close of the Offer Period.

There are different ways to accept the Offer depending on how you hold your HML Shares.

For CHESS Holdings

Instruct your stockbroker or other Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.

For Issuer Sponsored Holdings

Complete and sign the enclosed Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement and return it before the end of the Offer Period to:

BY HAND

Link Market Services Limited
Henry Morgan Limited (HML) Takeover
1A Homebush Bay Drive
Rhodes NSW 2138

BY MAIL (a reply paid envelope is enclosed)

Link Market Services Limited
Henry Morgan Limited (HML) Takeover
Locked Bag A14
Sydney South NSW 1235

Acceptance Form

The Acceptance Form which accompanies this Bidder's Statement forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer for your HML Shares.

Enquiries

If you are in any doubt how to deal with this document, you should consult your Broker or your legal, financial or other professional adviser.

If you have any questions about the Offer or how to accept it, please call the shareholder information line on 1300 963 991 (or +61 1300 963 991 for overseas domiciled holders) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

Offers to Foreign Shareholders

If you are a Foreign Shareholder, unless JBL otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with JBL Shares on acceptance of the Offer; and
- (b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

you will not be entitled to receive JBL Shares as consideration for your HML Shares.

If you are a Foreign Shareholder in Singapore, please refer to Schedule 4.

If you are a Foreign Shareholder and you accept the Offer or your HML Shares are compulsorily acquired, you will receive the cash amount calculated under clause 5.3 of Schedule 1.

Further information about the entitlement of a Foreign Shareholder is set out in section 12.10.

Key Dates

Announcement Date	10 September 2018
Bidder's Statement lodged with ASIC	31 October 2018
Date of Offer	6 November 2018
Close of Offer Period (unless extended)	7.00pm (Sydney time) on 7 December 2018



JOHN BRIDGEMAN
LIMITED

Dear HML Shareholder

The John Bridgeman Limited Offer

On behalf of John Bridgeman Limited (**JBL**), we are pleased to present JBL's Offer to acquire all of your shares in Henry Morgan Limited (**HML**).

The Offer Consideration is 0.95 JBL Shares for each HML Share you own.

In terms of comparing the value of the Offer Consideration with the value of your HML Shares, the Board of JBL believes it would be inappropriate to, for example, undertake a comparison of each company's share price, or net asset value (**NAV**) or net tangible asset (**NTA**) position, because of the following:

- Trading in the securities of HML has been suspended for over 12 months, and JBL is currently thinly traded. Accordingly, a comparison of the most recent trading price or VWAP of trading in shares would not accurately reflect the value of each company's shares.
- HML is a listed investment company, whose value is largely determined by the investment assets it owns. In contrast, JBL is an operating company whose value is based on its earnings streams and future earnings potential. Accordingly, a comparison of the NAV or NTA position of the companies would not be a like-for-like comparison.

The annual reports of each company provide the most up-to-date, audited financial information relevant to each entity and the JBL board recommends that you consider this information in making your decision in relation to the Offer.

You should also read this Bidder's Statement and HML's Target Statement (which will include an independent expert's report) carefully, and seek professional advice, if necessary, in order to make your own assessment of the Offer.

About JBL

JBL is an investment management company listed on the National Stock Exchange of Australia (**NSX**).

JBL was established in January 2015 with the following objectives:

- to build a diversified investment management business growing funds under management over the medium to long term;
- to invest in listed and unlisted companies which JBL believes will provide opportunities for moderate to high investment returns over the medium to long term;
- to grow a diversified income stream uncorrelated to traditional equity market investments through management fees received from managing the investments of third parties, as well as returns from direct investment in listed and unlisted structures;
- to provide investors with exposure to global markets through JBL's own investments; and
- to provide a low cost management company where key personnel are rewarded with long term options linked to the share price of JBL to ensure the board, key management and shareholders' interests are all aligned.

Benefits of the Offer

The directors of JBL believe that a merger of HML and JBL would be in the interests of the shareholders of both companies.

The JBL Offer provides two key benefits to all HML Shareholders.

1. An attractive Offer

The Board of JBL believes JBL's Offer represents value for your investment in HML.

The Offer Consideration is 0.95 JBL Shares for each HML Share you own.

2. A choice about the future

In making this offer, JBL is providing all HML Shareholders with the opportunity to exit their positions in HML, which has been suspended from trading since June 2017.

If this offer is successful, JBL will provide HML Shareholders with a choice about their future as a shareholder. HML Shareholders who accept the Offer will be given the opportunity to either:

- (a) remain a shareholder in JBL; or
- (b) sell their JBL Shares on market and exit their position.

We encourage you to read this Bidder's Statement for more details about the Offer and about JBL. If you have any questions on the Offer, please contact your legal, financial or other professional adviser or call the Shareholder information line on 1300 963 991 (or +61 1300 963 991 for overseas domiciled holders) on weekdays 9.00am and 5.00pm (Sydney time) or visit the JBL website at www.johnbridgeman.com.au.

HML Board support

The Voting Directors¹ of the HML Board unanimously recommend that HML Shareholders accept the Offer and have indicated their intention to do so for the HML Shares that they hold or control, unless there is a Superior Proposal.

Conditions of the Offer

The Offer is subject to a number of Defeating Conditions, including a 50.1 percent minimum acceptance condition. The terms of the Offer, including the Defeating Conditions, are set out in Schedule 1 and Schedule 2 to this Bidder's Statement.

We encourage you to read this Bidder's Statement for more details about the Offer and about JBL. The Offer is open for your acceptance until 7.00pm (Sydney time) on 7 December 2018, unless extended. If you wish to accept the Offer, please complete and return the enclosed Acceptance Form.

If you have any questions about the Offer, please contact your legal, financial or other professional adviser or call the shareholder information line on 1300 963 991 (or +61 1300 963 991 for overseas domiciled holders) on weekdays 9.00am and 5.00pm (Sydney time).

Concurrent offer

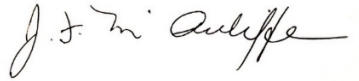
As announced by JBL on 10 September 2018, concurrently with the Offer, JBL has also made an off-market takeover bid for all of the shares and options in Benjamin Hornigold Limited (ASX: BHD). The offers are not interdependent. In other words, completion of JBL's Offer to acquire HML shares is not conditional upon the success of its takeover bid in respect of BHD.

¹ Voting Directors of HML means all of HML's non-conflicted directors. The Voting Directors are identified in section 12.7 of this Bidder's Statement.

The two offers could potentially result in various outcomes. Some of these potential outcomes are explored in Section 7 of this Bidder's Statement.

I look forward to your acceptance and welcoming you as a shareholder of John Bridgeman Limited.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. McAuliffe", is written over a light yellow rectangular background.

John McAuliffe
Chairman

1 Why you should accept JBL's Offer

1.1 HML Board support for the Offer

The HML Voting Directors² have unanimously recommended that you accept the Offer and have indicated their intention to do so for the HML Shares that they own or control, unless a Superior Proposal emerges.

1.2 The Offer represents attractive value to HML Shareholders

The JBL Board believes JBL's Offer provides attractive value to HML Shareholders.

The Offer Consideration is 0.95 JBL Shares for each HML Share you own.

In terms of comparing the value of the Offer Consideration with the value of your HML Shares, the Board of JBL believes it would be inappropriate to, for example, undertake a comparison of each company's share price, or NAV or NTA position, because of the following:

- Trading in the securities of HML has been suspended for over 12 months, and JBL is currently thinly traded. Accordingly, a comparison of the most recent trading price or VWAP of trading in shares would not accurately reflect the value of each company's shares.
- HML is a listed investment company, whose value is largely determined by the investment assets it owns. In contrast, JBL is an operating company whose value is based on its earnings streams and future earnings potential. Accordingly, a comparison of the NAV or NTA position of the companies would not be a like-for-like comparison.

The annual reports of each company provide the most up-to-date, audited financial information relevant to each entity and the JBL board recommends that you consider this information in making your decision in relation to the Offer.

Shareholders should also read this Bidder's Statement and HML's Target Statement (which will include an independent expert's report) carefully, and seek professional advice, if necessary, in order to make their own assessment of the Offer.

The implied value of the Offer will fluctuate with the JBL share price. Accordingly, if the JBL share price falls, the value of the Offer will also fall. Likewise, if the JBL share price rises, the value of the Offer will rise.

1.3 You will have an on-going interest in the merged JBL and HML business³

The merging of the businesses may lead to⁴:

- increased market capitalisation and on-market liquidity;
- streamlining of investment structures and processes;
- a stronger financial position of the merged entity, which may facilitate the payment of dividends to JBL shareholders in the future;

² Voting Directors of HML means all of HML's non-conflicted directors. The Voting Directors are identified in section 12.7 of this Bidder's Statement.

³ Assumes JBL attains a 100% interest in HML.

⁴ Realising synergies is a potential major benefit of merging JBL and HML, however, at the date of this Bidder's Statement, JBL is not able to reliably estimate the quantum or timing of potential synergies (or potential one-off costs which may need to be incurred in order for JBL to obtain such synergies) resulting from a merger with HML. Potential synergies may not be realisable unless JBL attains a 100% interest in HML.

- greater opportunity to consolidate business operations, restructure as appropriate and take advantage of future opportunities;
- consolidation of shared services (finance, administration and investor relations); and
- reduced governance and compliance costs.

1.4 A larger combined shareholder base and a significantly increased market capitalisation which may provide increased liquidity for both JBL and HML shareholders

The merger of JBL and HML could result in a significantly increased market capitalisation. This may provide increased liquidity for both JBL and HML shareholders.

1.5 A choice about your future

The Offer provides HML Shareholders a choice about their future as a shareholder. Subject to the Offer being successful, HML Shareholders who accept the JBL Offer will be able to exit their positions in HML, which has been suspended from trading since June 2017. Accepting HML Shareholders will then have the choice to either:

- remain a shareholder in JBL; or
- sell their JBL shareholdings on market and exit their position.

1.6 Capital gains tax relief

Capital gains tax rollover relief may be available for HML Shareholders in respect of the JBL Shares that they receive under the Offer. This relief may be available where the Offer is accepted by HML Shareholders holding at least 80 percent of the HML Shares on issue. See section 10 for a discussion of the risk of HML Shareholders not obtaining capital gains tax rollover relief.

1.7 There is no brokerage on accepting the Offer

On acceptance of this Offer, you will exchange your HML shares for JBL shares without incurring brokerage fees. Any such costs will be borne by JBL.

If you choose not to accept the Offer, should you wish to exchange your HML Shares for JBL shares, you may be required to sell your shares on market, and use the proceeds to purchase JBL shares. You may ordinarily be required to pay brokerage fees on both the sale and the purchase of shares.

1.8 There may be adverse consequences associated with not accepting the Offer

If you choose not to accept the Offer, you should be aware that:

- if JBL becomes entitled to compulsorily acquire your HML Shares, it intends to do so and if your HML Shares are compulsorily acquired, you will still receive the Offer Consideration for your HML Shares but at a later date than you would have received it if you had accepted the Offer;
- if JBL obtains 75 percent or more of HML Shares, it intends to seek removal of HML from the official list of ASX; and
- while there are many factors that will influence the market price of HML Shares, in the absence of the Offer or a competing bid it is likely that the HML Share price will fall below the value implied by the Offer.

2 Frequently asked questions about the Offer

Question	Answer
Important Notice	The information set out in this Section is a summary of JBL's Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement and the Target's Statement before deciding whether to accept the Offer.
Who is JBL?	John Bridgeman Limited (JBL) is a public company listed on the NSX. For more information about JBL, please see Section 4.
What is the Offer?	JBL is making an offer to acquire all your HML Shares. If you accept the Offer you will receive (subject to the conditions of the Offer being satisfied or waived) 0.95 JBL Shares for each HML Share you own.
Do the HML Directors support the Offer?	Yes, all Voting Directors have recommended that HML Shareholders accept the Offer and have indicated their intention to do so for the HML Shares that they own or control within seven days of the date of HML's Target's Statement, unless there is a Superior Proposal.
How long is the Offer open for?	The Offer opens on 6 November 2018 and is scheduled to close at 7.00pm (Sydney time) on 7 December 2018 (unless extended).
What are the conditions of the Offer?	<p>The Offer is subject to the following Defeating Conditions:</p> <ul style="list-style-type: none">(a) 50.1 percent minimum acceptance condition;(b) no Prescribed Occurrences;(c) no regulatory action;(d) obtaining any required Regulatory Approvals;(e) third party consents;(f) appropriately dealing with the HML Options; and(g) no Material Adverse Change. <p>This is only a summary of the key conditions. The conditions are set out in full in Schedule 2.</p> <p>JBL may choose to waive certain of the Defeating Conditions in accordance with the Offer Terms.</p>
Is the Offer conditional on the success of the offer for shares and options in BHD?	<p>No, the Offer for your shares in HML is not interdependent on JBL's offer to acquire all shares and options in BHD which it does not currently own.</p> <p>The two offers could potentially result in various outcomes. Some of these are explored in Section 7 of this Bidder's Statement.</p>
Do I have to pay any fees?	<p>No brokerage, charges or stamp duty will be payable by you on acceptance of the Offer.</p> <p>If you choose to sell your HML Shares on market (subject to the suspension in trading in HML shares being lifted), you may incur brokerage costs and GST on those costs.</p>

Question	Answer
What should I do?	<p>To accept the Offer, you should:</p> <ul style="list-style-type: none"> (a) read this Bidder's Statement in full; (b) read HML's Target's Statement in full (when issued); (c) consult your Broker, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer; and (d) accept the Offer in the manner described in section 3. <p>If you have any queries about the Offer, you may also call the shareholder information line on 1300 963 991 (or +61 1300 963 991 for overseas domiciled holders) between 9.00am and 5.00pm (Sydney time) Monday to Friday.</p>
How do I accept the Offer?	<p>The Offer may only be accepted for all of your HML Shares.</p> <p>The manner in which you accept the Offer depends on whether you hold your HML Shares in an Issuer Sponsored Holding, a CHES Holding, or if you are a Broker or a Non-Broker Participant.</p> <p>Full details on how to accept the Offer are set out in section 3.</p> <p>For CHES Holdings you should instruct your stockbroker or other Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.</p> <p>For Issuer Sponsored Holdings you must complete, sign and return the Acceptance Form in accordance with the instructions on it. Return it to the address indicated on the form so that it is received before the end of the Offer Period. A reply paid envelope (not able to be used by HML Shareholders outside Australia) is enclosed for your convenience.</p> <p>Mailing and delivery addresses</p> <p>If you reside in Australia, you can use the reply paid envelope enclosed with this Bidder's Statement.</p> <p>The mailing address is:</p> <p>Link Market Services Limited Henry Morgan Limited (HML) Takeover Locked Bag A14 Sydney South NSW 1235</p> <p>Alternatively, you may deliver the Acceptance Form and any associated documents to:</p> <p>Link Market Services Limited Henry Morgan Limited (HML) Takeover 1A Homebush Bay Drive Rhodes NSW 2138</p>

Question	Answer
If I accept the Offer, when will I receive consideration for my HML Shares?	<p>Provided that the necessary transfer documents accompany your Acceptance Form, you will be issued JBL Shares within one month of the later of:</p> <ul style="list-style-type: none"> (a) the date you accept the Offer; and (b) the date the Offer becomes unconditional. <p>In any event, you will be issued JBL Shares within 21 days after the Offer closes (assuming all conditions of the Offer are satisfied or waived).</p>
What rights will my JBL Shares have?	<p>The JBL Shares issued under the Offer will be fully paid and will rank equally for dividends and other rights with existing JBL Shares.</p> <p>A detailed explanation of the rights and liabilities attaching to JBL Shares is set out in section 12.3.</p>
Will my JBL Shares be listed on NSX?	<p>An application will be made within seven days after the start of the Offer Period to NSX for official quotation of the JBL Shares to be issued under the Offer on the official list of NSX.</p> <p>Quotation of the JBL Shares to be issued under the Offer will not be automatic but will depend on NSX exercising its discretion to admit the new JBL Shares to the official list.</p> <p>However, JBL is already admitted to the official list of NSX and shares in JBL in the same class or on the same terms as those to be issued under the Offer have previously been quoted.</p>
What happens if I accept the Offer?	<p>If you accept the Offer and it becomes or is declared unconditional, you will be issued JBL Shares within the time specified above.</p> <p>Once you accept the Offer (even while it remains subject to Defeating Conditions) you will not be able to sell your HML Shares on market or otherwise deal with the Rights attaching to your HML Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.</p>
What happens if I do not accept the Offer?	<p>If you do not accept the Offer, you will remain a HML Shareholder and will not be issued JBL Shares.</p> <p>However, if JBL becomes entitled to compulsory acquire your HML Shares, it intends to do so. If this occurs, you will still receive JBL Shares for your HML Shares but at a later date than you would have received it if you had accepted the Offer.</p>
What are the tax implications of accepting the Offer?	<p>A general description of the taxation treatment for certain Australian resident HML Shareholders accepting the Offer is set out in section 10.</p> <p>You should not rely on that description as advice for your own affairs.</p> <p>You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer for your HML Shares.</p> <p>HML Shareholders should be aware that if JBL does not acquire ownership of 80 percent of HML Shares, then rollover relief will not be available to HML Shareholders for the portion of the capital gain that is made from the receipt of JBL Shares as consideration.</p>

Question	Answer
What are the significant risks of the Offer?	You should carefully consider the risk factors that could affect the performance of JBL and the Merged Group before deciding whether to accept the Offer. Many of these risks are outside the control of JBL and its Directors, and cannot be mitigated. A summary of the key risks is set out in section 9.

3 How to accept the Offer

3.1 Issuer Sponsored Holdings

If you hold your HML Shares in an Issuer Sponsored Holding, you will need to complete, sign and return the Acceptance Form accompanying this Bidder's Statement in accordance with the instructions on that form and deliver it or send it by post so that it is received by JBL's share registry before the end of the Offer Period. A reply paid envelope (for use within Australia only) is enclosed with this Bidder's Statement.

3.2 CHESS Holdings

If you hold your HML Shares in a CHESS Holding:

- (a) instruct your Controlling Participant (for example, your Broker) to initiate acceptance of the Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
- (b) complete, sign and send the Acceptance Form accompanying this Bidder's Statement directly to your stockbroker or Controlling Participant; or
- (c) complete, sign and return the Acceptance Form in accordance with the instructions on it so that JBL is authorised to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf;

before the end of the Offer Period.

A reply paid envelope (for use within Australia only) is enclosed for your convenience.

3.3 Brokers or Non-Broker Participants

If you are a Broker or a Non-Broker Participant, you will need to initiate acceptance of the Offer under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

4 Profile of JBL

4.1 Overview

JBL is an investment management company listed on the National Stock Exchange of Australia (NSX).

JBL was established in January 2015 with the following objectives:

- to build a diversified investment management business growing funds under management over the medium to long term;
- to invest in listed and unlisted companies which JBL believes will provide opportunities for moderate to high investment returns over the medium to long term;
- to grow a diversified income stream uncorrelated to traditional equity market investments through management fees received from managing the investments of third parties, as well as returns from direct investment in listed and unlisted structures;
- to provide investors with exposure to global markets through JBL's own investments; and
- to provide a low cost management company where key personnel are rewarded with long term options linked to the share price of JBL to ensure the board, key management and shareholders' interests are all aligned.

Since establishment, JBL has been engaged as investment manager for Henry Morgan Limited, Bartholomew Roberts Pty Ltd, Benjamin Hornigold Ltd, and the JB High Alpha Fund.

JBL has also undertaken investments either directly or indirectly in a range of listed and unlisted companies. One of the key investments held by JBL is in JB Financial Group Pty Ltd, an unlisted company whose business strategy has been to develop and expand businesses where it believes it has a strong competitive advantage, primarily in foreign exchange and market trading.

In January 2018, JBL made an offer to acquire all of the shares in JB Financial Group Pty Ltd, and received indicative acceptances from all shareholders in that company.⁵

JBL believes completion of this acquisition will provide significant benefits to all current and future JBL shareholders because the businesses operated by JB Financial Group are complementary to, and provide an alternative revenue stream to, income generated through businesses operating in the listed environment.

Of note, JB Financial Group has:

- completed 12 acquisitions over the past two financial years;
- completed approximately \$16 million in acquisitions over the 2017/18 financial year, and has integrated those businesses into existing business divisions;
- turned its focus from acquisition and integration, to maximising profitability and organic expansion; and
- achieved significant cost savings through the restructuring of business divisions, synergies in executive roles, the efficient use of contractors, and streamlining of investment structures and processes.

⁵ Henry Morgan Limited subsequently withdrew its acceptance when JB Financial Group Pty Ltd offered to, among other things, buy-back those shares.

The above actions are expected to result in significantly improved cash flow and have reduced the capital requirements for both JBL and JB Financial Group going forward.

As part of JB Financial Group's restructuring operations, it has divested itself of assets and currently comprises only cashflow positive assets (in addition to being in the process of establishing an external debt facility of between \$5-7 million). In addition, JBL (as a listed entity) has the ability to raise equity and debt against the cashflow businesses within its consolidated group. Capital requirements are expected to be reduced as a result of the business and personnel restructuring within both JBL and JB Financial Group.

Operations are anticipated to be further streamlined, as the acquisition will enable JBL to facilitate capital investment into JB Financial Group. JB Financial Group will be provided, through the acquisition by JBL, with increased scale, size and profile which will strengthen its negotiating position for services, clients and potential acquisitions.

The JBL Board anticipates that the proposed acquisition of all shares in JB Financial Group by JBL will be completed shortly after the outcome of the takeover bids for HML and BHD.

As at the date of this Bidder's Statement, JBL had a Relevant Interest in 3,579,811 HML Shares, representing voting power in HML of approximately 11.07%.

4.2 Directors and senior management

The directors of JBL are set out below:

John McAuliffe – Chairman

John McAuliffe was appointed as Chairman of the Board in March 2015.

John has had a long and distinguished career in both government and private sector roles.

He has also lectured extensively at both QUT and UQ in the areas of property valuation and surveying.

John was awarded the Order of Australia in June 2007 for service to the community particularly through executive roles in the areas of health care and public housing management, and to the property valuation industry.

John has a strong relationship with both Federal and State Governments and Secretaries and Directors General.

In 1989 John was awarded the Kenneth Campbell Memorial Award for professional excellence and outstanding service to The Australian Institute of Valuers and Land Economists.

John was appointed Chair in March 2015 and has been a Board member since that time.

John was previously the Chairman of the board of the Holy Spirit Hospital, Brisbane and Mater Health Services, Brisbane. He is a former member of the board of the Mount Olivet Hospital and is chairman of Brisbane Housing Company, Multicap, Catholic Property, Brisbane and Freedom Aged Care and a director of Holy Cross Laundry and Lady Bowen Trust.

John's other qualifications include:

- Life Fellow of the Australian Institute of Valuers and Land Economists;
- Fellow of the Australian Institute of Building - Chartered Builder;
- Associate Papua New Guinea Institute of Valuers and Land Administrators;
- Registered Valuer, Queensland and New South Wales;

- Registered Valuer, Papua New Guinea;
- Associate Central Technical College Brisbane - Diploma in Building and Diploma in Quantity Surveying;
- Member Real Estate Institute of Queensland; and
- Fellow, Real Estate Institute of Queensland.

Stuart McAuliffe – Managing Director

Stuart McAuliffe was appointed as Managing Director in January 2015.

Stuart has over 25 years' experience investing in global equity, bond, currency and commodity markets, capital venture and strategic management. He has pioneered innovative research into the correlation and causation between different global equity and currency markets over short, medium and long term time periods. As the senior executive responsible for investments, he uses a 'layered' approach combining multiple time frame fundamental analysis in markets and diversification through asset ownership and ventures.

In 2012, Stuart was the founding investment manager for the Aliom Managed Futures Fund No 1, a wholesale investor fund, targeting absolute returns above average equity returns. He has since averaged 148% average annual return before fees (107.49% after fees, with average fees 2% of capital and 23% of performance).

Stuart is of the belief that great investment decisions are derived from an in depth understanding of historical forces. He holds a Bachelor of Arts from the University of Queensland with a double major in Modern History and Ancient History. Courses focused on military strategy including the campaigns of Julius Caesar, Napoleon and General George Patton and he credits this early training as the basis for his innovative future strategies and tactics in investment markets.

Previously an Associate Professor at Bond University, Stuart has lectured nationally and internationally in the fields of economic forecasting, valuation modelling, financial structures and risk management. His specialisations include the short to long-term effects of central bank policy and the pricing of extreme valuations at market peaks and troughs. He has designed and developed proprietary indices measuring economic leading indicators and their probable effects on equity and real estate markets.

Ross Patane – Non-executive director

Ross Patane was appointed as a Director in March 2015.

Ross is a chartered accountant with in excess of 25 years' experience in providing business reconstruction, asset securitisation, corporate advisory, property advisory and wealth management services.

Ross is presently Senior Partner – Corporate Finance in Findex's Crowe Horwath South Queensland team, a leading accounting and financial services business.

Ross is the former non-executive Chairman of Qbiotics, a leading Queensland biotechnology company. He was appointed by the Queensland Government to be a Member of the Board of Trustees of the Queensland Art Gallery and Gallery of Modern Art (QAGAMO) and is the chair of the QAGOMA Audit and Risk Committee and completed his term in 2017. He has held a number of positions as director or non-executive director of AFSL licensees and responsible entities and as a member of compliance committees pursuant to the Corporations Act. Ross brings a strong commercial and strategic focus to complex transactions, drawing on years of experience as the lead advisor in mergers and acquisitions, valuations, due diligence, structured finance deals, investment management, equity raising and debt and equity capital markets transactions, with details knowledge and understanding of corporate governance, corporate finance and financial markets.

Ross's qualifications include:

- Bachelor of Business (Accounting);
- Fellow of the Institute of Chartered Accountants Australia and New Zealand;
- Fellow of the Financial Services Institute of Australasia; and
- Graduate Member - Australian Institute of Company Directors

Jody Wright – Co-company secretary

Jody Wright was appointed as Company Secretary on 14 July 2016.

She was admitted to practice as a Solicitor of the Supreme Court of Queensland in January 2001 and is a member of the Queensland Law Society. Jody is also a Graduate of the Australian Institute of Company Directors.

Jody has an extensive background in corporate governance, compliance, risk management, board advisory and commercial litigation.

She has significant experience as in-house counsel and compliance manager across different industry spheres including financial services, insurance and investigative services.

Kevin Mischewski – Co-company secretary

Kevin Mischewski is a Chartered Accountant and member of the Governance Institute of Australia. He has held Company Secretary and Chief Financial Officer roles for ASX-listed and unlisted public companies. Kevin brings a wealth of experience as a finance and company administration executive. Kevin previously held the role as Company Secretary and Chief Financial Officer for ASX listed Australian Pacific Coal Limited.

Kevin holds the following qualifications:

- Bachelor of Business;
- Member of the Institute of Chartered Accountants Australia and New Zealand (CA);
- Members of the Governance Institute of Australia (AGIA); and
- Registered Tax Agent

4.3 Financial profile of JBL

The financial report for JBL for the year ended 30 June 2018 as contained in JBL's Annual Report for the year ended 30 June 2018, was lodged with NSX on 22 October 2018.

JBL's financial position on a consolidated basis as at 30 June 2018 can be summarised as follows:

- (a) Total assets of \$95,089,372.
- (b) Net assets of \$49,672,296.
- (c) Cash and cash equivalents net of debt of \$10,603,024.

For the year ended 30 June 2018, the following results were recorded:

- (d) Revenues of \$54,003,551.
- (e) Net loss of \$16,672,668.

4.4 Publicly available information

JBL is a company listed on NSX (Code: JBL) and is subject to the continuous and periodic disclosure requirements of the NSX Listing Rules and the Corporations Act. A substantial amount of information on JBL is publicly available and may be accessed by referring to JBL on www.nsx.com.au.

A list of announcements made by JBL to NSX between 1 July 2018 and the date of this Bidder's Statement is set out in Schedule 3. This information may be relevant to your assessment of the Offer. Copies of the announcements are available from NSX.

4.5 Further information

Further information about JBL can be found on JBL's website: www.johnbridgeman.com.au

4.6 Recent price performance of JBL Shares

JBL Shares are quoted on NSX under the code JBL.

The closing price of JBL Shares on NSX on the last trading day before the Announcement Date (noting that JBL was suspended from trading by NSX at the relevant time) was \$2.00.⁶ The closing price of JBL Shares on NSX on 30 October 2018, being the last trading day before the date of this Bidder's Statement, was \$1.60.⁷

The highest recorded closing price of JBL Shares on NSX in the three months before 30 October 2018, being the last trading day before the date of this Bidder's Statement, was \$1.60.⁸ The lowest recorded closing price of JBL Share on NSX in the three months before 30 October 2018, being the last trading day before the date of this Bidder's Statement, was \$1.60.⁹

⁶ This trade occurred on 14 February 2018.

⁷ This trade occurred on 20 September 2018.

⁸ This trade occurred on 20 September 2018.

⁹ This trade occurred on 20 September 2018.

5 Information on JBL Shares

5.1 Issued securities

At the date of this Bidder's Statement, the following JBL Securities are on issue:

- (a) 24,367,704 JBL Shares;
- (b) 2,227,850 convertible notes;
- (c) 24,186,520 options.

5.2 Substantial holders

At the date of this Bidder's Statement the substantial holders in JBL are:

Substantial holder	Interest	Substantial holding
Stuart McAuliffe*	22.97%	5,598,000
Stuart Capital Pty Ltd	16.87%	4,109,838
Jan Holmes	7.10%	1,730,289
*The following substantial holders are duplicates, being the relevant interests of entities controlled by Stuart McAuliffe. These 5,550,000 shares are included in Stuart McAuliffe's substantial holding disclosure.		
Substantial holder	Interest	Substantial holding
Henry Avery Partners Pty Ltd	22.78%	5,550,000
John Hawkins Pty Ltd	22.78%	5,550,000

5.3 Rights and liabilities attached in the JBL Shares offered

- (a) The JBL Shares issued as consideration under the Offer will be fully paid and rank equally with existing JBL Shares from the date of their issue.
- (b) JBL Shares are quoted on NSX under the code 'JBL'.
- (a) An application will be made within seven days after the start of the Offer Period to NSX for official quotation of the JBL Shares to be issued under the Offer on the official list of NSX. Quotation of the JBL Shares to be issued under the Offer will not be automatic but will depend on NSX exercising its discretion to admit the new JBL Shares to the official list. However, JBL is already admitted to the official list of NSX and shares in JBL in the same class or on the same terms as those to be issued under the Offer have previously been quoted.
- (b) The rights and restrictions attaching to the JBL Shares which will be issued as the consideration, or part of the consideration, under the Offer are primarily set out in the JBL Constitution and in the Corporations Act and are subject to statutory, common law and NSX Listing Rule requirements.

5.4 JBL Options

The table below provides key details of JBL Options on issue as at the date of the Bidder's Statement.

Option class	Grant date	Expiry date	Exercise price	Vested and exercisable
JBLOA listed options	Various	31 March 2020	\$1.10	16,376,300
JBLOB listed options	10 March 2015	31 March 2020	\$1.20	1,452,500
JBLOC listed options	10 March 2015	31 March 2020	\$1.50	1,540,000
JBLOD listed options	10 March 2015	31 March 2020	\$2.20	2,240,000
JBLOE listed options	10 March 2015	31 March 2020	\$3.50	2,240,000
JBLOF listed options	23 November 2017	23 November 2019	\$2.05	337,720

5.5 Offer Consideration

The consideration for the acquisition of HML Shares under the Offer is to be satisfied by the issue of JBL Shares. The Offer Consideration is 0.95 JBL Shares for each HML Share the HML Shareholders own.

The amount of JBL Shares to be issued will depend on the number of HML Shares that JBL acquires under the Offer.

The calculations in this section on the maximum consideration to be paid by JBL assume that, as a result of the Offer, JBL acquires all HML Shares on issue at the date of this Bidder's Statement.

5.6 Maximum number of JBL Shares

The maximum number of JBL Shares which are required to be issued under the Offer if acceptances are received for all the HML Shares on issue at the date of this Bidder's Statement is approximately 27,722,747 (excluding rounding adjustments).

JBL Shares issued under the Offer are exempt from NSX Listing Rule 6.25(1) (which prohibits issues exceeding 15 percent of a company's share capital in any 12 month period). Accordingly, JBL has the capacity to issue the maximum number of JBL Shares that may be required under the Offer.

Under the concurrent off-market takeover bid for all of the issued shares in BHD and all of the issued options in BHD, the maximum number of JBL which are required to be issued if acceptances are received for all of the ordinary shares in BHD on issue at the date of this Bidder's Statement is approximately 15,671,424 (excluding rounding adjustments).

If all optionholders in BHD convert their options into BHD shares before the end of the period under the BHD off-market takeover bid, an additional 25,909,260 JBL Shares would be required to be issued (excluding rounding adjustments).

6 Profile of HML

6.1 Disclaimer

The following information on HML has been prepared by JBL using publicly available information, and has not been independently verified. Accordingly, JBL does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on HML in this Bidder's Statement should not be considered comprehensive.

In addition, the Corporations Act requires HML to provide a Target's Statement to HML Shareholders in response to this Bidder's Statement, setting out certain material information concerning HML.

6.2 Overview

HML is an ASX listed investment company. Its investment strategy seeks to take advantage of imbalances in global market valuations through the active management of investments, predominantly in global exchange traded futures contracts including equity market indices, fixed income, currencies and commodities and fixed income futures.

It seeks to provide investors with the opportunity to gain exposure to an investment portfolio which is invested in global markets with the aim of achieving above average returns (whilst limiting volatility) over the medium to long term.

The investment strategy is primarily executed through investments in exchange traded futures contracts including equity market indices, fixed income, currencies and commodities, as well as listed and unlisted securities.

6.3 Directors and senior management

Mr John McAuliffe – Non-executive Chairman

Refer to section 4.2.

Mr Stuart McAuliffe – Managing Director

Refer to section 4.2.

Mr Ross Patane – Non-Executive Director

Refer to section 4.2.

Ms Vanessa Gunner – Non-Executive Director

Ms Gunner was formerly Interim Chief Operating Officer at Barclays Capital and Barclays Wealth for Corporate Real Estate Services, and has over 22 years of experience in Banking and Financial Services, Telecoms, Technology, Facilities Management, Pharmaceuticals, Transport, Publishing and Tech Start-ups. Her broad experience across over 20 bluechip companies includes leading strategic development, financial analysis and business modelling, programme and change management, business process re-design, systems integration, logistics, building new data platforms, organisational design and research and development, across jurisdictions including Europe, Middle East, Africa and the Asia Pacific.

Dr William Earl – Non-Executive Director

Dr Earl has had academic career, having been awarded both doctorates and master's degrees. George has held senior academic positions at a number of universities in Queensland and Asia, including the University of Queensland, the Queensland University of Technology, the National

University of Singapore, the University of New South Wales, as well as having been Dean of the faculty of business at Bond University. George has experience in economics, property development and valuation. He is chairman of the National Affordability Housing Consortium, and CEO of Sustainable Living Infrastructure Consortium.

Mr Peter Ziegler – Non-Executive Director

Peter is a chartered accountant, chartered tax adviser and a solicitor. He is an experienced company director with a long career both as an advisor to, and as an executive in, industry. Peter has previously been a partner with Ernst & Young.

Mr Kevin Mischewski – Co-Company Secretary

Refer to section 4.2.

Ms Jody Wright – Co-Company Secretary

Refer to section 4.2.

6.4 Financial profile of HML

The financial position for HML for the year ended 30 June 2018 as contained in HML's Annual Report for the year ended 30 June 2018, was lodged with ASX on 1 October 2018.

HML's financial position as at 30 June 2018 can be summarised as follows:

- (a) Total assets of \$37,619,120.
- (b) Net assets of \$34,370,124.
- (c) Cash and cash equivalents net of debt of \$314,729.

For the year ended 30 June 2018, the following results were recorded:

- (d) Revenues of -\$12,429,630.
- (e) Net loss of \$13,253,940.

Important note on sources of information

JBL has relied on the information in financial reports issued by HML to prepare the financial information for HML contained in this Bidder's Statement. Financial information relating to HML has been sourced from its audited financial reports for the years ended 30 June 2016 30 June 2017 and 30 June 2018.

JBL does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

6.5 Publicly available information

HML is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. A substantial amount of information on HML is publicly available and may be accessed by referring to HML on www.asx.com.au.

6.6 Further information

Further information about HML can be found on HML's website: www.henrymorgan.com.au.

6.7 Recent price performance of HML Shares

HML Shares are quoted on ASX under the code HML.

Trading in HML Shares was suspended on 9 June 2017. The price at which HML Shares were last traded on market was \$1.99 per share.

7 Profile of Merged Group

7.1 Introduction

The profile of the Merged Group will vary depending on the outcome of the Offer. It also depends on the outcome of JBL's concurrent off-market takeover bids for all of the shares and options in Benjamin Hornigold Limited ACN 614 854 045 (**BHD**).

The concurrent off-market takeover bids for all of the shares and options in BHD are not conditional on the success of the Offer and so the Offer may still be completed (subject to acceptances) irrespective of the success (and level of acceptances) under the takeover bids for BHD.

Unless otherwise indicated, the description of the Merged Group in this section 7 assumes that HML is a wholly-owned subsidiary of JBL. If JBL is not entitled to compulsorily acquire HML Shares during the Offer Period, some of the benefits that would otherwise accrue to JBL if HML were to become a wholly-owned subsidiary of JBL may not be fully realised.

7.2 Overview of the Merged Group

The Merged Group would be publicly listed on the NSX.

Following the acquisition of some or all of the HML Shares, and the BHD shares and options, JBL intends to continue to act as investment manager for those companies and other funds which it manages.

HML's investments are intended to continue to be managed by JBL under the current management services agreement.

JBL also intends to proceed with its offer to acquire all of the shares in JB Financial Group. This would provide JBL with complementary income streams from its investment management arm as well as the operational businesses within JB Financial Group.

7.3 Pro forma balance sheets

Summary of information

The information included in this section 7 is pro forma financial information for the Merged Group comprising JBL, HML and BHD as at 30 June 2018 and assuming four scenarios, being:

- (a) first, that JBL acquires 100 percent of HML;
- (b) second, that JBL acquires 100 percent of HML and 100 percent of BHD;
- (c) third, that JBL acquires 50.1 percent of HML; and
- (d) fourth, that JBL acquires 50.1 percent of HML and 50.1% of BHD.

JBL's Offer is conditional on obtaining 50.1 percent acceptances. The unaudited pro forma combined balance sheets of the Merged Group as at 30 June 2018 (each a **Pro Forma Balance Sheet**) presented below have been produced with reference to the audited financial reports for JBL, HML and BHD (if applicable) as at 30 June 2018, adjusted to account for subsequent events deemed material to the Merged Group.

The financial information reflects the latest publicly available information for HML and BHD (if applicable) that is capable of being compared.

The pro forma financial information does not represent what the Merged Group would look like on a consolidated basis, since it is not possible to produce this information from publicly available information. 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 Balance Sheets do reflect the issue of new JBL Shares to HML Shareholders and BHD shareholders (if applicable), and the issue of new JBL Options to BHD optionholders (if applicable), and other adjustments required as a result of this Offer and the concurrent offers to the shareholders and optionholders of BHD (if applicable).

The Pro Forma Balance Sheets are for illustrative purposes only and are based on numerous assumptions that may or may not reflect the actual financial position of the Merged Group after completion of the Offer and completion of the offers to the shareholders and optionholders of BHD (if applicable). In addition, the Pro Forma Balance Sheets are presented in a summary format and do not contain all the disclosures required under the Corporations Act.

Financial information relating to HML and BHD (if applicable) has been sourced from their audited financial reports for the full year ended 30 June 2018. JBL has relied on the information in financial reports issued by HML and BHD (if applicable) to prepare the financial information for HML and BHD (if applicable) contained in this document.

JBL does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

JBL has had limited access to the independent directors and executive team of HML and BHD (if applicable) and to any working papers, accounting records or other documents for the purposes of preparing this financial information. Therefore, it has not been possible to independently verify any of the financial information relating to HML or BHD (if applicable) used in this document, for providing pro forma financial information.

The pro forma financial information presented in this section should also be read in conjunction with the risks set out in section 9, other information contained in this Bidder's Statement and the accounting policies of JBL, HML and BHD (if applicable) as disclosed in their most recent financial reports.

No forward-looking financial statements

This document does not provide revenue or profit projections for the Merged Group. JBL does not believe that it has reasonable grounds to include revenue or profit forecasts in this Bidder's Statement. JBL believes that the inclusion of revenue or profit forecasts would be unduly speculative and potentially misleading for HML Shareholders.

Pro Forma Balance Sheets

Set out below are the Pro Forma Balance Sheets for JBL, on a company-only (not consolidated group) basis.

Pro Forma Balance Sheet assuming JBL acquires 100% of HML

Assets	Pre acquisition balance sheet as at 30 June 2018	Acquisition of HML shares: 100%	Post acquisition balance sheet: JBL
Current assets			
Cash and cash equivalents	260,675		260,675
Trade and other receivables	13,958,767		13,958,767
Financial instruments	42,520		42,520
Term deposits	30,375		30,375
Other current assets	109,454		109,454
Total current assets	<u>14,401,791</u>		<u>14,401,791</u>
Non-current assets			
Shares in subsidiaries - cost	21,225,400		21,225,400
Investments at fair value through profit and loss - HML	3,544,893	30,825,231	34,370,124
Investments at fair value through profit and loss - other	37,004		37,004
Property, plant and equipment	1,741,642		1,741,642
Intangibles	-		0
Deferred tax	336,360		336,360
Security deposits	148,656		148,656
Total non-current assets	<u>27,033,955</u>		<u>57,859,186</u>
Total assets	<u>41,435,746</u>		<u>72,260,977</u>
Liabilities			
Current liabilities			
Trade and other payables	5,465,933		5,465,933
Borrowings	506,500		506,500
Income tax	0		0
Provisions	247,786		247,786
Total current liabilities	<u>6,220,219</u>		<u>6,220,219</u>
Non-current liabilities			
Borrowings	5,082,334		5,082,334
Deferred tax	2,337,268		2,337,268
Provisions	87,952		87,952
Total non-current liabilities	<u>7,507,554</u>		<u>7,507,554</u>
Total liabilities	<u>13,727,773</u>		<u>13,727,773</u>
Net assets	<u>27,707,973</u>		<u>58,533,204</u>
Equity			
Issued capital	25,567,380	30,825,231	56,392,611
Reserves	431,670		431,670
Retained profits/(accumulated losses)	1,708,923		1,708,923
Total equity/(deficiency)	<u>27,707,973</u>		<u>58,533,204</u>

Pro Forma Balance Sheet assuming JBL acquires 100% of HML and 100% of BHD

Assets	Pre acquisition balance sheet as at 30 June 2018	HML 100%	BHD 100%	Post acquisition balance sheet: JBL
Current assets				
Cash and cash equivalents	260,675			260,675
Trade and other receivables	13,958,767			13,958,767
Financial instruments	42,520			42,520
Term deposits	30,375			30,375
Other current assets	109,454			109,454
Total current assets	14,401,791			14,401,791
Non-current assets				
Shares in subsidiaries - cost	21,225,400			21,225,400
Investments at fair value through profit and loss - HML	3,544,893	30,825,231		34,370,124
Investments at fair value through profit and loss - BHD	37,004		17,828,545	17,865,549
Property, plant and equipment	1,741,642			1,741,642
Intangibles	-			0
Deferred tax	336,360			336,360
Security deposits	148,656			148,656
Total non-current assets	27,033,955			75,687,731
Total assets	41,435,746			90,089,522
Liabilities				
Current liabilities				
Trade and other payables	5,465,933			5,465,933
Borrowings	506,500			506,500
Income tax	0			0
Provisions	247,786			247,786
Total current liabilities	6,220,219			6,220,219
Non-current liabilities				
Borrowings	5,082,334			5,082,334
Deferred tax	2,337,268			2,337,268
Provisions	87,952			87,952
Total non-current liabilities	7,507,554			7,507,554
Total liabilities	13,727,773			13,727,773
Net assets	27,707,973			76,361,749
Equity				
Issued capital	25,567,380	30,825,231	17,828,545	74,221,156
Reserves	431,670			431,670
Retained profits/(accumulated losses)	1,708,923			1,708,923
Total equity/(deficiency)	27,707,973			76,361,749

Pro Forma Balance Sheet assuming JBL acquires 50.1% of HML

Assets	Pre acquisition balance sheet as at 30 June 2018	Acquisition of HML shares: 50.1%	Post acquisition balance sheet: JBL
Current assets			
Cash and cash equivalents	260,675		260,675
Trade and other receivables	13,958,767		13,958,767
Financial instruments	42,520		42,520
Term deposits	30,375		30,375
Other current assets	109,454		109,454
Total current assets	<u>14,401,791</u>		<u>14,401,791</u>
Non-current assets			
Shares in subsidiaries - cost	21,225,400		21,225,400
Investments at fair value through profit and loss - HML	3,544,893	13,666,148	17,211,041
Investments at fair value through profit and loss - other	37,004		37,004
Property, plant and equipment	1,741,642		1,741,642
Intangibles	-		0
Deferred tax	336,360		336,360
Security deposits	148,656		148,656
Total non-current assets	<u>27,033,955</u>		<u>40,700,103</u>
Total assets	<u>41,435,746</u>		<u>55,101,894</u>
Liabilities			
Current liabilities			
Trade and other payables	5,465,933		5,465,933
Borrowings	506,500		506,500
Income tax	0		0
Provisions	247,786		247,786
Total current liabilities	<u>6,220,219</u>		<u>6,220,219</u>
Non-current liabilities			
Borrowings	5,082,334		5,082,334
Deferred tax	2,337,268		2,337,268
Provisions	87,952		87,952
Total non-current liabilities	<u>7,507,554</u>		<u>7,507,554</u>
Total liabilities	<u>13,727,773</u>		<u>13,727,773</u>
Net assets	<u>27,707,973</u>		<u>41,374,121</u>
Equity			
Issued capital	25,567,380	13,666,148	39,233,528
Reserves	431,670		431,670
Retained profits/(accumulated losses)	1,708,923		1,708,923
Total equity/(deficiency)	<u>27,707,973</u>		<u>41,374,121</u>

Pro Forma Balance Sheet assuming JBL acquires 50.1% of HML and 50.1% of BHD

Assets	Pre acquisition balance sheet as at 30 June 2018	HML 50.1%	BHD 50.1%	Post acquisition balance sheet: JBL
Current assets				
Cash and cash equivalents	260,675			260,675
Trade and other receivables	13,958,767			13,958,767
Financial instruments	42,520			42,520
Term deposits	30,375			30,375
Other current assets	109,454			109,454
Total current assets	14,401,791			14,401,791
Non-current assets				
Shares in subsidiaries - cost	21,225,400			21,225,400
Investments at fair value through profit and loss - HML	3,544,893	13,666,148		17,211,041
Investments at fair value through profit and loss - BHD	37,004		8,917,093	8,954,097
Property, plant and equipment	1,741,642			1,741,642
Intangibles	-			0
Deferred tax	336,360			336,360
Security deposits	148,656			148,656
Total non-current assets	27,033,955			49,617,196
Total assets	41,435,746			64,018,987
Liabilities				
Current liabilities				
Trade and other payables	5,465,933			5,465,933
Borrowings	506,500			506,500
Income tax	0			0
Provisions	247,786			247,786
Total current liabilities	6,220,219			6,220,219
Non-current liabilities				
Borrowings	5,082,334			5,082,334
Deferred tax	2,337,268			2,337,268
Provisions	87,952			87,952
Total non-current liabilities	7,507,554			7,507,554
Total liabilities	13,727,773			13,727,773
Net assets	27,707,973			50,291,214
Equity				
Issued capital	25,567,380	13,666,148	8,917,093	48,150,621
Reserves	431,670			431,670
Retained profits/(accumulated losses)	1,708,923			1,708,923
Total equity/(deficiency)	27,707,973			50,291,214

7.4 Pro Forma adjustments and transaction assumptions

The following key assumptions have been made in producing each Pro Forma Balance Sheet:

General

The pro forma information has been prepared in accordance with Australian Accounting Standards Board and also complies with International Financial Reporting Standards, reflecting the accounting policies of JBL. It has not been audited.

The pro forma information has been prepared by aggregating the balance sheets of JBL, HML and BHD (if applicable) as at 30 June 2018.

The pro forma information excludes the impact of general trading and other non-recurring transactions which have occurred since 30 June 2018, but are not considered to materially impact the financial position presented in the Pro Forma Balance Sheets.

HML and BHD acquisitions

Financial information about HML and BHD has been obtained from publicly available sources. JBL is not aware of any events subsequent to the HML balance date of 30 June 2018 or the BHD balance date of 30 June 2018 which would materially alter the Pro Forma Balance Sheets.

The Pro Forma Balance Sheets assume the acquisition of HML and BHD (if applicable) by JBL had been completed by that date. The actual date of the acquisitions will be at a later date or dates. AASB 3 'Business Combinations' states that the acquirer shall, at the acquisition date, allocate the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria at their fair values at that date. Accordingly, JBL will assess the fair value of identifiable net assets of HML and BHD (if applicable) on completion of the relevant acquisition.

The Pro Forma Balance Sheets are based on the assumption that the fair value of assets (other than intangible assets) and liabilities of HML and BHD (if applicable) are equal to their book value. A full purchase price allocation exercise will be undertaken post acquisition, and the fair value of the assets will be more accurately assessed at that time. This will not impact on the valuation of the business, but may impact the classification between tangible, identifiable intangible assets and goodwill.

Identifiable intangible assets recognised on acquisition may need to be amortised over the period of their economic benefit to the Merged Group and those amortisation charges will reduce future reported earnings. Due to limited public information available on HML, it is not possible for JBL to identify all of the intangible assets and consequent amortisation charges at this stage.

For fair value accounting purposes, each JBL Share issued under the Offer (and if applicable, the concurrent offer for all of the fully paid ordinary shares in BHD) is assumed to have an issue price of \$2.00 (being the closing price of JBL Shares on NSX on the trading day immediately before the Announcement Date, noting that trading in JBL Shares was suspended by NSX at the time). The actual fair value of JBL Shares to be issued under the Offer (and if applicable, the concurrent offer for all of the fully paid ordinary shares in BHD) is determined by the market price of JBL Shares at the actual date of acquisition of HML and BHD (if applicable).

The accounting policies of JBL, HML and BHD (if applicable) are similar and consistent in all material aspects.

Deferred tax assets and deferred tax liabilities have been calculated by assuming that:

- (a) JBL will acquire 100% of HML and BHD (if applicable), and HML and BHD (if applicable) will join the JBL tax consolidated group;

- (b) JBL will be entitled to an income tax deduction for tax losses transferred from HML and BHD (if applicable) to JBL on acquisition, subject to the available fraction method; and
- (c) JBL will recognise a deferred tax asset for HML's existing tax losses (approximately \$11,079,556, resulting in a deferred tax asset of approximately \$3,323,867. In the event that JBL does not acquire 100% of HML or BHD (if applicable), tax will be apportioned by the percentage which HML or BHD (as applicable) contributes to the overall tax position of the JBL tax consolidated group.

7.5 Prospective financial information of the Merged Group

JBL has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information on the Merged Group. The board of directors of JBL 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.

8 JBL's intentions

8.1 Introduction and important note

This section sets out JBL's current intentions for:

- (a) the continuation of HML's business;
- (b) any major changes to be made to HML's business, including any redeployment of the fixed assets of HML; and
- (c) the future engagement of the present board and executive team of HML.

JBL's current intentions for HML have been formed following a review of facts, information and circumstances about HML that were either publicly available at the date of this Bidder's Statement or provided by HML during the course of limited due diligence enquiries. That review by JBL did not provide JBL with sufficient facts, information and circumstances necessary to finally determine its intentions for HML. As such, statements set out in this section are statements of current intention only which may change as new information becomes available or circumstances change.

Following the close of the Offer, it is JBL's intention to undertake a further detailed review of the operations, assets, structure and employees of HML (based on information available to JBL, HML has no fixed assets or employees). The objective of the detailed review will be to:

- (a) evaluate the performance, prospects and strategic relevance of the HML business and assets to JBL;
- (b) consider whether to realise any of HML's investments and make a return of capital;
- (c) explore other investment strategies for HML; and
- (d) make appropriate provisions for any of HML's ongoing liabilities.

This review may result in the modification or curtailment of some of HML's existing projects and activities.

Only upon completion of the detailed review, and in light of all material facts and circumstances will JBL finally determine its intentions for HML and will take the action as it considers desirable to achieve optimum integration and synergies.

8.2 Intentions upon acquisition of 90 percent or more of HML Shares

This section sets out JBL's current intentions if it acquires 90 percent or more of the HML Shares and is entitled to proceed to compulsory acquisition of the outstanding HML Shares.

Compulsory acquisition

If it becomes entitled to do so, JBL intends to compulsorily acquire any outstanding HML Shares under section 661B Corporations Act.

In those circumstances, JBL is also entitled to acquire HML Shares issued after the Offer closes but before the compulsory acquisition notice is given (under section 661A(4)(b) Corporations Act) and on exercise of the HML Options, up to six weeks after the notices are given (under section 661A(4)(c) Corporations Act).

JBL also has the right, under part 6A.2 Corporations Act, to seek to compulsorily acquire any of the HML Options which it has not acquired or have not been exercised if JBL:

- (a) achieves 90 percent voting power in HML; and
- (b) holds full beneficial interests in at least 90 percent by value of all securities of HML that are either HML Shares or convertible into HML Shares.

Amend HML constitution

JBL intends to amend the constitution of HML to reflect its status as a wholly-owned subsidiary of JBL and will seek to convert HML from a public company to a proprietary company.

ASX listing

After conclusion of the compulsory acquisition process, JBL intends to procure that HML be removed from the official list of ASX.

Directors

JBL intends to replace all members of the HML Board and of the board of any company on which HML has nominee directors with JBL nominee directors.

Those nominees have not yet been identified by JBL. Profiles for each of the Directors of JBL are set out in section 4.2.

Operations

Based on information available to JBL, HML has no fixed assets. In terms of HML's operations, JBL intends to:

- (a) evaluate the performance, prospects and strategic relevance of HML investments to JBL;
- (b) consider whether to realise any of HML's investments and make a return of capital;
- (c) explore other investment strategies for HML; and
- (d) make appropriate provisions for any of HML's ongoing liabilities.

Employees

Based on information available to JBL, HML has no employees.

8.3 Intentions upon acquisition of between 50 percent and 90 percent of HML Shares

This section sets out JBL's current intentions if, by virtue of acceptance of the Offer, it was to gain effective control of HML but was not entitled to proceed to compulsory acquisition of the outstanding HML Shares.

Compulsory acquisition

If JBL does not become entitled to compulsorily acquire HML Shares under section 661B Corporations Act, it may nevertheless become entitled to exercise the general compulsory acquisition power under part 6A.2 Corporations Act in the future. JBL intends to exercise that power over the HML Shares if it becomes entitled to do so.

ASX listing

ASX guidance indicates that ASX would likely approve an application for HML to be removed from the official list of ASX without the need for shareholder approval if an application is made within a month of the end of the Offer period if:

- (a) at the end of the Offer, JBL owns or controls at least 75% of the HML Shares and the Offer remained open for at least two weeks after JBL attained ownership or control of at least 75% of the HML Shares; and
- (b) the number of HML Shareholders (other than JBL) having holdings with a value of at least \$500 is fewer than 150.

In addition, ASX guidance indicates that ASX would likely approve an application for HML to be removed from the official list of ASX with shareholder approval, and where such removal is sought later than 12 months after the close of the Offer, JBL would be entitled to vote on the resolution approving the removal. JBL intends to apply to ASX for HML to be removed from the official list of the ASX if it is able to make such an application to the ASX and it is approved.

8.4 Directors

Depending on the level of ownership achieved, it is JBL's intention to replace some of the members of the HML Board (and the board of any company on which HML has nominee directors) with JBL nominee directors.

8.5 Intentions generally (including about matters at section 8.2 above)

If, following the close of the Offer, HML becomes a controlled entity but not a wholly owned subsidiary of JBL, it is the present intention of JBL to procure that the new HML Board implements the objectives and goals outlined in section 8.2 to the extent possible and appropriate.

8.6 Limitations on intentions

To the extent that HML is not a wholly owned subsidiary of JBL and there are minority shareholders of HML, JBL intends to ensure that the JBL nominees appointed to the board of HML will act at all times in accordance with their fiduciary duties and that all requisite shareholder approvals and other legal requirements are complied with in pursuing any of the intentions outlined above.

The requirement to have regard to those fiduciary duties in the context of a partly owned company and the possible requirements of minority shareholder approval may prevent the particular objective being achieved.

8.7 Intentions upon acquisition of less than 50 percent of HML Shares¹⁰

JBL will endeavour to implement its intentions as it has outlined in section 8.3 to the extent to which it is able to do so, subject to the limitations identified in section 8.3.

8.8 Intentions generally

Except for the changes and intentions set out in this section 8, JBL intends, based on the information presently known to it:

- (a) to continue the business of HML;
- (b) not to make any major changes to the business of HML.

¹⁰ In order for this scenario to apply, JBL would be required to waive the 50.1% minimum acceptance condition.

9 Risks

Before deciding whether to accept the Offer, you should read this entire Bidder's Statement carefully.

HML Shareholders will receive JBL Shares as consideration under the Offer. The value of JBL Shares will depend on the future performance of JBL and the market price of JBL Shares from time to time. The future performance of JBL may be influenced by factors associated with investing in both the Investment Management industry and listed securities generally which are beyond the control of JBL.

HML Shareholders should be aware of the following key risks that may affect the performance of the Merged Group and the value of JBL Shares issued at the Offer Consideration.

9.1 General risks

The price at which JBL Shares trade on NSX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlooks and changes in the supply of, and demand for, Investment Management industry securities.

The market for JBL Shares may also be affected by a wide variety of events and factors including variations in JBL's operating results, recommendations by securities analysts, and the operating and trading price performance of other listed Investment Management industry entities that investors consider to be comparable to JBL. Some of these factors could affect JBL's share price regardless of JBL's underlying operating performance.

9.2 Specific business risks associated with JBL

Set out below are examples of risks associated with JBL. In determining these risks, the Directors have concentrated on risks attaching specifically to an investment in JBL as compared to risks of the Investment Management industry and HML, to which HML Shareholders are already exposed.

Funding risk

JBL may need additional funding to undertake its capital expenditure program for the Merged Group. There can be no guarantee that JBL is able to source funding on commercially-acceptable terms.

As at the date of this Bidder's Statement, JBL is in the process of conducting a placement to raise up to \$3.6 million, in addition to establishing an external debt facility of between \$5-7 million for the JBL consolidated group.

Manager risk

There is a risk that JBL will not be able to achieve its objective as investment manager of the entities for which it acts in this capacity. Its ability to do so will depend on a range of factors, including its portfolio selection, the skills of JBL's Chief Investment Officer, the timing of investment strategies and the actual performance of investments.

Dependence on key personnel

JBL depends on the talent and experience of its Personnel as its primary asset. There may be a negative impact on JBL if any of its key Personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key Personnel of JBL who leave to work for a competitor may adversely impact JBL.

In summary, JBL's ability to attract and retain Personnel will have a direct correlation upon its ability to deliver its project commitments and achieve forecast revenues. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of JBL.

Liquidity

The level of liquidity on the NSX market has the potential to be lower than on larger, established markets. As a result, the number of investors willing to buy and sell securities at any particular time is potentially less.

JBL considers that the larger combined shareholder base of JBL, former HML Shareholders, and (if applicable) former BHD Shareholders and BHD Optionholders, in addition to the larger market capitalisation of JBL following the successful completion of the Offers and the concurrent off-market takeover bid for all of the issued shares and options in BHD, will provide for increased liquidity in JBL Shares.

Financial market volatility

A fall in global or local equity markets, global or local bond markets or lack of change in the value of the Australia dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on the price at which Shares and Options trade and the value of JBL's assets.

Derivatives Risk

Risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, JBL not being able to meet payment obligations as they arise, regulatory risk and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). JBL employs derivatives for investment, hedging, leverage and investment implementation and exit purposes.

General risks such as liquidity and counterparty or market risks can be magnified by the use of derivatives because of the leverage effect they exert on JBL. JBL manages this risk by maintaining adequate cash and physical asset cover for derivative positions and also by regularly monitoring derivative positions and only entering into transactions with reputable counterparties via recognised exchanges where possible. If JBL enters into any derivative transaction with any other counterparty, it will seek to ensure the counterparty is creditworthy and viable.

JBL will predominately employ exchange-traded derivatives, but may use over the counter derivatives if considered appropriate and prudent.

Short Selling Risk

JBL does not engage in short-selling physical assets but may hold short futures positions. In taking short positions, JBL bears the risk of an increase in price of the underlying investment over which the short position is taken. Such an increase could lead to a substantial loss.

Dependence on Key Contracts

In the event the investment management agreements to manage HML, BHD or JB High Alpha Fund were terminated, this would have a material detrimental effect on the income of JBL. In these circumstances, the Board of JBL would assess alternate options including investment of JBL's own capital directly in global markets, seeking other investment mandates or returning cash to Shareholders if that was in the best interests of Shareholders.

Manager Risk

There is no guarantee that JBL will achieve its performance objectives, produce returns that are positive, or compare favourably against its peers. Many factors can negatively impact JBL's ability to generate returns from its investment process (for example, loss of key Personnel). There is significant competition among quantitative investment managers and JBL's ability to deliver returns that have a low correlation with global aggregate equity markets and other market participants is dependent on its ability to employ an investment system that is simultaneously profitable and differentiated from those employed by other managers. To the extent that JBL is not able to develop a sufficiently differentiated investment system, JBL's investment objective may not be met. The growth in assets managed in accordance with similar investment strategies may result in JBL and other market participants inadvertently buying and selling the same or similar investments simultaneously, which may reduce liquidity and exacerbate market movements. JBL may then be subject to an increased risk of suffering substantial losses.

Investment risk

JBL may invest in companies with a limited trading history or which are unlisted. These investments may mean that achieving a return on investment is more difficult than obtaining a return on investments in larger capitalised or listed companies. While risk management and due diligence procedures can minimise these risks, they may be material and significant.

Concentration Risk

Concentration risk is the risk that poor performance in a particular market may significantly affect JBL. Although JBL can invest in many markets at any given time, it may only be invested in a small number of markets. Generally, the fewer markets in which JBL invests, the greater the overall volatility of JBL. This may result in large movements in the Share price of JBL within short periods of time.

Foreign Exchange Risk

The investments of JBL may include overseas investments that will be subject to exchange rate volatility, which will generally not be hedged by JBL. There is a risk that adverse movements in exchange rates could reduce the value of the assets of JBL.

Default Risk

Issuers or entities upon which JBL's investments depend may default on their obligations, for instance by failing to make a payment when due. Such parties can include futures exchanges, derivatives counterparties, brokers (including clearing brokers), foreign exchange counterparties and, deposit taking banks. Default on the part of an issuer or counterparty could result in a financial loss to JBL.

Regulatory and Legal Risk

Governments or regulators may pass laws, create policy, or implement regulation that affects JBL or the assets of JBL. Such initiatives impact either a specific transaction type or market, and may be either country specific or global. Such changes may result in JBL failing to achieve its investment objectives. Similarly, taxation, corporate and regulatory laws may change in the future, affecting investors' rights and investment returns.

Liquidity Risk

Investments may be difficult or impossible to sell, either due to factors specific to that investment, or to prevailing market conditions. Liquidity risk may mean that an asset is unable to be sold or JBL's exposure is unable to be rebalanced within a timely period and at a fair price.

In addition, rapid liquidation of positions during adverse market conditions (for example, a market crash) is likely to lead to greater losses than would be the case under 'normal' market conditions.

Market Risk

Changes in the prices of futures positions held by JBL may result in loss of principal or large movements in the Share price of JBL within short or long periods of time. Global and local economic, financial, political, technological and environmental factors can drive changes in the prices of futures positions. It is not possible to predict the occurrence or magnitude of these and other potentially relevant factors. Different factors may affect the price of individual futures positions, particular asset classes (such as shares, bonds, interest rates, currencies and commodities) or futures positions generally at different times.

Leverage Risk

Leverage risk arises when JBL takes on positions that are greater in size than its assets. JBL will take leveraged positions with the aim of increasing returns which can also lead to increased losses. Leverage arises in JBL through taking both long and short futures positions which are larger in size than the net asset value of JBL. While this process forms a key part of the investment strategy, it may mean that gains and losses may be significantly greater than those in a company that is not leveraged. JBL employs significant leverage and this may result in a loss of some or all of JBL's capital.

Strategy, Model and Research Risk

JBL's investment approach is based on the Investment Manager's experience and research into past data and the application of that research to the development of mathematical models that attempt to forecast returns, risk, correlation and transaction costs. Many of these models are trend following models that attempt to identify and exploit reality but they may be incomplete and/or flawed and there is an inherent risk that any forecasts derived from them may be inaccurate, particularly if the research or models are based on, or incorporate, inaccurate assumptions or data. Assumptions or data may be inaccurate from the outset or may become inaccurate as a result of many factors such as, changes in market structure, increased government intervention in markets or growth in assets managed in accordance with similar investment strategies. In particular, such factors may make the Investment Manager's trend following models less effective because they may lessen the prospect of identified trends occurring or continuing in the future. As a result of the foregoing, the investment system implemented by JBL may not generate profitable trading signals and JBL may suffer a loss.

Collateral Risk

JBL enters into derivatives arrangements that require it to deliver collateral to the derivative counterparty through the futures exchange. As such, JBL may be exposed to certain risks in respect of that collateral, including that, JBL:

- (a) will be required to post initial margin/collateral to the derivative counterparty via the futures exchange in the form of cash. JBL will need to have sufficient liquid assets to satisfy this obligation;
- (b) may from time to time, if the value of the derivative arrangements move against it, be required to post variation margin/collateral with the derivatives counterparty via the futures exchange on an ongoing basis. JBL will need to have sufficient liquid assets to satisfy such calls, and in the event it fails to do so, the counterparty may have a right to terminate such derivatives arrangements; and
- (c) may be subject to the credit risk of the counterparty and the futures exchange. In the event the counterparty or futures exchange becomes insolvent at a time it holds margin/collateral posted with it by JBL, JBL will be an unsecured creditor and will rank behind other preferred creditors.

Authorised Representative

JBL is an authorised representative of JB Markets Pty Ltd ACN 123 876 291 an Australian Financial Services Licensee No. 323182. As an authorised representative JBL is permitted to undertake securities trading and funds management activities. There is a risk that changes to the regulatory framework or decisions of the Australian Securities and Investments Commission may result in JB Markets Pty Ltd losing its Australian Financial Services Licence. The directors of JB Markets Pty Ltd may also decide to cancel its licence or no longer authorise JBL to be its authorised representative. This would mean that JBL would cease to be an authorised representative of JB Markets Pty Ltd and may not be able to undertake the activities that it currently does. JBL is confident that it will be in a position to be an authorised representative of an Australian Financial Services Licensee, whether that be JB Markets Pty Ltd or another licensee.

9.3 Transaction specific risks

Conditions to the Offer

As noted in Schedule 2, the JBL Offer is subject to a number of conditions. Subject to any statutory rights of withdrawal, HML Shareholders who accept the Offer while it still remains conditional will not be able to trade their HML Shares on the ASX (subject to trading in or withdraw their acceptance of the JBL Offer.

As at the date of this Bidder's Statement, HML Shares remain suspended from trading on the ASX.

If the conditions remain unsatisfied at the end of the Offer Period and are not waived by JBL, there is no obligation on JBL to issue JBL Shares to those HML Shareholders who have already accepted the JBL Offer in consideration for their HML Shares.

Limited withdrawal rights

HML Shareholders who accept the JBL Offer are able to withdraw those acceptances in limited circumstances only.

Issue of JBL Shares as consideration

The JBL Offer comprises a specified number of JBL Shares in consideration for each HML Share, rather than a specified value of JBL Shares. Accordingly, the value of the consideration may fluctuate depending on the value of the JBL Shares from time to time.

Further, if current JBL Shareholders or current HML Shareholders who accept the JBL Offer (or, if applicable, current BHD shareholders who accept the concurrent off-market takeover offer for issued shares in BHD) seek to sell JBL Shares on market, there may be an adverse impact on the market price of JBL Shares depending on the price at which those JBL Shares are sold.

This means that the market value of JBL Shares at the time they are issued to HML Shareholders who accept the JBL Offer may vary significantly from their market value on the date of acceptance of the JBL Offer. This could result in the value of the consideration to HML Shareholders increasing as well as decreasing.

Less than 100 percent ownership

It is possible that JBL may not acquire all HML Shares under the Offer. The impact upon JBL of acquiring less than 100 percent will depend upon the final level of ownership acquired. However, the existence of minority shareholders in HML could have an impact on JBL's intentions regarding HML (refer to sections 8.2 to 8.8).

Assumed financial information for HML

There is a risk that the publicly available financial information provided by HML and utilised by JBL in formulating the Offer and preparing this Bidder's Statement is not materially correct.

Taxation risks

JBL cannot give advice on the tax consequences of the Offer, which will depend on the specific circumstances of each HML Shareholder.

A criterion for the availability of CGT rollover relief is that JBL increases its holding of HML Shares to at least 80 percent as a result of the Offer. There is a risk that JBL will not receive sufficient acceptances under the Offer to meet this criterion and CGT rollover relief may not be available to HML Shareholders.

JBL will notify all HML Shareholders if it receives sufficient acceptances to satisfy this requirement.

Reporting risks

JBL has assumed that HML has met all of its reporting obligations and that disclosures made by it are true in all material respects and are not misleading in any material respects.

Dilution risks

As the consideration payable for the Offer consists of JBL Shares, the interests of existing JBL Shareholders (which may include HML Shareholders following completion of the Offer) will be diluted to some degree.

As the consideration for the concurrent off-market takeover bid for all of the issued shares in BHD consists of new JBL Shares, and the consideration for the concurrent off-market takeover bid for all of the issued options in BHD consists of new JBL Options, there may be further dilution to the interests of JBL Shareholders.

9.4 Specific business risks associated with HML

Listed investment company risks

The share price of a listed investment company may trade at a premium or discount to net tangible asset backing per share. The operations and financial performance of listed investment companies are driven by a number of factors, including:

- domestic and international financial markets;
- domestic and international economic and political events;
- the applicable regulatory environment in Australia and internationally.

Liquidity risk

There is a risk that HML's portfolio underlying investments may not be easily sold when the investment manager decides it is an appropriate time for them to be sold. A lack of liquidity could result in a loss if the delay in the sale of the investment results in the decline in value of the investment. This will be especially relevant to any investments in products which are not exchange traded such as unlisted equities.

Market risk

Investment returns are influenced by general market factors internationally and by factors specific to each security. In particular, the market prices of the shares in many listed entities

have in recent times experienced wide fluctuations which in many cases reflect a diverse range of non-entity specific influences including:

- general economic conditions, including changes in inflation rates, short-term or long term interest rates, exchange rates and commodity prices;
- variations in the local and global markets for listed securities;
- domestic and international economic conditions;
- changes in investor confidence generally and in relation to specific sectors of the market;
- natural disasters, global hostilities and acts of terrorism;
- changes to government policy, legislation or regulation including in relation to taxation and other policy changes; and
- the inclusion or removal of stocks from major market indices.

Currency risk

For investments in global assets which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value and, therefore, the value of HML's portfolio.

Foreign exchange fluctuations may have a positive or adverse impact on the investment returns of HML. HML's foreign currency exposure may be over or under hedged or not hedged at all. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that hedging will be successful. HML may also hedge the exposure of the other investments in HML against investment loss, but is under no obligation to do so. There is no guarantee that any hedging will be successful. The cost of implementing hedging may be significant.

Derivatives risk

There is a risk that the use of derivatives can have a negative impact on HML's portfolio due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain. Derivative instruments include futures, futures options, over-the-counter products, exchange-traded options, swaps and forward contracts.

The value of all derivatives is 'derived' from underlying assets, such as company shares, commodities and bonds. Derivatives such as futures and options may be used by HML:

- to offset the risk of price variations of securities;
- as an alternative to purchasing the underlying security;
- to seek to take advantage of any opportunities for profit which may exist in the market from time to time; and
- in the management of currency and interest rate risk.

In all cases, there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.

Risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, HML not being able to meet payment obligations as they arise, regulatory risk and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). HML employs derivatives for investment, hedging, leverage and investment implementation and exit purposes.

General risks such as liquidity and counterparty or market risks can be magnified by the use of derivatives because of the leverage effect they exert on HML. HML manages this risk by maintaining adequate cash and physical asset cover for derivative positions and also by regularly monitoring derivative positions and only entering into transactions with reputable counterparties via recognised exchanges where possible. If HML enters into any derivative transaction with any other counterparty, it will seek to ensure the counterparty is creditworthy and viable.

9.5 Risk associated with the Merged Group

Implementation risks

There is a risk that less than 50.1 percent of HML Shareholders will accept the JBL Offer.

There is also a risk that less than 90 percent of HML Shareholders will accept the JBL Offer. If this occurs, JBL will not be able to proceed to compulsory acquisition of 100 percent of HML.

Depending on the ultimate shareholding of HML, this could result in a situation where HML remains listed on ASX, but JBL holds a substantial holding in HML.

Changes to investment portfolio

Upon the successful implementation of the Offer, HML Shareholders will be exposed to a more diversified portfolio of investments than HML's portfolio. That diversification may continue into the future. A more diverse portfolio of investments may mean that HML shareholders are exposed to a wider range of risks.

JBL Shares

Under the JBL Offer, HML Shareholders are issued with JBL Shares in consideration for the transfer of HML Shares. The share price performance of a listed company such as JBL, is subject to general fluctuations in the share market. These fluctuations can result from a wide variety of factors, some of which are beyond the control of JBL, including:

- changes in market conditions for derivatives and listed securities;
- general economic and business conditions; and
- changes in regulatory and government policy.

9.6 General risks

Regulation and publicity

Changes in the regulatory environment for listed investment companies, including amendments to the Corporations Act, ASX Listing Rules and Guidance Notes, NSX Listing Rules, ASIC policy and their practical application may impact on the investments of JBL and HML, and the ability of those companies to achieve their objectives. This may impact on the value of JBL Shares and HML Shares.

Changes in tax and accounting policies

Accounting policies and taxation laws are in a continual state of change and reform which may affect HML, JBL, and their shareholders. Changes to these laws may adversely affect the financial performance and/or the returns achieved by shareholders in JBL or HML.

Economic conditions

There is a risk that returns may be adversely affected by instability in local or global market conditions. The following economic conditions may impact the financial position and performance

of JBL and HML include national and international markets and economic growth, industry change, interest rates, inflation, exchange rates, and changes to government economic policy.

Currency risk

Shareholders who reside outside of Australia should be aware of the impact that fluctuations in exchange rates may have on the value of their investments and returns.

Forward looking statements

Certain information contained in this Bidder's Statement may constitute forward looking information that is subject to risks, uncertainties and various assumptions.

10 Tax considerations

10.1 Introduction

The following is a summary of the potential Australian income tax consequences generally applicable to a HML Shareholder who disposes of HML Shares under the Offer. This summary is based on the law and practice in effect on the date of this Bidder's Statement.

The following summary is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every HML Shareholder.

In particular the summary is only applicable to HML Shareholders that are Australian residents for income tax purposes and hold their HML Shares on capital account for income tax purposes. This summary does not apply to HML Shareholders that hold their HML Shares in the course of a business of trading or dealing in securities. The summary does not apply to HML Shareholders who acquired their HML Shares as part of an employee share scheme operated by HML.

All HML Shareholders are advised to seek independent professional advice about their particular circumstances and non-resident HML Shareholders should seek their own advice on the Australian and foreign taxation consequences of any sale of their HML Shares.

10.2 CGT consequences on the disposal of HML Shares

A HML Shareholder that accepts the Offer and whose HML Shares are subsequently transferred to JBL, is taken to have disposed of their HML Shares for Australian capital gains tax (**CGT**) purposes. Shareholders make a capital gain equal to the amount by which the Offer consideration exceeds the cost base that the HML Shareholder has for the HML Shares. Subject to the availability of the CGT discount (see below) and any losses available to be offset against the capital gain, this amount is included in the HML Shareholder's taxable income.

A HML Shareholder will alternatively make a capital loss equal to the amount by which the reduced cost base of the HML Shares exceeds the Offer consideration. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests applicable to companies and trusts.

Cost base of HML Shares generally

The cost base of HML Shares would generally be equal to the amount the relevant HML Shareholder paid to acquire the HML Shares which includes certain incidental costs of the acquisition (such as brokerage).

10.3 CGT discount

Any HML Shareholder who is an individual, the trustee of a trust or a complying superannuation entity may be entitled to claim the CGT discount in calculating any capital gain provided that:

- (a) the HML Shares were acquired at least 12 months before disposal to JBL;
- (b) the HML Shareholder did not choose to index the cost base of their HML Shares; and
- (c) the CGT discount is applied to the capital gain after any available capital losses are first offset against that capital gain.

The CGT discount allows a HML Shareholder who is an individual or the trustee of a trust to discount the capital gain by 50 percent and include 50 percent of the capital gain in the taxable income of that individual or trust.

A HML Shareholder that is a complying superannuation entity may discount the capital gain by 33⅓ percent and include 66⅔ percent of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is not available to a HML Shareholder that is a company.

10.4 CGT rollover

Where JBL acquires 80% of the Shares in HML, a HML Shareholder may be eligible to choose for CGT rollover relief to apply to their disposal of HML Shares under the scrip for scrip rules so that any CGT payable on the disposal is deferred. Whether the rollover is available depends on the individual circumstances of each Shareholder. Also, if the JBL Offer becomes unconditional and JBL does not receive acceptances for 80% of the Shares in HML and acquires those Shares, the rollover relief will not be available.

If a HML Shareholder is eligible and chooses to apply the scrip for scrip rules, JBL Shares received by the HML Shareholder should have a cost base equal to the cost base of the original HML Shares. The cost base will be relevant in determining any future CGT liability on the subsequent disposal of the JBL Shares.

In certain circumstances, it may be necessary for JBL to make a joint election with HML Shareholders in order for CGT rollover relief to apply. To the extent a joint election is necessary for rollover relief to apply then, at the request of the HML Shareholder and provided the HML Shareholder has informed JBL in writing of the cost base of their HML Shares, JBL will make the joint election.

Also, JBL will not make any choice or election under the CGT rollover provisions to prevent HML Shareholders from obtaining CGT rollover relief.

10.5 Stamp duty and GST

HML Shareholders who dispose of their HML Shares under the Offer are not expected to incur any Australian stamp duty or be subject to GST on that disposal.

10.6 Obtain your own taxation advice

Do not rely on the comments or the statements contained in this Bidder's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Bidder's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, JBL does not accept any responsibility for tax implications for individual HML Shareholders.

JBL is not a registered tax agent under the *Tax Agent Services Act 2009* (Cth) and cannot provide tax advice to specific HML Shareholders. HML Shareholders should obtain tax advice from a registered tax agent on the consequences of accepting the Offer.

11 Important documents

11.1 Bid Implementation Agreement

On 10 September 2018, JBL and HML entered into a Bid Implementation Agreement for the proposed takeover bid by JBL for all the HML Shares.

The terms of the Bid Implementation Agreement include:

- (a) HML Voting Directors recommend that HML Shareholders accept the Offer, unless there is a Superior Proposal, and subject to;
 - (i) HML's due diligence on JBL;
 - (ii) the matters details in the independent expert's report prepared on the instructions of HML's Voting Directors for the purposes of considering the Offer; and
 - (iii) the assessment of the Offer by the independent expert; and
- (b) until the end of the Offer Period, HML must comply with the no shop, no due diligence, no talk and no termination conditions.

Exclusivity and other limitations

HML has agreed not to:

- (a) take any action which may lead to a Competing Proposal (no shop condition);
- (b) permit due diligence on itself or its Subsidiaries (no due diligence condition); or
- (c) negotiate or enter into discussions about a Competing Proposal or respond to a Competing Proposal (no talk condition).

The no talk condition does not prevent a person from doing something with respect to a possible Competing Proposal if, based on the written opinion of HML's legal advisers, that action or omission is or may reasonably be expected to involve a breach of the fiduciary duties of the HML Directors or be otherwise unlawful.

The Bid Implementation Agreement is attached to JBL's announcement of the Offer lodged with NSX on the Announcement Date.

12 Additional information

12.1 JBL is a disclosing entity

As JBL is offering JBL Shares as consideration for the acquisition of HML Shares, the Corporations Act requires that this Bidder's Statement includes all information that would be required for a prospectus for an offer of JBL Shares under sections 710 to 713 Corporations Act. JBL does not need to issue a separate prospectus for the offer of the JBL Shares as the offer occurs under a takeover bid.

JBL is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 Corporations Act that is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, JBL is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of JBL's securities.

JBL Shares have been quoted on NSX during the 12 months before the date of this Bidder's Statement. For this reason, JBL is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, where JBL's shares are continuously quoted securities the prospectus is only required to contain information on the effect of the Offer on JBL and the rights and liabilities attaching to the JBL Shares. It is not necessary to include general information on all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company unless that information has been excluded from a continuous disclosure notice in accordance with the NSX Listing Rules and it is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of those matters and the rights and liabilities attaching to the JBL Shares.

Information that is already in the public domain is not reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete. JBL, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC on JBL (not being documents referred to in section 1274(2)(a) Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (i) the financial statements of JBL for the 12 months ended 30 June 2018 (being the annual financial report most recently lodged by JBL with ASIC);
 - (ii) the half-year financial report lodged for the six months ended 31 December 2017 lodged with ASIC by JBL; and
 - (iii) all continuous disclosure notices given by JBL after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

If you would like to receive a copy of any of these documents or publications, please contact JBL's bid information line weekdays between 9.00am and 5.00pm (Sydney time) on 1300 963 991 (Australia only) or +61 1300 963 991 (outside Australia).

Copies of all documents lodged with ASIC in relation to JBL can be inspected at the registered office of JBL during normal office hours. A list of announcements made by JBL on ASX between 1 July 2018 and the date of this Bidder's Statement appears in Schedule 3.

Other than information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the NSX Listing Rules and is information that a HML Shareholder or a professional adviser to a HML Shareholder would reasonably require for the purposes of making an informed assessment of:

- (d) the assets and liabilities, financial position and performance, profits and losses and prospects of JBL; or
- (e) the rights and liabilities attaching to the JBL Shares.

None of the information referred to in this section 12.1 is incorporated by reference into this Bidder's Statement or is included with this Bidder's Statement.

12.2 Capital structure of JBL

Current

The total number of JBL Shares on issue is 24,367,704 listed shares.

JBL has granted 24,186,520 options over unissued shares in JBL. A summary of the exercise price and expiry date of each class of options is set out in section 5.4.

JBL has 2,227,850 convertible notes on issue with a face value of \$1.58 per convertible note. The convertible notes mature on 6 April 2022. On conversion, one JBL Share will be issued per convertible note.

The effect of this Offer on JBL's capital structure is set out in section 7.

12.3 Rights and liabilities attaching to JBL Shares

The rights and liabilities attaching to ownership of the JBL Shares arise from a combination of JBL's constitution, statute, the NSX Listing Rules and general law.

A summary of the significant rights and liabilities attaching to JBL's Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of JBL Shareholders.

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 JBL or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid JBL 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 JBL Shareholder is entitled to receive notice of, attend and vote at meetings of JBL and to receive all notices, accounts and other documents required to be sent to JBL Shareholders under JBL's constitution, the Corporations Act and the NSX Listing Rules.

Dividends

The Directors may authorise the payment to members of dividends as appear to the Directors to be justified by the profits of JBL. Dividends are payable on all JBL Shares in proportion to the amount of the total issue price paid (but not credited) for the JBL Shares. This is subject to any

special or preferential rights attached to any class of shares created after the issue of the JBL Shares. If a fully paid share is on issue for part only 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 JBL Shares

JBL Shares may be transferred by a proper transfer effected under the ASX Settlement Operating Rules, or by a written instrument of transfer in any usual form or in any other form approved by the Directors.

The Directors may only decline to register a transfer of JBL Shares (other than a proper transfer under the ASX Settlement Operating Rules) where permitted or required to do so under the NSX Listing Rules. If the Directors refuse to register a transfer, JBL must, within five Business Days after the transfer is lodged with JBL, give the party lodging the transfer written notice of the refusal and the reason for refusal. The Directors must decline to register a transfer of JBL Shares when required by the Corporations Act or the NSX Listing Rules.

Issue of further JBL Shares

The Directors may allot, issue, grant options in respect of, or otherwise dispose of, further shares in JBL on terms as they see fit. However, the Directors must act in accordance with the restrictions imposed by JBL's constitution, the Corporations Act, the NSX Listing Rules and any rights for the time being attached to the shares in any special class of those shares.

Winding-up

If JBL is wound up, then, subject to any special rights attaching to any class of shares, JBL Shareholders will be entitled to participate in any surplus assets of JBL in proportion to the amount paid up (or which ought to have been paid up) on their JBL Shares when the winding-up begins.

Unmarketable parcels

Subject to the Corporations Act, NSX Listing Rules and ASX Settlement Operating Rules, JBL may refuse to register a transfer where to do so would create a parcel of shares less than a marketable parcel of shares.

Share buy-back

Subject to the provisions of the Corporations Act and the NSX Listing Rules, JBL may buy back JBL Shares on terms and at times determined by the Directors.

Variation of class rights

Unless otherwise provided by JBL'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 ten percent 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 and bonus share plan

JBL's constitution authorises the Directors to establish and maintain dividend reinvestment plans (whereby any member may elect that dividends payable by JBL be reinvested by way of subscription for shares in JBL) and bonus share plans (whereby any member may elect to forego any dividends that may be payable on all or some of the JBL Shares held by that member and to receive instead JBL Shares).

Indemnities

To the extent permitted by law, JBL indemnifies every officer and former officer of JBL against a liability incurred by the person acting in that capacity. In addition, every officer is indemnified out of the assets of JBL against any liability incurred in defending any civil or criminal proceedings:

- (c) in which judgment is given in favour of the officer, or in which the officer is acquitted; or
- (d) in connection with any application for that proceeding in which relief is granted to the officer under the Corporations Act by the court, and where proceedings are commenced, but are struck out or are in any other manner discontinued or determined otherwise than by a judgment or conviction against the officer.

Alteration of JBL's constitution

JBL's constitution can only be amended by special resolution passed by at least 75 percent of JBL Shareholders present and voting at a general meeting of JBL. JBL must give at least 28 days written notice of its intention to propose a resolution as a special resolution.

12.4 Capital structure of HML

- (a) JBL's Offer is to acquire all of the issued HML Shares.
- (b) At the date of this Bidder's Statement, there are 32,346,922 HML Shares on issue.

12.5 Details of JBL's relevant interests in HML Shares

At the date of this Bidder's Statement, the number of HML Shares in which JBL had a relevant interest is set out below:

Class of securities	Total number in class	% of HML Shares on issue
HML Shares	3,579,811 HML Shares	11.07%

As at the date of this Bidder's Statement JBL has voting power of 11.07% percent in HML.

JBL reserves the right to purchase HML Shares outside the Offer at any time during the Offer Period, subject to the Corporations Act.

12.6 Details of JBL's Directors' relevant interests in HML Shares

At the date of this Bidder's Statement, the Directors of JBL have the following relevant interests in HML Shares:

JBL Director	Relevant interest in HML Shares
Stuart McAuliffe	5,379,811
John McAuliffe	1,800,000

Ross Patane	15,968
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12.7 Voting Directors of HML

JBL understands that Stuart McAuliffe, John McAuliffe and Ross Patane consider it inappropriate that each of them make a recommendation about the Offer. Accordingly, the Voting Directors are:

- (a) Vanessa Gunner;
- (b) William Earl; and
- (c) Peter Ziegler.

12.8 Inducing benefits given during previous four months

Except as set out in this Bidder's Statement, neither JBL nor any of its Associates has, during the period of four months before the date of the Offer, or in the period commencing on the date of this Bidder's Statement and ending on the date of the Offer, given, offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to:

- (a) accept an Offer; or
- (b) dispose of HML Shares,

which benefit was not offered to all HML Shareholders under the Offer.

12.9 Miscellaneous matters

NSX relief

JBL has sought a waiver from NSX of the requirement to obtain shareholder approval or re-comply with the requirements for listing under NSX Listing Rule 6.41.

ASIC relief

ASIC has published various class order instruments providing for modifications and exemptions that apply generally to all persons, including JBL, about the operation of chapter 6 Corporations Act. JBL may rely on this class order relief.

JBL has relied on the modification to section 636(3) Corporations Act in paragraph 5(d) of ASIC Class Order 13/521 'Takeover Bids' to include references to certain statements in documents lodged with ASIC and NSX without obtaining the consent of the persons to whom those statements are attributed.

As required by Class Order 13/521, JBL will make available a copy of the documents containing these statements (or relevant extracts from these documents), free of charge to HML Shareholders who request them before the end of the Offer Period. To obtain a copy of these documents (or the relevant extracts) HML Shareholders should contact the shareholder information line on 1300 963 991 (or +61 1300 963 991 for overseas domiciled holders) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

Other regulatory matters

JBL is not aware of any other Regulatory Approval which is required for it to acquire control or ownership of HML.

12.10 Foreign Shareholders

If you are a Foreign Shareholder, unless JBL otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with JBL Shares on acceptance of the Offer; and
- (b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

you will not be entitled to receive JBL Shares as consideration for your HML Shares.

If you are a Foreign Shareholder in Singapore, please refer to Schedule 4.

Instead, JBL will:

- (c) arrange for the issue to the Nominee of the number of JBL Shares to which you and all other Foreign Shareholders would have been entitled but for clause 2.2 of the Offer Terms (Schedule 1); and
- (d) cause the Nominee to offer for sale those JBL Shares within five Business Days after the end of the Offer Period in the manner, at the price and on other terms as are determined by the Nominee; and
- (e) pay to you the amount ascertained under the formula in clause 5.3 of the Offer Terms (Schedule 1).

Notwithstanding anything else contained in this Bidder's Statement, JBL is not under any obligation to spend any money or undertake any action to satisfy itself of the eligibility of Foreign Shareholders to receive JBL Shares.

12.11 Consents

This Bidder's Statement includes statements which are made in, or based on statements which are made in, documents provided by HML or announced on the company announcements platform of ASX by HML. No person who has made any of these statements has consented to the statement being included in or accompanying this Bidder's Statement in the form and context in which it is included.

- (a) McCullough Robertson has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn their written consent to being named in this Bidder's Statement as legal adviser to JBL in respect of the Offer in the form and context in which they are named.
- (b) Link Market Services Limited has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as registry to JBL in respect of the Offer in the form and context in which it is named.
- (c) Each of McCullough Robertson and Link Market Services Limited:
 - (i) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Bidder's Statement with the consent of that person; and
 - (ii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and, in the case of a person referred to above as having given their

consent to the inclusion of a statement, any statement or report which has been included in this Bidder's Statement with the consent of that party.

12.12 Fees and benefits payable to Directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) Director or proposed director of JBL;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- (c) promoter of JBL,

has, or had within two years before the date of this Bidder's Statement, any interest in:

- (d) the formation or promotion of JBL;
- (e) any property acquired or proposed to be acquired by JBL in connection with its formation or promotion or in connection with the issue of JBL Shares under the Offer; or
- (f) the offer of JBL Shares under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or a proposed director of JBL as an inducement to become, or to qualify as, a Director of JBL or to any of those persons otherwise for services rendered by them in connection with the formation or promotion of JBL or the offer of JBL Shares under this Bidder's Statement.

The Directors of JBL have the following relevant interests in JBL Shares (either held directly or held by entities controlled by them) at the date of this Bidder's Statement:

Director	JBL Shares	% of JBL Shares on issue
John McAuliffe	896,000	3.68%
Ross Patane	87,500	0.36%
Stuart McAuliffe	5,598,000	22.97%

JBL reviews executive remuneration and other terms of employment annually (through a remuneration committee), having regard to performance, relevant comparative information and independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing JBL's operations. Remuneration and other terms of employment for the managing director and certain other senior executives are formalised in service agreements. Incentive-based remuneration packages linked to personal and corporate key performance indicators are in place for each executive.

These incentives are structured to align executive reward with the achievement of strategic objectives and the creation of shareholder value. The personal and corporate key performance indicators and other targets for each executive are reviewed at least annually to ensure that they remain relevant and appropriate, and may agree to vary the stated indicators or targets to ensure that the short term rewards and long term rewards offered to each executive incentivise performance and achievement that are consistent with JBL's goals and objectives. A significant portion of the incentive plan is provided by way of JBL Shares through a deferred employee share plan which seeks to align executive performance with shareholders' interests. JBL's remuneration policy is designed to align management, and therefore JBL's performance with shareholder wealth.

Insurance and indemnity arrangements are in place for officers of JBL. To the extent permitted by law, JBL indemnifies every person who is or has been an officer against:

- (a) any liability to any person (other than JBL, related entities or a major shareholder) incurred while acting in that capacity and good faith; and
- (b) costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

For this purpose 'officer' means any Director or secretary of JBL or any subsidiary of JBL. Under the terms of the indemnity, JBL must maintain indemnity insurance coverage for a period of seven years after the officer held their position in JBL and allow the officer access to certain records after ceasing to hold office in JBL for a period of seven years.

McCullough Robertson has acted as legal adviser to JBL in relation to the Offer. McCullough Robertson is entitled to receive professional fees on a normal basis.

12.13 Expiry date

No JBL Shares will be issued on the basis of the Offer contained in this Bidder's Statement after the date that is 13 months after the date of this Bidder's Statement.

12.14 Other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a HML Shareholder whether or not to accept an Offer; and
- (b) known to JBL,

and has not previously been disclosed to HML Shareholders.

13 Definitions and interpretation

13.1 Definitions

In this Bidder's Statement:

Term	Definition
Acceptance Form	means the form of acceptance and transfer accompanying this Bidder's Statement.
Announcement Date	means 10 September 2018, being the date of announcement of the Offer.
ASIC	means the Australian Securities and Investments Commission.
Associates	<p>in the context of a body corporate includes:</p> <ul style="list-style-type: none">(a) a director, secretary and shareholder of the body corporate;(b) a body corporate that is a Related Body Corporate;(c) a director, secretary and shareholder of that Related Body Corporate;(d) the trustee of any trust under which the persons described in clauses (a), (b) and (c) or any of them, may benefit;(e) any person who is a related party for the purposes of section 228 Corporations Act; and(f) in the particular matter to which the associate reference relates, any person or persons with whom the body corporate:<ul style="list-style-type: none">(i) is acting or proposes to act in concert; or(ii) is or proposes to become associated, <p>whether formally or informally.</p>
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
ASX Settlement Operating Rules	means the settlement rules of ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHESS system in Australia), a copy of which is available at www.asx.com.au .
BHD	means Benjamin Hornigold Limited ACN 614 854 045.

Term	Definition
Bid Implementation Agreement	means the agreement between JBL and HML dated 10 September 2018 documenting JBL's proposal to make a takeover bid to acquire all the HML Shares.
Bidder's Statement	means this document, being the statement of JBL under part 6.5 division 2 Corporations Act relating to the Offer.
Broker	means a person who is a share broker and a participant in CHESS.
Business Day	means a business day as defined in the Listing Rules.
CHESS	means the Clearing House Electronic Subregister System, which provides for electronic share transfer in Australia.
CHESS Holding	means a holding of HML Shares on the CHESS subregister of HML.
Competing Proposal	means a proposal for a takeover bid, scheme of arrangement or other corporate transaction involving HML or HML Shares that would compete with the Offer or mean that a Defeating Condition would not be fulfilled.
Controlling Participant	means the Broker or Non-Broker Participant who is designated as the controlling participant for shares in a CHESS Holding under the ASX Settlement Operating Rules.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Defeating Condition	means each of the conditions of the Offer set out in Schedule 2.
Directors	means the directors of JBL.
Foreign Shareholder	means a HML Shareholder whose address on the HML share register is in a jurisdiction other than Australia or its external territories or New Zealand.
GST	has the meaning it has in the GST Act.
GST Act	means the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
HML	means the target company, Henry Morgan Limited ACN 602 041 770.
HML Board	means the board of directors of HML.
HML Directors	means the current directors of HML.
HML Group	means HML and each of its Subsidiaries.
HML Options	means options over unissued HML Shares.
HML Shareholder	means a registered holder of HML Shares.
HML Shares	means fully paid ordinary shares in the capital of HML.
Issuer Sponsored Holding	means a holding of HML Shares on HML's issuer sponsored subregister.

Term	Definition
JBL	means the bidder, John Bridgeman Limited ACN 603 477 185.
JB Financial Group	means JB Financial Group Pty Ltd ACN 613 592 135
JBL Group	means JBL and each of its Subsidiaries.
JBL Share	means a fully paid ordinary share in the capital of JBL.
Material Adverse Change	<p>means:</p> <ul style="list-style-type: none"> (a) any matter, event or circumstance which happens, is announced or becomes known to JBL or HML after the date of this document which (individually or when aggregated with all those matters, events or circumstances) has resulted in or is likely to result the value of consolidated net assets of the JBL Group or the HML Group being reduced by at least 20% against what they would have been but for the matters, events or circumstances; or (b) JBL or HML becomes aware, prior to the end of the Offer Period, that JBL or HML has breached its continuous disclosure obligations under the NSX Listing Rules or ASX Listing Rules (as applicable) and, had a reasonable bidder or target in similar circumstances to JBL or HML known of the information giving rise to such breach prior to the Announcement Date, it would have resulted in that reasonable bidder offering less Consideration or greater Consideration under the Takeover Bid, <p>but does not include:</p> <ul style="list-style-type: none"> (a) any matter, event or circumstance arising from changes in economic or business conditions which impact on HML and its competitors in a similar manner; (b) any change in taxation rates or taxation laws which impact on HML and its competitors in a similar manner; (c) any change in accounting policy required by law; (d) any change occurring directly or indirectly as a result of any matter, event or circumstance required by the Bid Implementation Agreement, the Proposal or the transactions contemplated by them; or

Term	Definition
	(e) any matter, event or circumstance which has been disclosed prior to execution of the Bid Implementation Agreement or which is approved in writing by the other party.
Material Adverse Effect	in relation to any event or series of events means that the event alone or events in aggregate would or would be likely to impact (directly or indirectly) upon the financial position of the HML Group by an amount equal to or greater than ten percent of the consolidated net assets of the HML Group as at 30 June 2018.
Merged Group	means JBL and each of its Subsidiaries (including the HML Group) which will exist as a result of the takeover bid as constituted by the Offer, should the takeover proceed to its conclusion.
NAV	means net asset value.
Nominee	means an entity to be appointed by JBL after the date of this Bidder's Statement with the prior approval of ASIC.
Non-Broker Participant	means a non-broker participant under the ASX Settlement Operating Rules.
NSX	means the National Stock Exchange of Australia ABN 11 000 902 063.
NSX Listing Rules	means the Listing Rules of NSX and any other rules of ASX which are applicable, each as amended or replaced from time to time, except to the extent of any express written waiver by NSX.
NTA	means net tangible assets.
Offer or Offers	means the offer by JBL on the Offer Terms to acquire HML Shares referred to in section 2 of this Bidder's Statement.
Offer Consideration	means 0.95 JBL Shares for each HML Share you own.
Offer Period	means the period commencing on 6 November 2018 and ending at 7.00pm (Sydney time) on 7 December 2018, or any later date to which the Offer is extended.
Offer Terms	means the terms of the Offer set out in Schedule 1 to this Bidder's Statement.
Prescribed Occurrence	means: <ul style="list-style-type: none"> (a) (conversion) HML or JBL converts all or any of its shares into a larger or smaller number of shares; (b) (reduction of share capital) HML or JBL resolves to reduce its share capital in any way; (c) (buy-back) HML or JBL:

Term	Definition
	<ul style="list-style-type: none"> (i) enters into a buy-back agreement; or (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act; which is not an on-market buy-back or is not in place at the time of this Agreement;
(d)	(distribution) HML or JBL makes or declares, or announces an intention to make or declare, any distribution (whether by dividend, capital reduction or otherwise and whether in cash or in specie);
(e)	(issuing shares or options) a member of the HML Group: <ul style="list-style-type: none"> (i) issues shares; (ii) grants an option over its shares; or (iii) agrees to make an issue of shares or grant an option over its shares, in each case to a person outside the HML Group;
(f)	(securities or other instruments) a member of the HML Group or JBL Group: <ul style="list-style-type: none"> (i) issues securities or other instruments convertible into shares or debt securities; or (ii) agrees to issue securities or other instruments convertible into shares or debt securities, in each case to a person outside the HML Group or JBL Group and such action would have a materially adverse impact on the other party's position under the Offer;
(g)	(constitution) a member of the HML Group or JBL Group adopts a new constitution or modifies or repeals its constitution or a provision of it;
(h)	(disposals) a member of the HML Group or JBL Group disposes, or agrees to dispose of, the whole or a substantial part of its business or property;
(i)	(acquisitions, disposals or tenders) a member of the HML Group or JBL Group: <ul style="list-style-type: none"> (i) acquires or disposes of; (ii) agrees to acquire or dispose of; or

Term	Definition
	<p>(iii) offers, proposes, announces a bid or tenders for,</p> <p>any business, asset (excluding stock in the normal course of business), interest in a joint venture, entity or undertaking, the value of which exceeds \$5 million;</p>
(j)	<p>(Encumbrances) a member of the HML Group or JBL Group creates any Encumbrance over the whole or a substantial part of its business or property (other than in the ordinary course of business and other than a lien which arises by operation of law or legislation securing an obligation not yet due and consistent with past practice);</p>
(k)	<p>(employment arrangements) a member of the HML Group or JBL Group:</p> <p>(i) materially increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees; or</p> <p>(ii) accelerates the rights of any of its directors or employees to compensation or benefits of any kind,</p> <p>other than in the ordinary course of business or as a result of contracted arrangements that are consistent with past practice and in effect at the date of the Bid Implementation Agreement;</p>
(l)	<p>(termination or retention payment) a member of the HML Group or JBL Group pays, or agrees to pay any of its directors or employees a termination or retention payment (otherwise than as required by an existing contract which, at the date of the Bid Implementation Agreement, is in place and has been disclosed to JBL or HML);</p>
(m)	<p>(commitments and settlements) a member of the HML Group or JBL Group:</p> <p>(i) enters into or agrees to enter into any Material Contract;</p> <p>(ii) terminates or amends in a material manner any Material Contract;</p>

Term	Definition
	(iii) waives any material third party default of a Material Contract; or
	(iv) accepts as a settlement or compromise of a material matter relating to a Material Contract, less than the full compensation due to HML or JBL or a Subsidiary of HML or JBL
	and such action would have a materially adverse impact on the other party's position under the Offer;
(n)	(financial arrangements) a member of the HML Group or JBL Group amends (or agrees to amend) in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by the Bid Implementation Agreement;
(o)	(capital expenditure) a member of the HML Group or JBL Group undertakes or agrees to undertake capital expenditure in excess of \$5 million in aggregate;
(p)	(insolvency) an Insolvency Event occurs in respect of any member of the HML Group or JBL Group;
(q)	(financial indebtedness) excluding trade debtors in the ordinary course of business, a member of the HML Group or JBL Group provides financial accommodation (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$10 million, and such action would have a material adverse impact on the other party's position under the Offer;
(r)	(breach of law) a member of the HML Group or JBL Group takes or omits to take action which results in a breach of law material to a member of the HML Group or JBL Group;
(s)	(accounting policy) a member of the HML Group or JBL Group changes any accounting policy applied by them to report their financial position; or
(t)	(tax liability) HML or JBL or any other member of the HML Group or JBL Group does anything that results in a taxable gain for the HML Group or JBL Group by either causing a Subsidiary to cease being a member of the HML Group or JBL Group or

Term	Definition
	<p>causing the HML Group or JBL Group to cease being a Consolidated Group, but a Prescribed Occurrence does not include:</p> <ul style="list-style-type: none"> (a) an issue of HML Shares or JBL Shares on exercise of an option that had been granted on or before the date of the Bid Implementation Agreement; (b) any matter required to be done or brought about by HML or JBL under the Bid Implementation Agreement or which is contemplated by the Proposal; or (c) any other matter, the undertaking of which JBL and HML has approved in writing.
Pro Forma Balance Sheet	means the pro forma combined balance sheet of the Merged Group referred to in section 7.3 of this Bidder's Statement.
Register Date	means 1 November 2018.
Regulatory Agency	means a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local and for these purposes includes ASX, NSX and ASIC.
Regulatory Approvals	means the authorisations, consents, exemptions, modifications and approvals as may be required from any Regulatory Agency (including ASIC, NSX and ASX) to enable the party to perform its obligations under the Bid Implementation Agreement and implement the Offer under the applicable law.
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from HML Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by HML or any of its Subsidiaries.
Subsidiaries	has the meaning given to that term by section 9 Corporations Act.
Superior Proposal	<p>means a Competing Proposal that:</p> <ul style="list-style-type: none"> (a) is actually proposed or offered; and (b) in the determination of the HML Board, acting reasonably and in good faith and satisfying its fiduciary and statutory duties (on advice from its financial and legal advisers):

Term	Definition
	<ul style="list-style-type: none"> (i) would be likely to be completed substantially in accordance with its terms; and (ii) if completion of that Competing Proposal occurred, it would result in a transaction more favourable to HML Shareholders than the Offer; and (iii) that determination has been communicated by written notice to JBL and JBL has not matched or bettered the Competing Proposal within two Business Days of receipt of that notice.
Target's Statement	means the target's statement, to be prepared by HML in response to this Bidder's Statement.
Voting Directors	means those HML Directors listed in section 12.7.
VWAP	means the volume weighted average price of a security.

13.2 Interpretation

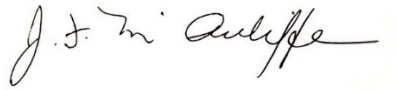
In this Bidder's Statement, unless the context otherwise requires:

- (a) headings are for convenience and do not affect the interpretation;
- (b) words or phrases defined in the Corporations Act have the same meaning in this Target's Statement;
- (c) a reference to a section is a reference to a section of this Bidder's Statement;
- (d) a singular word includes the plural and vice versa;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;
- (g) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (h) a reference to '\$' or 'dollar' is to Australian currency;

14 Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by the Directors of JBL on 31 October 2018.

Signed by John McAuliffe, Chairman of JBL, under section 351 Corporations Act.

A handwritten signature in black ink, appearing to read 'J. J. McAuliffe', is written over a faint, light-colored rectangular stamp or watermark.

John McAuliffe
Chairman
John Bridgeman Limited

Schedule 1

Terms of the Offer

1 Offer

- 1.1 JBL offers, to each holder of HML Shares at 7.00pm (Sydney time) on the Register Date, to acquire all of your HML Shares together with all the Rights attaching to them on the terms set out in this Schedule 1. This Offer extends to any person who is able during the Offer Period to give good title to HML Shares and has not already accepted an Offer for those HML Shares.
- 1.2 This Offer extends to all HML Shares that:
 - (a) exist at the Register Date; and
 - (b) that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, any securities which confer on the holder the right to have HML Shares issued to them.
- 1.3 By accepting this Offer, you undertake to transfer to JBL not only the HML Shares to which the Offer relates but also all the Rights attached to the HML Shares.
- 1.4 JBL Shares issued under this Offer will rank equally in all respects with JBL Shares on issue at the Register Date.
- 1.5 This Offer is dated 6 November 2018.

2 Offer Consideration

- 2.1 Subject to clause 2.2 of this Schedule 1, the consideration under the Offer Consideration is 0.95 JBL Shares for each HML Share you own.

Foreign Shareholders

- 2.2 If at the time this Offer is made to you, you are a Foreign Shareholder and JBL does not make a determination under section 12.10, you will not be entitled to receive JBL Shares as consideration for your HML Shares. Instead, you will receive a cash amount calculated under clause 5.3 of this Schedule 1.

Fractional entitlements

- 2.3 If you accept the Offer and are entitled to receive a fraction of a JBL Share, the number of JBL Shares you are entitled to under this Offer is rounded up to the next whole number of JBL Shares if it is 0.5 or more, and rounded down to the nearest whole number if it is less than 0.5. If you are entitled to a fraction of a cent, that fraction is rounded to the nearest cent on the same basis. If JBL reasonably believes that you have manipulated your holding of HML Shares to take advantage of rounding up, then any fractional entitlement is aggregated or rounded down to the next whole number of JBL Shares.

3 Offer Period

The Offer will remain open for acceptance during the period commencing on 6 November 2018, and ending at 7.00pm (Sydney time) on 7 December 2018, unless it is withdrawn or extended under the Corporations Act.

4 How to accept this Offer

All of your holding

- 4.1 This Offer is for all of your HML Shares.

Acceptance procedure for HML Shareholders

- 4.2 The acceptance procedure will depend on whether your HML Shares are in a CHESS Holding or an Issuer Sponsored Holding.

If you hold your HML Shares in a CHESS Holding

- 4.3 You must comply with the ASX Settlement Operating Rules.
- 4.4 If you are a sponsored CHESS holder of HML Shares, to accept the Offer you must:
- (a) instruct your Controlling Participant to initiate acceptance of the Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
 - (b) complete, sign and send the accompanying Acceptance Form directly to your stockbroker or Controlling Participant; or
 - (c) complete and sign the Acceptance Form and mail or deliver it to the address below and authorise JBL to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf;

before the end of the Offer Period.

If you hold your HML Shares in an Issuer Sponsored Holding

- 4.5 If your HML Shares are in an Issuer Sponsored Holding, then to accept this Offer you must complete, sign and return the accompanying Acceptance Form in accordance with the instructions on it and deliver it or send it by post so that it is received by JBL's share registry of the Offer before the end of the Offer Period.

If you are a Broker or a Non-Broker Participant

- 4.6 If you are a Broker or Non-Broker Participant, initiate acceptance under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

Mailing and delivery addresses

- 4.7 The mailing and delivery addresses for completed Acceptance Forms are as follows.

The mailing address is:

Link Market Services Limited
Henry Morgan Limited (HML) Takeover
Locked Bag A14
Sydney South NSW 1235

- 4.8 Alternatively you may deliver the Acceptance Form and any associated documents to:

Link Market Services Limited
Henry Morgan Limited (HML) Takeover
1A Homebush Bay Drive
Rhodes NSW 2138

- 4.9 A reply paid envelope (not able to be used by HML Shareholders outside Australia) is enclosed for your convenience.

Acceptance Form

- 4.10 The Acceptance Form which accompanies this Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Offer for your HML Shares.

Power of attorney, deceased estate

- 4.11 When accepting this Offer, you must also forward for inspection:
- (a) if the Acceptance Form is signed by an attorney, the power of attorney; and
 - (b) if the Acceptance Form is signed by the executor of a will or the administrator of the estate of a deceased HML Shareholder, the relevant grant of probate or letters of administration.

When acceptance is complete

- 4.12 Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at one of the addresses set out in clause 4.7 above and the requirements of this clause have been met, provided that:
- (a) JBL may in its sole discretion waive any or all of those requirements at any time; and
 - (b) where those requirements have been complied with for some but not all of your HML Shares, JBL may, in its sole discretion, deem your acceptance of this Offer complete in respect of those HML Shares for which the requirements have been complied with but not in respect of the remainder.
- 4.13 If your Acceptance Form is returned by post it will be taken as received before the end of the Offer Period if the envelope in which it is sent is postmarked before the end of the Offer Period.

5 Payment of consideration

When consideration is paid

- 5.1 Subject to clauses 5.3 and 5.4 of this Schedule 1, you will be paid the consideration you are entitled to within one month of the later of:
- (a) the date you accept the Offer; and
 - (b) the date the Offer becomes unconditional.
- 5.2 In any event, you will be paid within 21 days after the end of the Offer Period (assuming all Defeating Conditions are satisfied or waived).

Payments to Foreign Shareholders

- 5.3 If you accept the Offer and you are a Foreign Shareholder and JBL does not make a determination under section 12.10 of this Bidder's Statement:
- (a) JBL will arrange for the issue to the Nominee of the number of JBL Shares to which you and all other Foreign Shareholders would have been entitled under the Offer but for clause 2.2 of this Schedule 1;
 - (b) JBL will cause the Nominee to offer for sale the JBL Shares as soon as practicable, or otherwise in the manner, at the price and on terms as are determined by the Nominee;

- (c) JBL will cause the Nominee to pay to you the amount calculated under the following formula:

$$\frac{\text{Net Proceeds of Sale} \times \text{Your JBL Shares}}{\text{Total Nominee JBL Shares}}$$

where:

- (i) **Net Proceeds of Sale** means the amount which is received by the Nominee upon the sale of all JBL Shares under this clause 5.3 less brokerage and other sale expenses;
 - (ii) **Your JBL Shares** means the number of JBL Shares which would, but for clause 2.2 of this Schedule 1, have been allotted to you under the Offer;
 - (iii) **Total Nominee JBL Shares** means the total number of JBL Shares allotted to the Nominee under this clause 5.3;
- (d) you will receive your share of the proceeds of this sale in Australian currency;
- (e) payment will be made by cheque posted to you at your risk by ordinary mail at the address provided on your Acceptance Form; and
- (f) under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

Where additional documents are required

- 5.4 Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney), if the documents are given:

- (a) with your acceptance, JBL will provide the consideration in accordance with clause 5.1 of this Schedule 1;
- (b) after acceptance and before the end of the Offer Period and the Offer is subject to a Defeating Condition at the time that JBL is given the documents, JBL will provide the consideration by the end of whichever period ends earlier:
 - (i) within one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period;
- (c) after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that JBL is given the documents, JBL will provide the consideration by the end of whichever period ends earlier:
 - (i) one month after JBL is given the document; and
 - (ii) 21 days after the end of the Offer Period; or
- (d) after the end of the Offer Period, JBL will provide the consideration within 21 days after the documents are given, but if at the time JBL is given the documents, the contract resulting from your acceptance of the Offer is still subject to one or more of the Defeating Conditions, JBL will provide the consideration within 21 days after that contract becomes unconditional.

- 5.5 If you do not give JBL the required additional documents within one month after the end of the Offer Period, JBL may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

Where JBL is entitled to any Rights

- 5.6 If JBL becomes entitled to any Rights on acceptance of this Offer, you must give JBL all documents that JBL needs to give JBL title to those Rights. If you do not give those documents to JBL, or if you have received the benefit of those Rights, JBL will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by JBL) of those Rights.

Payment to be mailed by cheque

- 5.7 Payment of the cash amount to which you are entitled will be mailed by cheque (or otherwise as agreed by JBL) in Australian currency. Cheques will be sent to the address on the Acceptance Form by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

Clearances for offshore residents

- 5.8 If, at the time of acceptance of this Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the *Banking (Foreign Exchange) Regulations 1959* (Cth) or otherwise), or of the Australian Taxation Office, have been obtained.

6 Conditions of the Offer

Conditions

- 6.1 This Offer and the contract that results from acceptance of this Offer are subject to fulfilment of the Defeating Conditions.

Nature of conditions

- 6.2 Each of the Defeating Conditions set out in each paragraph and subparagraph of Schedule 2:
- (a) constitutes and will be construed as a separate, several and distinct condition;
 - (b) is a condition subsequent; and
 - (c) until the expiration of the Offer Period will be for the benefit of JBL alone and may be relied upon only by JBL.

Conditions apply to multiple events

- 6.3 Where an event occurs that would mean at the time the event occurs a Defeating Condition would not be satisfied, each Defeating Condition affected by that event becomes two separate conditions on identical terms except that:
- (a) one of them relates solely to that event; and
 - (b) the other specifically excludes that event.
- 6.4 JBL may declare the Offer free under clause 6.5 from either of those conditions without declaring it free from the other and may do so at different times. This clause may apply any number of times to a Defeating Condition (including a condition arising from a previous operation of this clause).

Effect of breach or non-fulfilment

- 6.5 The breach or non-fulfilment of any of the Defeating Conditions does not prevent a contract arising to acquire your HML Shares resulting from your acceptance of this Offer. If at the end of the Offer Period, in respect of any Defeating Condition:

- (a) JBL has not declared the Offers (and they have not become) free from that Defeating Condition; or
- (b) that Defeating Condition has not been satisfied,

all contracts resulting from the acceptance of the Offers and all acceptances that have not resulted in binding contracts are void. In that case, JBL will return the Acceptance Form together with all documents to the address shown in the Acceptance Form.

JBL may decide Offer is free from all or any of the Defeating Conditions

- 6.6 JBL may at any time at its sole discretion but in compliance with section 650F and section 630(1) Corporations Act, declare the Offers free from all or any of the Defeating Conditions by written notice to HML not later than seven days before the end of the Offer Period.

Date for giving notice on status of Defeating Conditions

- 6.7 The date for giving a notice on the status of the Defeating Conditions as required by section 630(1) Corporations Act is the date seven days before the end of the Offer Period, subject to variation under section 630(2) Corporations Act if the Offer Period is extended.

Effect of acceptance

- 6.8 Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, unless:
 - (a) by the end of the Offer Period, the Defeating Conditions have not all been satisfied or waived in which case, this Offer will automatically terminate; and
 - (b) the circumstances set out in section 650E Corporations Act apply.
- 6.9 By signing and returning the Acceptance Form, you will be deemed to have:
 - (a) irrevocably accepted this Offer (and each variation of this Offer) in respect of all your HML Shares despite any difference between that number and the number of HML Shares shown in the Acceptance Form;
 - (b) irrevocably authorised JBL to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your HML Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,
 as may be necessary to make the Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your HML Shares to JBL;
 - (c) represented and warranted to JBL, as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to JBL:
 - (i) you have paid to HML all amounts which are due for payment for your HML Shares;
 - (ii) all of your HML Shares are fully paid and free from all mortgages, charges, liens and other encumbrances of any nature; and
 - (iii) you have full power and capacity to sell and transfer those HML Shares;

- (d) granted to JBL and each of its Directors power of attorney to sign any document or do any thing on your behalf necessary to cause HML to issue a replacement share certificate for those HML Shares;
- (e) agreed to:
 - (i) do anything necessary to ratify any act taken or purported to be taken by JBL or any of its Directors under the power of attorney granted by clause 6.9(d) of this Schedule 1; and
 - (ii) indemnify JBL and each of its Directors in respect of that act;
- (f) from the time of acceptance until the Offer has become unconditional, until the earlier of the withdrawal of your acceptance under section 650E Corporations Act or the end of the Offer Period, irrevocably appointed JBL or any nominee of JBL as your attorney to exercise all your powers and rights attaching to your HML Shares including (without limitation) to requisition, convene, attend and vote at all general meetings of HML or appoint a proxy or proxies to attend and vote on your behalf at that meeting, where the passing or defeat of any resolution before the meeting might adversely affect the likelihood of the Offer being successful and to do so in a way which would prevent that effect arising;
- (g) on this Offer or any takeover contract becoming unconditional, irrevocably appointed JBL or any nominee of JBL as your attorney to exercise all your powers and rights attaching to your HML Shares including (without limitation):
 - (i) to requisition, convene, attend and vote at all general meetings of HML or appoint a proxy or proxies to attend and vote on your behalf at that meeting; and
 - (ii) sign all documents and resolutions relating to your HML Shares, and generally to exercise all powers and rights which you may have as a HML Shareholder and perform actions as may be appropriate to vest good title in your HML Shares in JBL;
- (h) agreed that in exercising the powers conferred by the power of attorney in clause 6.9(f) of this Schedule 1, JBL is entitled to act in the interests of JBL;
- (i) agreed not to attend or vote in person at any general meeting of HML or to exercise or purport to exercise any of the powers conferred on JBL or its nominee in clause 6.9(f) of this Schedule 1;
- (j) agreed to accept the JBL Shares, to which you have become entitled by acceptance of this Offer, subject to the constitution of JBL and have authorised JBL to place your name on the register of members for those JBL Shares; and
- (k) if your HML Shares are in a CHESS Holding and you sign and return the Acceptance Form, irrevocably authorised JBL:
 - (i) to instruct your Controlling Participant to initiate acceptance of this Offer for your HML Shares under the ASX Settlement Operating Rules; and
 - (ii) to give any other instructions in relation to your HML Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

Withdrawal

- 6.10 JBL may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in that consent.

Variation

- 6.11 JBL may vary this Offer in accordance with the Corporations Act.

7 Acceptances by transferees and nominees

Who may accept the Offer

- 7.1 During the Offer Period:

- (a) any person who is able to give good title to a parcel of HML Shares may accept (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to that person; and
- (b) any person who holds one or more parcels of HML Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

Holding shares

- 7.2 A person is taken to hold HML Shares if the person is, or is entitled to be registered as, the holder of those HML Shares.

Holding shares on trust or as a nominee

- 7.3 A person is taken to hold HML Shares on trust for, as nominee for, or on account of, another person if that person:
- (a) is entitled to be registered as the holder of HML Shares; and
 - (b) holds the interest in the HML Shares on trust for, as nominee for, or on account of, that other person.

Effective acceptance

- 7.4 An acceptance of an Offer under clause 7.1(b) of this Schedule 1 is ineffective unless:
- (a) the person who holds on account of another person, gives that other person written notice stating that the HML Shares consist of a separate parcel; and
 - (b) the acceptance specifies the number of HML Shares in that parcel.

Notice of acceptance

- 7.5 A notice under clause 7.4(a) of this Schedule 1 must be made in writing.
- 7.6 A person may, at the one time, accept for two or more parcels under clause 7.6 of this Schedule 1 as if there had been a single offer for a separate parcel consisting of those parcels.

8 Other matters

Notices and other communications

- 8.1 Subject to the Corporations Act, a notice or other communication given by JBL to you in connection with this Offer is deemed to be duly given if it is in writing and:
- (a) is delivered at your address as recorded on the register of members of HML or the address shown in the Acceptance Form; and
 - (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

Return of documents

- 8.2 If:
- (a) this Offer is withdrawn after your Acceptance Form has been sent to JBL, but before it has been received; or
 - (b) for any other reason JBL does not acquire the HML Shares to which your Acceptance Form relates,

JBL will despatch at your risk your Acceptance Form together with all other documents forwarded by you.

9 Costs and expenses

All costs and expenses of the preparation, despatch and circulation of the Offers and all stamp duty payable for a transfer of HML Shares for which Offers are accepted, will be paid by JBL.

10 Official quotation of JBL Shares

- 10.1 Subject to clause 1 of this Schedule 1, the JBL Shares offered by JBL as consideration under the Offer will rank equally with JBL Shares on issue at the Register Date.
- 10.2 JBL has been admitted to the official list of NSX and shares of the same class as those to be issued as consideration under the Offer have been granted official quotation by NSX.
- 10.3 An application was made on the date of this Bidder's Statement to NSX for the granting of official quotation of the JBL Shares to be issued. However, official quotation is not granted automatically on application.
- 10.4 Under section 625(3) Corporations Act, the Offer is subject to a condition that application for admission to quotation of the JBL Shares issued under the Offer is made within seven days after the start of the Offer Period and permission for admission to quotation will be granted no later than seven days after the end of the Offer Period. This condition may not be waived.

Schedule 2

Conditions of the Offer

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- 1 **(Minimum acceptance)** Before the end of the Offer Period, JBL has a Relevant Interest in at least 50.1% (by number) of HML Shares.
- 2 **(Regulatory Approvals)** Before the end of the Offer Period, the Regulatory Approvals are:
 - (a) granted, given, made or obtained unconditionally, or on the basis of conditions that impose only non-material requirements incidental to the approval or consent;
 - (b) remain in full force and effect; and
 - (c) do not become subject to any notice, indication or intention to revoke, suspend, restrict, modify or renew them.
- 3 **(No regulatory action)** Between the Announcement Date and the end of the Offer Period:
 - (a) no preliminary or final decision, order or direction is made or issued by any Regulatory Authority;
 - (b) no action, proceeding or investigation is announced, commenced or threatened by any Regulatory Authority; and
 - (c) no application is made to any Regulatory Authority (other than by JBL or any Associate of JBL),

which is likely to or purports or threatens to restrain, prohibit, impede or otherwise adversely affect the making of the Offer, consideration of the Offer by HML, the acquisition of the HML Shares by JBL, the provision of HML Shares to JBL, the rights of JBL in respect of HML and the HML Shares, the rights of HML in respect of JBL and the JBL Shares or the continued operation of the businesses of HML or its Subsidiaries or JBL and its Subsidiaries (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).
- 4 **(No Prescribed Occurrences)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Prescribed Occurrence.
- 5 **(No Material Adverse Change)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Material Adverse Change.
- 6 **(HML Options)** Before the end of the Offer Period all of the HML Options are exercised, cancelled or transferred to JBL or are the subject of agreements or arrangements entered into between JBL and the relevant holder of the HML Options that will cause the HML Options to be cancelled or transferred to JBL.
- 7 **(Third party consents)** All other approvals of a third party which JBL or HML determines acting reasonably are necessary to undertake and successfully complete the Offer are obtained.

Schedule 3

JBL announcements to NSX since 1 July 2018

Date	Announcement
10 July 2018	41999 NSX General Market Disclosure Other - JB Financial Group acquisition update
12 July 2018	40140 NSX Section 205G Notice Initial/Final Director's Interests - Final Director's Interests Notice - S Richardson
12 July 2018	40140 NSX Section 205G Notice Initial/Final Director's Interests - Final Director's Interests Notice - V Gordon
20 July 2018	41999 NSX General Market Disclosure Other - Update on on-market buy-back
6 August 2018	40370 NSX On Market BuyBack - Update on on-market buy-back
8 August 2018	41999 NSX General Market Disclosure Other - NSX Reviewing The Update To On-Market Buy-Back
13 August 2018	40370 NSX On Market BuyBack - On-market share buy-back update
27 August 2018	40080 NSX Query - General Disclosure Query - 22 August 2018
27 August 2018	40081 NSX Response to Query - Response to General Disclosure Query - 22 Aug 2018
29 August 2018	40050 NSX Suspension from Official Quotation - Company securities suspended from Official Quotation
10 September 2018	40299 NSX Takeover Other - JBL announces scrip bids for HML and BHD
13 September 2018	40370 NSX On Market BuyBack - On-market share buy-back update
14 September 2018	40530 NSX Preliminary/Final Statement - Preliminary Final Report
14 September 2018	40051 NSX Reinstatement to Official Quotation - Reinstatement to Official Quotation
17 September 2018	40030 NSX Trading Halt - Trading Halt
18 September 2018	40370 NSX On Market BuyBack - Update on on-market buy-back
18 September 2018	40030 NSX Trading Halt - Securities Remain in Trading Halt
19 September 2018	40370 NSX On Market BuyBack - Update on on-market buy-back
19 September 2018	40031 NSX Trading Halt Status - Securities to remain under trading halt
20 September 2018	41999 NSX General Market Disclosure Other - Business update
20 September 2018	40370 NSX On Market BuyBack - On-market share buy-back update
20 September 2018	40051 NSX Reinstatement to Official Quotation - Reinstatement to Official Quotation
20 September 2018	40370 NSX On Market BuyBack - On-market share buy-back update
27 September 2018	40370 NSX On Market BuyBack - Update on on-market share buy-back
1 October 2018	40030 NSX Trading Halt - Request for Trading Halt
1 October 2018	40030 NSX Trading Halt - Trading Halt - Failure to lodge Audited Annual Financials - 30 June 2018
3 October 2018	40050 NSX Suspension from Official Quotation - Suspended - Failure to lodge Audited Annual Financials - 30 June 2018
11 October 2018	40299 NSX Takeover Other - Update on off-market takeover bids

Date	Announcement
11 October 2018	41999 NSX General Market Disclosure Other - Commentary on market conditions
22 October 2018	40510 NSX Annual Report – 2018 Annual Report
22 October 2018	40051 NSX Reinstatement to Official Quotation – Reinstatement to Official Quotation – Audited Annual Financial Statements for 30 June 2018 lodged
22 October 2018	41999 NSX General Market Disclosure Other – Capital raising update
23 October 2018	40299 NSX Takeover Other – Update on off-market takeover bids

Schedule 4

Foreign Shareholders in Singapore

This Bidder's Statement, including its schedules, any announcements made by HML and/or JBL in relation to the Offers (**Offer Documentation**) and any other materials relating to the Offer and the HML Shares and/or JBL Shares do not constitute a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (**SFA**) and have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. The Offer Documentation and any other documents or materials in connection with the offer or sale, or invitation for subscription or purchase, of JBL Shares, may not be issued, circulated or distributed, nor may the JBL Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than: (i) an 'institutional investor' (as defined in section 4A(1) of the SFA); (ii) a 'relevant person' (as defined in section 275(2) of the SFA); (iii) persons pursuant to offers referred to in section 275(1A) of the SFA; or (iv) or pursuant to and in accordance with, the conditions of any other applicable provisions of the SFA.

In accepting the Offer Documentation, you are (i) an 'institutional investor' (as defined in section 4A(1) of the SFA); (ii) a 'relevant person' (as defined in section 275(2) of the SFA) or (iii) persons pursuant to offers referred to in section 275(1A) of the SFA and agree to be bound by the limitations and restrictions described herein. In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate the Offer Documentation to any other person in Singapore.

You should note that any offer contained in the Offer Documentation is subject to resale restrictions and, if you accept such offer, you shall not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale in Singapore, of the JBL Shares unless such sale or offer in Singapore is made in accordance with Part XIII Division (1) Subdivision (4) of the SFA. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly. In particular, where the offer has been accepted by a "relevant person" (as defined in section 275(2) of the SFA), such "relevant person" shall not be able to make any offer and subsequent sale of the JBL Shares in Singapore unless it is to (i) an "institutional investor" (as defined in section 4A(1) of the SFA); (ii) another "relevant person" (as defined in section 275(2) of the SFA) or (iii) any person pursuant to an offer referred to in section 275(1A) of the SFA.

Where the offer has been accepted by a "relevant person" which is (a) a corporation (which is not an "accredited investor" (as defined in section 275(2) of the SFA)) and the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under section 275 of the SFA except to an "institutional investor" (as defined in section 4A(1) of the SFA) or to a "relevant person" (as defined in section 275(2) of the SFA), or to any person pursuant to an offer referred to in section 275(1A) of the SFA; or where no consideration is or will be given for the transfer; or where the transfer is by operation of law; or as specified in Section 276(7) of the SFA; or as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Nothing in the Offer Documentation and any other document or material in connection with the offer or HML Shares and/or JBL Shares constitutes, or may not be used in connection with, an offer of securities or solicitation in any jurisdiction where such an offer or solicitation is not authorized or is unlawful.

Corporate directory

Company

John Bridgman Limited
Level 9, 123 Eagle Street
BRISBANE QLD 4000
+61 1300 108 495
www.johnbridgeman.com.au

Legal Advisers

McCullough Robertson Lawyers
Level 11
Central Plaza Two
66 Eagle Street
BRISBANE QLD 4000
+61 7 3233 8888
www.mccullough.com.au

Directors

Mr John McAuliffe – Chairman
Mr Stuart McAuliffe – Managing Director
Mr Ross Patane – Non-executive Director

Share Registry

Link Market Services Limited
Level 21, 10 Eagle Street
BRISBANE QLD 4000
+61 1300 554 474
www.linkmarketservices.com.au

Need help?

Contact John Bridgeman Limited
Offer Information Line
Phone 1300 963 991 (from within Australia)
Phone +61 1300 963 991 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Holder Identification Number: X12345678910
Henry Morgan Limited (HML) Shares held 99,999,999
If your holding has changed, then write your current holding here.

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

CONTROLLING PARTICIPANT'S NAME
Broker's Name printed here

Transfer and Acceptance Form – CHESS Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to your controlling participant to accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer in respect of **ALL** of your Henry Morgan Limited (HML) Shares.

Offer Consideration – 0.95 JBL Shares for each HML Share (fractional entitlements will be rounded to the nearest whole number of JBL Shares)

To accept the Offer you may either:

- directly instruct your Controlling Participant to accept the Offer on your behalf; or
 - sign and return this Acceptance Form to the address shown overleaf so the Bidder can contact your Controlling Participant on your behalf and relay your instructions.
- If your Controlling Participant acts on your instruction CHESS will send you a confirmation notice.

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Henry Morgan Limited (HML) Shares and hereby agree to transfer to John Bridgeman Limited all my/our Henry Morgan Limited (HML) Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



HIN



Broker PID



Holding

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Further Important Instructions

Your Henry Morgan Limited (HML) Shares are in a CHESS Holding, you do not need to complete and return this Acceptance Form to the registry to accept the Offer. You can instead contact your Controlling Participant and instruct them to accept the Offer on your behalf in sufficient time before the end of the Offer Period to enable your Controlling Participant to give effect to your acceptance of the Offer on CHESS during business hours. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below. You should allow Link Market Services Limited ("Link") sufficient time for the delivery of the Acceptance Form to your Controlling Participant on your behalf. Neither John Bridgeman Limited, nor Link will be responsible for any delays incurred by this process.

Please refer to the Bidder's Statement dated 31 October 2018 which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name or address can only be processed by your Controlling Participant.
- **Please note** your consideration will be issued in the names as they appear on the Henry Morgan Limited (HML) register.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
- **Joint Shareholders:** If your Henry Morgan Limited (HML) Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

Mailing Address

Link Market Services Limited
Henry Morgan Limited (HML) Takeover
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

Link Market Services Limited
Henry Morgan Limited (HML) Takeover
1A Homebush Bay Drive
RHODES NSW 2138

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm Sydney time on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the John Bridgeman Limited Offer Information Line on the following numbers:

within Australia: 1300 963 991
outside Australia: +61 1300 963 991

Need help?

Contact John Bridgeman Limited
Offer Information Line
Phone 1300 963 991 (from within Australia)
Phone +61 1300 963 991 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Securityholder Reference Number: I12345678910

Henry Morgan Limited (HML) Shares held 99,999,999

If your holding has changed between record date and time of acceptance, then write your current holding here. Your acceptance will be granted over your updated holding.

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

Transfer and Acceptance Form – Issuer Sponsored Subregister

This is a personalised form for the sole use of the holder and holding recorded above.

B You must give your instructions to accept the Offer

If you correctly sign and return this form you will be deemed to have accepted the Offer in respect of **ALL** of your Henry Morgan Limited (HML) Shares. Your form must be received by the Closing Date.

Offer Consideration – 0.95 JBL Shares for each HML Share (fractional entitlements will be rounded to the nearest whole number of JBL Shares)

C Contact details

Please provide your contact name and telephone number in case we need to speak to you about this Acceptance Form.

Telephone Number where you can be contacted during business hours

Contact Name (PRINT)

D You must sign this form for your instructions in this Acceptance Form to be executed

I/We, the person(s) named above, accept the Offer in respect of all my/our Henry Morgan Limited (HML) Shares and hereby agree to transfer to John Bridgeman Limited all my/our Henry Morgan Limited (HML) Shares for the consideration specified in the Offer, and on the terms and conditions of the Offer as set out in the Bidder's Statement.

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



SRN



Holding

HMLT TKO001



Further Important Instructions

Your Henry Morgan Limited (HML) Shares are in an Issuer Sponsored Holding. To accept the Offer, you must complete and return this Acceptance Form in accordance with the instructions below.

Please refer to the Bidder's Statement dated 31 October 2018 which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

Completion instructions

- A** • **Please check the front page** to ensure that your name and address are correct. If incorrect, please write your correct details and initial the amendments. Amendments to your name can only be processed by your Henry Morgan Limited (HML) Registry.
- **Please note** your consideration will be issued in the names as they appear on the Henry Morgan Limited (HML) register.
- D** • **Please sign this Acceptance Form** in the places for signature(s) set out on the front page and in accordance with the following instructions:
 - **Joint Shareholders:** If your Henry Morgan Limited (HML) Shares are held in the names of more than one person, all of those persons must sign this Acceptance Form.
 - **Corporations:** This Acceptance Form must be signed by either two directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Alternatively, a duly appointed attorney may sign.
 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

Personal Information Collection Notification Statement: Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Lodgement instructions

- Mail or deliver completed Acceptance Form(s) and any other documents required by the above instructions to:

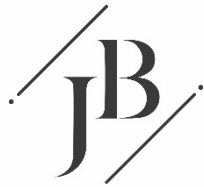
Mailing Address	or	Hand Delivery
Link Market Services Limited		Link Market Services Limited
Henry Morgan Limited (HML) Takeover		Henry Morgan Limited (HML) Takeover
Locked Bag A14		1A Homebush Bay Drive
SYDNEY SOUTH NSW 1235		RHODES NSW 2138

- A reply paid envelope is enclosed for use within Australia.

Your acceptance must be received by no later than the end of the Offer Period, which is 7:00pm (Sydney time) on the last day of the Offer Period.

If you have any questions about the terms of the Offer or how to accept, please call the John Bridgeman Limited Offer Information Line on the following numbers:

within Australia: 1300 963 991
outside Australia: +61 1300 963 991



JOHN.BRIDGEMAN
LIMITED

BIDDER'S STATEMENT

OFFER BY JOHN BRIDGEMAN LIMITED

to acquire all of your shares and/or all of your
options (as applicable) in

BENJAMIN HORNIGOLD LIMITED

for

0.65 JBL Shares for each of your BHD Shares
and/or 0.50 JBL Options for each of your BHD
Options

BHD'S VOTING DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU ACCEPT THIS OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL

The Offer is dated 6 November 2018 and will close at 7.00pm (Sydney
time) on 7 December 2018, unless extended.

Please call 1300 405 577 (or +61 1300 405 577 for overseas domiciled
holders) if you require assistance with your acceptance.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

**If you are in any doubt as to how to deal with it, you should
consult your legal, financial or other professional adviser as soon
as possible**

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Important notices

This Bidder's Statement is given by John Bridgeman Limited ACN 603 477 185 (**JBL**) under part 6.5 Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms of the Offers to acquire your shares and/or your options in Benjamin Hornigold Limited ACN 614 854 045 (**BHD**).

This Bidder's Statement is dated 31 October 2018. It includes the Offers dated 6 November 2018 on the Share Offer Terms set out in Schedule 1 and the Option Offer Terms set out in Schedule 3.

You should read this Bidder's Statement in its entirety. A copy of this Bidder's Statement was lodged with ASIC, ASX and NSX on 31 October 2018. None of ASIC, ASX, NSX nor any of their officers takes any responsibility for the content of this Bidder's Statement.

Investment decisions

This Bidder's Statement does not take into consideration your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Share Offer for your BHD Shares and/or the Option Offer for your BHD Options.

Forward looking statements

This Bidder's Statement contains certain forward looking statements and statements of current intention. The forward looking statements in this Bidder's Statement reflect views held at the date of this Bidder's Statement. Such statements are only predictions and are subject to inherent risks and uncertainties. The risks the Offers are subject to are discussed in detail under Section 9.

You should be aware that those statements involve inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and those deviations are both normal and to be expected.

None of JBL, its officers or any person named in this Bidder's Statement with their consent or involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statements, except to the extent required by law. You should not place undue reliance on those statements. Matters as yet not known to JBL or not currently considered material by JBL may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

Information regarding BHD

The information contained in this Bidder's Statement on BHD, the BHD Shares and the BHD Options has been prepared by JBL using publicly available information.

None of that information has been independently verified by JBL. Accordingly, JBL does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to BHD's business may be included in the Target's Statement, which BHD must provide to its shareholders in response to this Bidder's Statement.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 13.1 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretations as in the Corporations Act.

Privacy statement

JBL has collected your information from the registers of BHD Shareholders and BHD Optionholders, as applicable. The Corporations Act permits information to be made available to certain persons, including JBL. Your information may also be disclosed on a confidential basis to JBL's related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC. You can contact us for details of information held by us about you.

How to accept

Acceptances for the Offers must be received before the close of the Offer Period.

There are different ways to accept the Offers depending on how you hold your BHD Shares and/or BHD Options. You should read section 3 for full details on how to accept the Offer.

For CHESS Holdings

Instruct your stockbroker or other Controlling Participant to initiate acceptance of the Share Offer and/or the Option Offer on your behalf in sufficient time for the applicable Offer(s) to be accepted before the end of the Offer Period.

For Issuer Sponsored Holdings

Complete and sign the enclosed Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement and return it before the end of the Offer Period to:

BY HAND

Link Market Services Limited
Benjamin Hornigold Limited (BHD) Takeover
1A Homebush Bay Drive
RHODES NSW 2138
AUSTRALIA

BY MAIL (a reply paid envelope is enclosed)

Link Market Services Limited
Benjamin Hornigold Limited (BHD) Takeover
Locked Bag A14
Sydney South NSW 1235
AUSTRALIA

Acceptance Form

The Acceptance Form which accompanies this Bidder's Statement forms part of each Offer. The requirements on the Acceptance Form must be observed in accepting the Share Offer for your BHD Shares and/or the Option Offer for your BHD Options.

Enquiries

If you are in any doubt how to deal with this document, you should consult your Broker or your legal, financial or other professional adviser.

If you have any questions about the Offers or how to accept the Offers, please call the shareholder information line on 1300 405 577 (or +61 1300 405 577 for overseas domiciled holders) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

Offers to Foreign Shareholders and Foreign Optionholders

If you are a Foreign Shareholder and/or Foreign Optionholder, unless JBL otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Share Offer and/or the Option Offer to you and to issue you with JBL Shares on acceptance of the Share Offer and/or JBL Options on acceptance of the Option Offer; and
- (b) it is not unlawful for you to accept the Share Offer and/or the Option Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

you will not be entitled to receive JBL Shares and/or JBL Options as consideration for your BHD Shares and/or BHD Options (as applicable).

If you are a Foreign Shareholder in Singapore, please refer to Schedule 5.

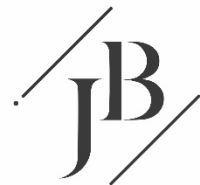
If you are a Foreign Shareholder and you accept the Share Offer or your BHD Shares are compulsorily acquired, you will receive the cash amount calculated under clause 5.3 of Schedule 1. If you are a Foreign Optionholder and you accept the Option Offer or your BHD Options are compulsorily acquired, you will receive the cash amount calculated under clause 5.3 of Schedule 3.

Further information about the entitlement of a Foreign Shareholder and/or Foreign Optionholder is set out in section 12.12.

Key Dates

Announcement Date	10 September 2018
Bidder's Statement lodged with ASIC	31 October 2018
Date of Offers	6 November 2018
Close of Offer Period (unless extended)	7.00pm (Sydney time) on 7 December 2018

Letter from the Chairman



JOHN.BRIDGEMAN
LIMITED

Dear BHD Securityholder

The John Bridgeman Limited Offers

On behalf of John Bridgeman Limited (**JBL**), we are pleased to present JBL's Offers to acquire all of your shares and options in Benjamin Hornigold Limited (**BHD**).

The Share Offer Consideration is 0.65 JBL Shares for each BHD Share you own and the Option Offer Consideration is 0.50 JBL Options for every BHD Option you own.

In terms of comparing the value of the Share Offer Consideration with the value of your BHD Shares and the value of the Option Offer Consideration with the value of your BHD Options, the Board of JBL believes it would be inappropriate to, for example, undertake a comparison of each company's share price, or net asset value (**NAV**) or net tangible asset (**NTA**) position, because of the following:

- Trading in the securities of BHD has been suspended since 30 July 2018, and JBL is currently thinly traded. Accordingly, a comparison of the most recent trading price or VWAP of trading in shares would not accurately reflect the value of each company's shares.
- BHD is a listed investment company, whose value is largely determined by the investment assets it owns. In contrast, JBL is an operating company whose value is based on its earnings streams and future earnings potential. Accordingly, a comparison of the NAV or NTA position of the companies would not be a like-for-like comparison.

The annual reports of each company provide the most up-to-date, audited financial information relevant to each entity and the JBL board recommends that you consider this information in making your decision in relation to the Offer.

You should also read this Bidder's Statement and BHD's Target Statement (which will include an independent expert's report) carefully, and seek professional advice, if necessary, in order to make your own assessment of the Offer.

About JBL

JBL is an investment management company listed on the National Stock Exchange of Australia (**NSX**).

JBL was established in January 2015 with the following objectives:

- to build a diversified investment management business growing funds under management over the medium to long term;
- to invest in listed and unlisted companies which JBL believes will provide opportunities for moderate to high investment returns over the medium to long term;
- to grow a diversified income stream uncorrelated to traditional equity market investments through management fees received from managing the investments of third parties, as well as returns from direct investment in listed and unlisted structures;
- to provide investors with exposure to global markets through JBL's own investments; and
- to provide a low cost management company where key personnel are rewarded with long term options linked to the share price of JBL to ensure the board, key management and shareholders' interests are all aligned.

Benefits of the Offers

The directors of JBL believe that a merger of BHD and JBL would be in the interests of the securityholders of both companies.

The JBL Offers provide two key benefits to all BHD Securityholders.

1. Attractive Offers

The Board of JBL believes JBL's Offers represent value for your investment in BHD.

The Share Offer Consideration is 0.65 JBL Shares for each BHD Share you own, and the Option Offer Consideration is 0.5 JBL Options for each BHD Option you own.

2. A choice about the future

In making these offers, JBL is providing all BHD Securityholders with the opportunity to exit their positions in BHD, which has been suspended from trading since 30 July 2018.

If this offer is successful, JBL will provide BHD Securityholders with a choice about their future as a securityholder. BHD Shareholders who accept the Share Offer, and/or BHD Optionholders who accept the Option Offer, will be given the opportunity to either:

- (a) remain a shareholder and/or optionholder in JBL; or
- (b) sell their JBL Shares and/or JBL Options on market and exit their position.

We encourage you to read this Bidder's Statement for more details about the Offers and about JBL. If you have any questions on the Offers, please contact your legal, financial or other professional adviser or call the Shareholder information line on 1300 405 577 (or +61 1300 405 577 for overseas domiciled holders) on weekdays 9.00am and 5.00pm (Sydney time) or visit the JBL website at www.johnbridgeman.com.au.

BHD Board support

The Voting Directors¹ of the BHD Board unanimously recommend that BHD Shareholders and/or BHD Optionholders accept the Share Offer and/or the Option Offer and have indicated their intention to do so for the BHD Shares and/or the BHD Options that they hold or control, unless there is a Superior Proposal.

Conditions of the Offers

The Share Offer is subject to a number of Defeating Conditions, including a 50.1 percent minimum acceptance condition. The Option Offer is subject to the Share Offer becoming unconditional. The terms of the Share Offer, including the Defeating Conditions, are set out in Schedule 1 and Schedule 2 to this Bidder's Statement, and the terms of the Option Offer are set out in Schedule 3.

We encourage you to read this Bidder's Statement for more details about the Offers and about JBL. The Offers are open for your acceptance until 7.00pm (Sydney time) on 7 December 2018, unless extended. If you wish to accept the Share Offer and/or the Option Offer, please complete and return the applicable enclosed Acceptance Form(s).

If you have any questions about the Offers, please contact your legal, financial or other professional adviser or call the shareholder information line on 1300 405 577 (or +61 1300 405 577 for overseas domiciled holders) on weekdays 9.00am and 5.00pm (Sydney time).

¹ Voting Directors of BHD means all of BHD's non-conflicted directors. The Voting Directors are identified in section 12.8 of this Bidder's Statement.

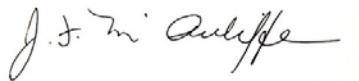
Concurrent offer

As announced by JBL on 10 September 2018, concurrently with the Offers, JBL has also made an off-market takeover bid for all of the shares in Henry Morgan Limited (**HML**). The offers are not interdependent. In other words, completion of JBL's Offer to acquire shares and options in BHD is not conditional upon the success of its takeover bid in respect of HML.

The two offers could potentially result in various outcomes. Some of these potential outcomes are explored in Section 7 of this Bidder's Statement.

I look forward to your acceptance and welcoming you as a shareholder of John Bridgeman Limited.

Yours sincerely

A handwritten signature in black ink, reading "J. McAuliffe". The signature is fluid and cursive, with the first name "John" and last name "McAuliffe" clearly legible.

John McAuliffe

Chairman

1 Why you should accept JBL's Offers

1.1 BHD Board support for the Offers

The BHD Voting Directors² have unanimously recommended that you accept the Share Offer and/or the Option Offer and have indicated their intention to do so for the BHD Shares and/or the BHD Options that they own or control, unless a Superior Proposal emerges.

1.2 The Share Offer and Option Offer represent attractive value to BHD Shareholders and/or BHD Optionholders

The JBL Board believes JBL's Offers provide attractive value to BHD Shareholders and/or BHD Optionholders.

In terms of comparing the value of the Share Offer Consideration with the value of your BHD Shares and the value of the Option Offer Consideration with the value of your BHD Options, the Board of JBL believes it would be inappropriate to, for example, undertake a comparison of each company's share price, or NAV or NTA position, because of the following:

- Trading in the securities of BHD has been suspended since 30 July 2018, and JBL is currently thinly traded. Accordingly, a comparison of the most recent trading price or VWAP of trading in shares would not accurately reflect the value of each company's shares.
- BHD is a listed investment company, whose value is largely determined by the investment assets it owns. In contrast, JBL is an operating company whose value is based on its earnings streams and future earnings potential. Accordingly, a comparison of the NAV or NTA position of the companies would not be a like-for-like comparison.

The annual reports of each company provide the most up-to-date, audited financial information relevant to each entity and the JBL board recommends that you consider this information in making your decision in relation to the Share Offer and/or the Option Offer.

Accordingly, you should read this Bidder's Statement and BHD's Target Statement (which will include an independent expert's report), and seek professional advice, if necessary, in order to make your own assessment of the Share Offer and/or the Option Offer.

The implied value of the Share Offer and Option Offer will fluctuate with the JBL share price. Accordingly, if the JBL share price falls, the value of the Share Offer and Option Offer will also fall. Likewise, if the JBL share price rises, the value of the Share Offer and Option Offer will rise.

1.3 You will have an on-going interest in the merged JBL and BHD business³

The merging of the businesses may lead to⁴:

- increased market capitalisation and on-market liquidity;
- streamlining of investment structures and processes;
- a stronger financial position of the merged entity, which may facilitate the payment of dividends to JBL shareholders in the future;

² Voting Directors of BHD means all of BHD's non-conflicted directors. The Voting Directors are identified in section 12.8 of this Bidder's Statement.

³ Assumes JBL attains a 100% interest in BHD.

⁴ Realising synergies is a potential major benefit of merging JBL and BHD; however, at the date of this Bidder's Statement, JBL is not able to reliably estimate the quantum or timing of potential synergies (or potential one-off costs which may need to be incurred in order for JBL to obtain such synergies) resulting from a merger with BHD. Potential synergies may not be realisable unless JBL attains a 100% interest in BHD.

- greater opportunity to consolidate business operations, restructure as appropriate and take advantage of future opportunities;
- consolidation of shared services (finance, administration and customer care); and
- reduced governance and compliance costs.

1.4 A larger combined shareholder base and a significantly increased market capitalisation which may provide increased liquidity for both JBL and BHD shareholders

The merger of JBL and BHD could result in a significantly increased market capitalisation. This may provide increased liquidity for both JBL and BHD shareholders.

1.5 A choice about your future

The Offers provide BHD Shareholders and BHD Optionholders a choice about their future as a shareholder and/or optionholder. Subject to the Offers being successful, BHD Shareholders and/or BHD Optionholders who accept the JBL Share Offer and/or the JBL Option Offer will be able to exit their positions in BHD, which has been suspended from trading since 30 July 2018. Accepting BHD Shareholders and/or BHD Optionholders will then have the choice to either:

- remain a shareholder and/or optionholder in JBL; or
- sell their JBL shareholdings and/or options on market and exit their position.

1.6 Capital gains tax relief

Capital gains tax rollover relief may be available for BHD Shareholders and/or BHD Optionholders in respect of the JBL Shares and/or JBL Options that they receive under the Share Offer and/or the Option Offer, respectively. This relief may be available where the Share Offer is accepted by BHD Shareholders holding at least 80 percent of the BHD Shares on issue, and/or the Option Offer is accepted by BHD Optionholders holding at least 80 percent of the BHD Options on issue. See section 10 for a discussion of the risk of BHD Shareholders and/or BHD Optionholders not obtaining capital gains tax rollover relief.

1.7 There is no brokerage on accepting the Offers

On acceptance of the Share Offer and/or the Option Offer, you will exchange your BHD shares for JBL shares and/or your BHD Options for JBL Options without incurring brokerage fees. Any such costs will be borne by JBL.

If you choose not to accept the Share Offer, should you wish to exchange your BHD Shares for JBL shares, you may be required to sell your shares on market, and use the proceeds to purchase JBL shares. You may ordinarily be required to pay brokerage fees on both the sale and the purchase of shares.

If you choose not to accept the Option Offer, you may not be able to acquire JBL Options on market.

1.8 There may be adverse consequences associated with not accepting the Offers

If you choose not to accept the Share Offer, you should be aware that:

- if JBL becomes entitled to compulsorily acquire your BHD Shares, it intends to do so and if your BHD Shares are compulsorily acquired, you will still receive the Share Offer Consideration for your BHD Shares but at a later date than you would have received it if you had accepted the Share Offer;

- (b) if JBL obtains 75 percent or more of BHD Shares, it intends to seek removal of BHD from the official list of ASX; and
- (c) while there are many factors that will influence the market price of BHD Shares, in the absence of the Share Offer or a competing bid it is likely that the BHD Share price will fall below the value implied by the Share Offer.

If you choose not to accept the Option Offer, you should be aware that:

- (a) if JBL becomes entitled to compulsorily acquire your BHD Options, it intends to do so and if your BHD Options are compulsorily acquired, you will still receive the Option Consideration for your BHD Options, but at a later date than you would have received it if you had accepted the Option Offer; and
- (b) the Option Offer is subject to the Share Offer becoming unconditional, and the Share Offer is subject to the satisfactory treatment of the BHD Options. Where JBL is not entitled to compulsorily acquire your BHD Options, JBL may require BHD to apply for any regulatory relief required to cancel the BHD Options for the Option Consideration.

2 Frequently asked questions about the Offers

Question	Answer
Important Notice	The information set out in this Section is a summary of JBL's Offers and is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement and the Target's Statement before deciding whether to accept the Offer.
Who is JBL?	John Bridgeman Limited (JBL) is a public company listed on the NSX. For more information about JBL, please see Section 4.
What is the Share Offer?	JBL is making an offer to acquire all your BHD Shares. If you accept the Share Offer you will receive (subject to the conditions of the Share Offer being satisfied or waived) 0.65 JBL Shares for each BHD Share you own.
What is the Option Offer?	JBL is making an offer to acquire all your BHD Options. If you accept the Option Offer you will receive (subject to the conditions of the Option Offer being satisfied or waived) 0.50 JBL Options for each BHD Option you own.
Do the BHD Directors support the Offers?	Yes, all Voting Directors have recommended that BHD Shareholders and BHD Optionholders accept the Share Offer and Option Offer (respectively) and have indicated their intention to do so for the BHD Shares and/or BHD Options that they own or control within seven days of the date of BHD's Target's Statement, unless there is a Superior Proposal.
How long are the Offers open for?	The Offers open on 6 November 2018 and are scheduled to close at 7.00pm (Sydney time) on 7 December 2018 (unless extended).
What are the conditions of the Share Offer?	The Share Offer is subject to the following Defeating Conditions: (a) 50.1 percent minimum acceptance condition; (b) no Prescribed Occurrences; (c) no regulatory action; (d) obtaining any required Regulatory Approvals; (e) third party consents; (f) appropriately dealing with the BHD Options; and (g) no Material Adverse Change. This is only a summary of the key conditions. The conditions are set out in full in Schedule 2. JBL may choose to waive certain of the Defeating Conditions in accordance with the Share Offer Terms.
What are the conditions of the Option Offer?	The Option Offer is subject to the Share Offer becoming unconditional. The conditions are set out in full in Schedule 3.
Are the Offers conditional on the success of the offer for shares and options in HML?	No, the Share Offer for your BHD Shares and the Option Offer for your BHD Options are not interdependent on JBL's offer to acquire all shares in HML which it does not currently own. The two offers could potentially result in various outcomes. Some of these potential outcomes are explored in section 7 of this Bidder's Statement.
Do I have to pay any fees?	No brokerage, charges or stamp duty will be payable by you on acceptance of the Share Offer and/or the Option Offer.

Question	Answer
What should I do?	<p>If you choose to sell your BHD Shares and/or BHD Options on market (subject to the suspension in trading in BHD Shares and BHD Options being lifted), you may incur brokerage costs and GST on those costs.</p> <p>To accept the Share Offer and/or the Option Offer, you should:</p> <ul style="list-style-type: none"> (a) read this Bidder's Statement in full; (b) read BHD's Target's Statement in full (when issued); (c) consult your Broker, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Share Offer and/or the Option Offer; and (d) accept the Share Offer and/or the Option Offer in the manner described in section 3. <p>If you have any queries about the Offers, you may also call the shareholder information line on 1300 405 577 (or +61 1300 405 577 for overseas domiciled holders) between 9.00am and 5.00pm (Sydney time) Monday to Friday.</p>
How do I accept the Offers?	<p>The Share Offer may only be accepted for all of your BHD Shares and/or the Option Offer may only be accepted for all of your BHD Options.</p> <p>The manner in which you accept the Share Offer and/or the Option Offer depends on whether you hold your BHD Shares and/or your BHD Options in an Issuer Sponsored Holding, a CHESS Holding, or if you are a Broker or a Non-Broker Participant.</p> <p>Full details on how to accept the Share Offer and/or the Option Offer are set out in section 3.</p> <p>For CHESS Holdings you should instruct your stockbroker or other Controlling Participant to initiate acceptance of the Share Offer and/or the Option Offer on your behalf in sufficient time for the applicable Offer to be accepted before the end of the Offer Period.</p> <p>For Issuer Sponsored Holdings you must complete, sign and return the Acceptance Form in accordance with the instructions on it. Return it to the address indicated on the form so that it is received before the end of the Offer Period. A reply paid envelope (not able to be used by BHD Shareholders and/or BHD Optionholders outside Australia) is enclosed for your convenience.</p> <p>Mailing and delivery addresses</p> <p>If you reside in Australia, you can use the reply paid envelope enclosed with this Bidder's Statement.</p> <p>The mailing address is:</p> <p>Link Market Services Limited Benjamin Hornigold Limited (BHD) Takeover Locked Bag A14 Sydney South NSW 1235</p> <p>Alternatively, you may deliver the Acceptance Form and any associated documents to:</p> <p>Link Market Services Limited Benjamin Hornigold Limited (BHD) Takeover 1A Homebush Bay Drive Rhodes NSW 2138</p>

Question	Answer
If I accept the Share Offer, when will I receive consideration for my BHD Shares?	<p>Provided that the necessary transfer documents accompany your Acceptance Form, you will be issued JBL Shares within one month of the later of:</p> <ul style="list-style-type: none"> (a) the date you accept the Share Offer; and (b) the date the Share Offer becomes unconditional. <p>In any event, you will be issued JBL Shares within 21 days after the Share Offer closes (assuming all conditions of the Share Offer are satisfied or waived).</p>
If I accept the Option Offer, when will I receive consideration for my BHD Options?	<p>Provided that the necessary transfer documents accompany your Acceptance Form, you will be issued JBL Options within one month of the later of:</p> <ul style="list-style-type: none"> (a) the date you accept the Option Offer; and (b) the date the Option Offer becomes unconditional. <p>In any event, you will be issued JBL Options within 21 days after the Option Offer closes (assuming the condition of the Option Offer is satisfied or waived).</p>
What rights will my JBL Shares have?	<p>The JBL Shares issued under the Share Offer will be fully paid and will rank equally for dividends and other rights with existing JBL Shares.</p> <p>A detailed explanation of the rights and liabilities attaching to JBL Shares is set out in section 12.3.</p>
What rights will my JBL Options have?	<p>A summary of the rights and liabilities attaching to JBL Options is set out in section 12.4.</p>
Will my JBL Shares and JBL Options be listed on NSX?	<p>An application will be made within seven days after the start of the Offer Period to NSX for official quotation of the JBL Shares and JBL Options (if any) to be issued under the Offers on the official list of NSX.</p> <p>Quotation of the JBL Shares and JBL Options (if any) to be issued under the Offers will not be automatic but will depend on NSX exercising its discretion to admit the new JBL Shares and new JBL Options (if any) to the official list.</p> <p>However, JBL is already admitted to the official list of NSX and shares and options in JBL in the same class or on the same terms as those to be issued under the Offers have previously been quoted.</p>
What happens if I accept the Share Offer and/or the Option Offer?	<p>If you accept the Share Offer and/or the Option Offer and the Offers become or are declared unconditional, you will be issued JBL Shares and/or JBL Options (as applicable) within the time specified above.</p> <p>Once you accept the Share Offer and/or the Option Offer (even while the Share Offer remains subject to Defeating Conditions) you will not be able to sell your BHD Shares and/or BHD Options on market or otherwise deal with the Rights attaching to your BHD Shares and/or BHD Options, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.</p>
What happens if I do not accept the Share Offer and/or the Option Offer?	<p>If you do not accept the Share Offer and/or Option Offer, you will remain a BHD Shareholder and/or BHD Optionholder and will not be issued JBL Shares and/or JBL Options.</p> <p>However, if JBL becomes entitled to compulsorily acquire your BHD Shares and compulsorily acquire your BHD Options, it intends to do so. If this occurs:</p> <ul style="list-style-type: none"> (a) you will still receive JBL Shares for your BHD Shares but at a later date than you would have received it if you had accepted the Share Offer; and/or

Question	Answer
	(b) you will still receive JBL Options for your BHD Options but at a later date than you would have received it if you had accepted the Option Offer.
What are the tax implications of accepting the Share Offer?	<p>A general description of the taxation treatment for certain Australian resident BHD Shareholders and/or BHD Optionholders accepting the Share Offer and/or the Option Offer is set out in section 10.</p> <p>You should not rely on that description as advice for your own affairs. You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Share Offer for your BHD Shares and/or the Option Offer for your BHD Options.</p> <p>BHD Shareholders and BHD Optionholders should be aware that if JBL does not acquire ownership of 80 percent of BHD Shares or BHD Options (as applicable), then rollover relief will not be available to BHD Shareholders or BHD Optionholders for the portion of the capital gain that is made from the receipt of JBL Shares or JBL Options as consideration.</p>
What are the significant risks of the Offers?	<p>You should carefully consider the risk factors that could affect the performance of JBL and the Merged Group before deciding whether to accept the Share Offer and/or the Option Offer. Many of these risks are outside the control of JBL and its Directors, and cannot be mitigated. A summary of the key risks is set out in section 9.</p>
What happens if I exercise my BHD Options?	<p>The Share Offer in relation to BHD Shares extends to BHD Shares that are issued before the end of the Offer Period on the exercise of BHD Options. If you exercise your BHD Options, you can accept the Share Offer for the BHD Shares received from the exercise of those Options.</p> <p>If you do not exercise your BHD Options before the end of the Offer Period, the Option Offer will extend to your BHD Options held at the end of the Offer Period.</p>

3 How to accept the Offers

3.1 Issuer Sponsored Holdings

If you hold your BHD Shares and/or your BHD Options in an Issuer Sponsored Holding, you will need to complete, sign and return the applicable Acceptance Form accompanying this Bidder's Statement in accordance with the instructions on that form and deliver it or send it by post so that it is received by JBL's share registry before the end of the Offer Period. A reply paid envelope (for use within Australia only) is enclosed with this Bidder's Statement.

3.2 CHESS Holdings

If you hold your BHD Shares and/or your BHD Options in a CHESS Holding:

- (a) instruct your Controlling Participant (for example, your Broker) to initiate acceptance of the Share Offer and/or the Option Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
- (b) complete, sign and send the applicable Acceptance Form accompanying this Bidder's Statement directly to your stockbroker or Controlling Participant; or
- (c) complete, sign and return the applicable Acceptance Form in accordance with the instructions on it so that JBL is authorised to instruct your Controlling Participant to initiate acceptance of the Share Offer and/or the Option Offer on your behalf;

before the end of the Offer Period.

A reply paid envelope (for use within Australia only) is enclosed for your convenience.

3.3 Brokers or Non-Broker Participants

If you are a Broker or a Non-Broker Participant, you will need to initiate acceptance of the Share Offer and/or the Option Offer under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

4 Profile of JBL

4.1 Overview

JBL is an investment management company listed on the National Stock Exchange of Australia (NSX).

JBL was established in January 2015 with the following objectives:

- to build a diversified investment management business growing funds under management over the medium to long term;
- to invest in listed and unlisted companies which JBL believes will provide opportunities for moderate to high investment returns over the medium to long term;
- to grow a diversified income stream uncorrelated to traditional equity market investments through management fees received from managing the investments of third parties, as well as returns from direct investment in listed and unlisted structures;
- to provide investors with exposure to global markets through JBL's own investments; and
- to provide a low cost management company where key personnel are rewarded with long term options linked to the share price of JBL to ensure the board, key management and shareholders' interests are all aligned.

Since establishment, JBL has been engaged as investment manager for Henry Morgan Limited, Bartholomew Roberts Pty Ltd, Benjamin Hornigold Limited, and the JB High Alpha Fund.

JBL has also undertaken investments either directly or indirectly in a range of listed and unlisted companies. One of the key investments held by JBL is in JB Financial Group Pty Ltd, an unlisted company whose business strategy has been to develop and expand businesses where it believes it has a strong competitive advantage, primarily in foreign exchange and market trading.

In January 2018, JBL made an offer to acquire all of the shares in JB Financial Group Pty Ltd, and received indicative acceptances from all shareholders in that company.⁵

JBL believes completion of this acquisition will provide significant benefits to all current and future JBL shareholders because the businesses operated by JB Financial Group are complementary to, and provide an alternative revenue stream to, income generated through businesses operating in the listed environment.

Of note, JB Financial Group has:

- completed 12 acquisitions over the past two financial years;
- completed approximately \$16 million in acquisitions over the 2017/18 financial year, and has integrated those businesses into existing business divisions;
- turned its focus from acquisition and integration, to maximising profitability and organic expansion; and
- achieved significant cost savings through the restructuring of business divisions, synergies in executive roles, the efficient use of contractors, and streamlining of investment structures and processes.

⁵ Henry Morgan Limited subsequently withdrew its acceptance when JB Financial Group Pty Ltd offered to, among other things, buy-back those shares.

The above actions are expected to result in significantly improved cash flow and have reduced the capital requirements for both JBL and JB Financial Group going forward.

As part of JB Financial Group's restructuring operations, it has divested itself of assets and currently comprises only cashflow positive assets (in addition to being in the process of establishing an external debt facility of between \$5-7 million). In addition, JBL (as a listed entity) has the ability to raise equity and debt against the cashflow businesses within its consolidated group. Capital requirements are expected to be reduced as a result of the business and personnel restructuring within both JBL and JB Financial Group.

Operations are anticipated to be further streamlined, as the acquisition will enable JBL to facilitate capital investment into JB Financial Group. JB Financial Group will be provided, through the acquisition by JBL, with increased scale, size and profile which will strengthen its negotiating position for services, clients and potential acquisitions.

The JBL Board anticipates that the proposed acquisition of all shares in JB Financial Group by JBL will be completed shortly after the outcome of the takeover bids for HML and BHD.

As at the date of this Bidder's Statement, JBL had a Relevant Interest in 46,459 BHD Shares, representing voting power in BHD of approximately 0.19%.

4.2 Directors and senior management

The directors of JBL are set out below:

John McAuliffe – Chairman

John McAuliffe was appointed as Chairman of the Board in March 2015.

John was awarded the Order of Australia in June 2007 for service to the community particularly through executive roles in the areas of health care and public housing management, and to the property valuation industry.

John has a strong relationship with both Federal and State Governments and Secretaries and Directors General. He was a senior bureaucrat in the Federal Government until 2000 and was also called upon to provide advice on a range of issues. As Chairman of the Brisbane Housing Company he regularly meets with both Federal and State Ministers on housing issues and has provided advice to Andrew Fraser when he was the Treasurer, on stock transfer of the Government's Housing portfolio. John is also working on a range of other confidential matters with the Government.

In 1989 John was awarded the Kenneth Campbell Memorial Award for professional excellence and outstanding service to The Australian Institute of Valuers and Land Economists.

Since 1966 John has been a senior lecturer (part-time) at the Queensland University of Technology for Land Valuation, Investment Theory and Land Studies in the Built Environment and the Surveying School. Those lectures involve students in the degree courses in Building, Quantity Surveying and Land Surveying. John has also lectured for 15 years at the University of Queensland on Property Valuation and during this period also lectured to valuation students in the degree course at the Gatton Agricultural College and to Diploma students in Brisbane. John wrote the correspondence papers for the final year valuation students.

John was previously the Chairman of the board of the Holy Spirit Hospital, Brisbane and Mater Health Services, Brisbane. He is a former member of the board of the Mount Olivet Hospital and is chairman of Brisbane Housing Company, Multicap, Catholic Property, Brisbane and Freedom Aged Care and a director of Holy Cross Laundry and Lady Bowen Trust.

John's other qualifications include:

- Life Fellow of the Australian Institute of Valuers and Land Economists;
- Fellow of the Australian Institute of Building - Chartered Builder;
- Associate Papua New Guinea Institute of Valuers and Land Administrators;
- Registered Valuer, Queensland and New South Wales;
- Registered Valuer, Papua New Guinea;
- Associate Central Technical College Brisbane - Diploma in Building and Diploma in Quantity Surveying;
- Member Real Estate Institute of Queensland; and
- Fellow, Real Estate Institute of Queensland

Stuart McAuliffe – Managing director

Stuart McAuliffe was appointed as Managing Director in January 2015.

Stuart has over 25 years' experience investing in global equity, bond, currency and commodity markets, capital venture and strategic management. He has pioneered innovative research into the correlation and causation between different global equity and currency markets over short, medium and long term time periods. As the senior executive responsible for investments, he uses a 'layered' approach combining multiple time frame fundamental analysis in markets and diversification through asset ownership and ventures.

In 2012, Stuart was the founding investment manager for the Aliom Managed Futures Fund No 1, a wholesale investor fund, targeting absolute returns above average equity returns. He has since averaged 148% average annual return before fees (107.49% after fees, with average fees 2% of capital and 23% of performance).

Stuart is of the belief that great investment decisions are derived from an in depth understanding of historical forces. Stuart's bachelor's degree was a Bachelor of Arts from University of Queensland earning a double major in Modern History and a Major in Ancient History. Courses focused on military strategy including the campaigns of Julius Caesar, Napoleon and General George Patton and he credits this early training as the basis for his innovative future strategies and tactics in investment markets and opportunity identification.

Previously an Associate Professor at Bond University, Stuart has lectured nationally and internationally in the fields of economic forecasting, valuation modelling, financial structures and risk management. His specialisations include the short to long-term effects of central bank policy and the pricing of extreme valuations at market peaks and troughs. He has designed and developed proprietary indices measuring economic leading indicators and their probable effects on equity and real estate markets.

Ross Patane – Non-executive director

Ross Patane was appointed as a Director in March 2015.

Ross is a chartered accountant with in excess of 25 years' experience in providing business reconstruction, asset securitisation, corporate advisory, property advisory and wealth management services.

Ross is presently Senior Partner – Corporate Finance in Findex's Crowe Horwath South Queensland team, a leading accounting and financial services business.

Ross is the former non-executive Chairman of Qbiotics, a leading Queensland biotechnology company. He was appointed by the Queensland Government to be a Member of the Board of Trustees of the Queensland Art Gallery and Gallery of Modern Art (QAGAMO) and is the chair of the QAGOMA Audit and Risk Committee and completed his term in 2017. He has held a number of positions as director or non-executive director of AFSL licensees and responsible entities and as a member of compliance committees pursuant to the Corporations Act. Ross brings a strong commercial and strategic focus to complex transactions, drawing on years of experience as the lead advisor in mergers and acquisitions, valuations, due diligence, structured finance deals, investment management, equity raising and debt and equity capital markets transactions, with details knowledge and understanding of corporate governance, corporate finance and financial markets.

Ross's qualifications include:

- Bachelor of Business (Accounting);
- Fellow of the Institute of Chartered Accountants Australia and New Zealand;
- Fellow of the Financial Services Institute of Australasia; and
- Graduate Member - Australian Institute of Company Directors

Jody Wright – Co-company secretary

Jody Wright was appointed as Company Secretary on 14 July 2016.

She was admitted to practice as a Solicitor of the Supreme Court of Queensland in January 2001 and is a member of the Queensland Law Society. Jody is also a Graduate of the Australian Institute of Company Directors.

Jody has an extensive background in corporate governance, compliance, risk management, board advisory and commercial litigation.

She has significant experience as in-house counsel and compliance manager across different industry spheres including financial services, insurance and investigative services.

Kevin Mischewski – Co-company secretary

Kevin Mischewski is a Chartered Accountant and member of the Governance Institute of Australia. He has held Company Secretary and Chief Financial Officer roles for ASX-listed and unlisted public companies. Kevin brings a wealth of experience as a finance and company administration executive. Kevin previously held the role as Company Secretary and Chief Financial Officer for ASX listed Australian Pacific Coal Limited.

Kevin holds the following qualifications:

- Bachelor of Business;
- Member of the Institute of Chartered Accountants Australia and New Zealand (CA);

- Members of the Governance Institute of Australia (AGIA); and
- Registered Tax Agent

4.3 Financial profile of JBL

The financial report for JBL for the year ended 30 June 2018 as contained in JBL's Annual Report for the year ended 30 June 2018, was lodged with NSX on 22 October 2018.

JBL's financial position on a consolidated basis as at 30 June 2018 can be summarised as follows:

- (a) Total assets of \$95,089,372.
- (b) Net assets of \$49,672,296.
- (c) Cash and cash equivalents net of debt of \$10,603,024.

For the year ended 30 June 2018, the following results were recorded:

- (a) Revenues of \$54,003,551.
- (b) Net loss of \$16,672,668.

4.4 Publicly available information

JBL is a company listed on NSX (Code: JBL) and is subject to the continuous and periodic disclosure requirements of the NSX Listing Rules and the Corporations Act. A substantial amount of information on JBL is publicly available and may be accessed by referring to JBL on www.nsx.com.au.

A list of announcements made by JBL to NSX between 1 July 2018 and the date of this Bidder's Statement is set out in Schedule 4. This information may be relevant to your assessment of the Offer. Copies of the announcements are available from NSX.

4.5 Further information

Further information about JBL can be found on JBL's website: www.johnbridgeman.com.au

4.6 Recent price performance of JBL Shares

JBL Shares are quoted on NSX under the code JBL.

The closing price of JBL Shares on NSX on the last trading day before the Announcement Date (noting that JBL was suspended from trading by NSX at the relevant time) was \$2.00.⁶ The closing price of JBL Shares on NSX on 30 October 2018, being the last trading day before the date of this Bidder's Statement, was \$1.60.⁷

The highest recorded closing price of JBL Shares on NSX in the three months before 30 October 2018, being the last trading day before the date of this Bidder's Statement, was \$1.60.⁸ The lowest recorded closing price of JBL Share on NSX in the three months before 30 October 2018, being the last trading day before the date of this Bidder's Statement, was \$1.60.⁹

⁶ This trade occurred on 14 February 2018.

⁷ This trade occurred on 20 September 2018.

⁸ This trade occurred on 20 September 2018.

⁹ This trade occurred on 20 September 2018.

5 Information of JBL Shares

5.1 Issued securities

At the date of this Bidder's Statement, the following JBL Securities are on issue:

- (a) 24,367,704 JBL Shares;
- (b) 2,227,850 convertible notes;
- (c) 24,186,520 options.

5.2 Substantial holders

At the date of this Bidder's Statement the substantial holders in JBL are:

Substantial holder	Interest	Substantial holding
Stuart McAuliffe*	22.97%	5,598,000
Stuart Capital Pty Ltd	16.87%	4,109,838
Jan Holmes	7.10%	1,730,289
*The following substantial holders are duplicates, being the relevant interests of entities controlled by Stuart McAuliffe. These 5,550,000 shares are included in Stuart McAuliffe's substantial holding disclosure.		
Substantial holder	Interest	Substantial holding
Henry Avery Partners Pty Ltd	22.78%	5,550,000
John Hawkins Pty Ltd	22.78%	5,550,000

5.3 Rights and liabilities attached in the JBL Shares offered

- (a) The JBL Shares issued as consideration under the Share Offer will be fully paid and rank equally with existing JBL Shares from the date of their issue.
- (b) JBL Shares are quoted on NSX under the code 'JBL'.
- (c) An application will be made within seven days after the start of the Offer Period to NSX for official quotation of the JBL Shares to be issued under the Share Offer on the official list of NSX. Quotation of the JBL Shares to be issued under the Share Offer will not be automatic but will depend on NSX exercising its discretion to admit the new JBL Shares to the official list. However, JBL is already admitted to the official list of NSX and shares in JBL in the same class or on the same terms as those to be issued under the Share Offer have previously been quoted.
- (d) The rights and restrictions attaching to the JBL Shares which will be issued as the consideration, or part of the consideration, under the Share Offer are primarily set out in the JBL Constitution and in the Corporations Act and are subject to statutory, common law and NSX Listing Rule requirements.

5.4 Rights and liabilities attaching in the JBL Options offered

- (a) The terms of the JBL Options granted as consideration under the Option Offer are summarised in section 12.4.

- (b) JBL Options are quoted on NSX under the codes listed in section 5.5 and the new JBL Options issued under the Option Offer (if any) will be quoted on the terms of and under the code 'JBLOA'.
- (c) An application will be made within seven days after the start of the Offer Period to NSX for official quotation of the JBL Options to be issued under the Option Offer on the official list of NSX. Quotation of the JBL Options to be issued under the Option Offer will not be automatic but will depend on NSX exercising its discretion to admit the new JBL Options to the official list. However, JBL is already admitted to the official list of NSX and options in JBL in the same class or on the same terms as those to be issued under the Option Offer have previously been quoted.
- (d) The rights and restrictions attaching to the JBL Options which will be issued as the consideration, or part of the consideration, under the Option Offer are primarily set out in the JBL Constitution and in the Corporations Act and are subject to statutory, common law and NSX Listing Rule requirements.

5.5 JBL Options

The table below provides key details of JBL Options on issue as at the date of the Bidder's Statement.

Option class	Grant date	Expiry date	Exercise price	Vested and exercisable
JBLOA listed options	Various	31 March 2020	\$1.10	16,376,300
JBLOB listed options	10 March 2015	31 March 2020	\$1.20	1,452,500
JBLOC listed options	10 March 2015	31 March 2020	\$1.50	1,540,000
JBLOD listed options	10 March 2015	31 March 2020	\$2.20	2,240,000
JBLOE listed options	10 March 2015	31 March 2020	\$3.50	2,240,000
JBLOF listed options	23 November 2017	23 November 2019	\$2.05	337,720

5.6 Share Offer Consideration

The consideration for the acquisition of BHD Shares under the Share Offer is to be satisfied by the issue of JBL Shares. The Share Offer Consideration is 0.65 JBL Shares for each BHD Share the BHD Shareholders own.

The amount of JBL Shares to be issued will depend on the number of BHD Shares that JBL acquires under the Share Offer.

The calculations in this section on the maximum consideration to be paid by JBL assume that, as a result of the Share Offer, JBL acquires all BHD Shares on issue at the date of this Bidder's Statement.

5.7 Option Offer Consideration

The consideration for the acquisition of BHD Options under the Option Offer is to be satisfied by the grant of JBL Options. The Option Offer Consideration is 0.50 JBL Options for each BHD Option the BHD Optionholders own.

The amount of JBL Options to be issued will depend on the number of BHD Options that JBL acquires under the Option Offer.

The calculations in this section on the maximum consideration to be paid by JBL assume that, as a result of the Option Offer, JBL acquires all BHD Options on issue at the date of this Bidder's Statement.

5.8 Maximum number of JBL Shares

The maximum number of JBL Shares which are required to be issued under the Share Offer if acceptances are received for all the BHD Shares on issue at the date of this Bidder's Statement is approximately 15,671,424 (excluding rounding adjustments).

While not anticipated, if all BHD Option holders convert their BHD Options into BHD Shares before the end of the Offer Period and accept the Share Offer, an additional 25,909,260 JBL Shares would be required to be issued (excluding rounding adjustments).

JBL Shares issued under the Share Offer are exempt from NSX Listing Rule 6.25(1) (which prohibits issues exceeding 15 percent of a company's share capital in any 12 month period). Accordingly, JBL has the capacity to issue the maximum number of JBL Shares that may be required under the Share Offer.

Under the concurrent off-market takeover bid for all of the issued shares in HML, the maximum number of JBL Shares which are required to be issued if acceptances are received for all of the ordinary shares in HML on issue at the date of this Bidder's Statement is approximately 27,722,747 (excluding rounding adjustments).

5.9 Maximum number of JBL Options

The maximum number of JBL Options which are required to be issued under the Option Offer if acceptances are received for all the BHD Options on issue at the date of this Bidder's Statement is approximately 7,875,259 (excluding rounding adjustments).

The maximum number of JBL Options is determined on the basis that no BHD Optionholder converts their BHD Options into BHD Shares before the end of the Offer Period.

6 Profile of BHD

6.1 Disclaimer

The following information on BHD has been prepared by JBL using publicly available information, and has not been independently verified. Accordingly, JBL does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on BHD in this Bidder's Statement should not be considered comprehensive.

In addition, the Corporations Act requires BHD to provide a Target's Statement to BHD Shareholders in response to this Bidder's Statement, setting out certain material information concerning BHD.

6.2 Overview

BHD is an ASX listed investment company. It seeks to provide investors with the opportunity to gain exposure to an investment portfolio. The investment portfolio is invested in unlisted securities with the aim of achieving above average returns (whilst limiting volatility) over the medium to long term.

The investment strategy is primarily executed through investments in exchange traded futures contracts, BHD may also invest in listed equities as well as exchange traded futures options (for hedging purposes only).

6.3 Directors and senior management

Mr Stuart McAuliffe – Executive Director and Chairman

Refer to section 4.2.

Mr Peter Aardoom – Non-Executive Director

Peter is a highly skilled and experienced financial markets executive. He has excellent technical skills and in-depth knowledge of equity, debt, commodity, foreign exchange and fixed income markets. He has held multiple senior positions with some of the largest international financial services companies in the world, including Lehman Brothers, Jardine Fleming and MF Global, and has built and managed successful and professional teams within these organisations.

Peter has over 30 years' experience in Australian and international equity and derivatives broking and trading, portfolio management, general corporate and financial advisory services and company promotion.

He is RG146 qualified to give advice on securities, derivatives, managed funds and foreign exchange and holds various UK industry qualifications. His extensive network provides access to fund managers, institutions, local and international broking firms and high net worth individuals. His experience extends to institutional investor presentations, marketing, and promotion.

Mr Bryan Cook – Non-Executive Director

Bryan has extensive operational, leadership and strategic experience built over 24 years in private and public companies. He has a track record of implementing tailored and robust compliance cultures across a range of different environments.

Bryan holds qualifications in investigations, human resources and training, and is a member of, amongst others, the Institute of Public Administration Australia and the Corruption Prevention Network Queensland.

Mr Kevin Mischewski – Co-Company Secretary

Refer to section 4.2.

Ms Jody Wright – Co-Company Secretary

Refer to section 4.2.

6.4 Financial profile of BHD

The financial position for BHD for the year ended 30 June 2018 as contained in BHD's Annual Report for the year ended 30 June 2018, was lodged with ASX on 1 October 2018.

BHD's financial position as at 30 June 2018 can be summarised as follows:

- (a) Total assets of \$18,268,540.
- (b) Net assets of \$17,865,549.
- (c) Cash and cash equivalents net of debt of \$1,121,247.

For the year ended 30 June 2018, the following results were recorded:

- (d) Revenues of \$638,516.
- (e) Net loss of \$2,993,948.

Important note on sources of information

JBL has relied on the information in financial reports issued by BHD to prepare the financial information for BHD contained in this Bidder's Statement. Financial information relating to BHD has been sourced from its audited financial reports for the years ended 30 June 2017 and 30 June 2018.

JBL does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

6.5 Publicly available information

BHD is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. A substantial amount of information on BHD is publicly available and may be accessed by referring to BHD on www.asx.com.au.

6.6 Further information

Further information about BHD can be found on BHD's website: www.benjaminhornigold.com.au.

6.7 Recent price performance of BHD Shares

BHD Shares are quoted on ASX under the code BHD.

Trading in BHD Shares was suspended on 30 July 2018. The price at which BHD Shares were last traded on market was \$0.71 per share.

7 Profile of Merged Group

7.1 Introduction

The profile of the Merged Group will vary depending on the outcome of the Offer. It also depends on the outcome of JBL's concurrent off-market takeover bid for all of the shares in Henry Morgan Limited.

The concurrent off-market takeover bid for all of the shares in HML is not conditional on the success of the Offer and so the Offer may still be completed (subject to acceptances) irrespective of the success (and level of acceptances) under the takeover bid for HML.

Unless otherwise indicated, the description of the Merged Group in this section 7 assumes that BHD is a wholly-owned subsidiary of JBL. If JBL is not entitled to compulsorily acquire BHD Shares and BHD Options during the Offer Period, some of the benefits that would otherwise accrue to JBL if BHD were to become a wholly-owned subsidiary of JBL may not be fully realised.

7.2 Overview of the Merged Group

The Merged Group would be publicly listed on the NSX.

Following the acquisition of some or all of the BHD Shares and BHD Options, and the HML shares, JBL intends to continue to act as investment manager for those companies and other funds which it manages.

BHD's investments are intended to continue to be managed by JBL under the current management services agreement.

JBL also intends to proceed with its offer to acquire all of the shares in JB Financial Group. This would provide JBL with complementary income streams from its investment management arm as well as the operational businesses within JB Financial Group.

7.3 Pro forma balance sheets

Summary of information

The information included in this section 7 is pro forma financial information for the Merged Group comprising JBL, HML and BHD as at 30 June 2018 and assuming four scenarios, being:

- (a) first, that JBL acquires 100 percent of BHD;
- (b) second, that JBL acquires 100 percent of BHD and 100 percent of HML;
- (c) third, that JBL acquires 50.1 percent of BHD; and
- (d) fourth, that JBL acquires 50.1 percent of BHD and 50.1% of HML.

JBL's Share Offer is conditional on obtaining 50.1 percent acceptances, and JBL's Option Offer is conditional on the Share Offer becoming unconditional. The unaudited pro forma combined balance sheets of the Merged Group as at 30 June 2018 (each a **Pro Forma Balance Sheet**) presented below have been produced with reference to the audited financial reports for JBL, BHD and HML (if applicable) as at 30 June 2018, adjusted to account for subsequent events deemed material to the Merged Group.

The financial information reflects the latest publicly available information for BHD and HML (if applicable) that is capable of being compared.

The pro forma financial information does not represent what the Merged Group would look like on a consolidated basis, since it is not possible to produce this information from publicly available information. 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 Balance Sheets do reflect the issue of new JBL Shares to BHD Shareholders and new JBL Options to BHD Optionholders, and the issue of new JBL Shares to HML shareholders (if applicable), and other adjustments required as a result of this Share Offer, this Option Offer and the concurrent offer to the shareholders of HML (if applicable).

The Pro Forma Balance Sheets are for illustrative purposes only and are based on numerous assumptions that may or may not reflect the actual financial position of the Merged Group after completion of the Offers and the completion of the offer to the shareholders of HML (if applicable). In addition, the Pro Forma Balance Sheets are presented in a summary format and do not contain all the disclosures required under the Corporations Act.

Financial information relating to BHD and HML (if applicable) has been sourced from their audited financial reports for the full year ended 30 June 2018. JBL has relied on the information in financial reports issued by BHD and HML (if applicable) to prepare the financial information for BHD and HML (if applicable) contained in this document.

JBL does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

JBL has had limited access to the independent directors and executive team of BHD and HML (if applicable) and to any working papers, accounting records or other documents for the purposes of preparing this financial information. Therefore, it has not been possible to independently verify any of the financial information relating to BHD or HML (if applicable) used in this document, for providing pro forma financial information.

The pro forma financial information presented in this section should also be read in conjunction with the risks set out in section 9, other information contained in this Bidder's Statement and the accounting policies of JBL, BHD and HML (if applicable) as disclosed in their most recent financial reports.

No forward looking financial statements

This document does not provide revenue or profit projections for the Merged Group. JBL does not believe that it has reasonable grounds to include revenue or profit forecasts in this Bidder's Statement. JBL believes that the inclusion of revenue or profit forecasts would be unduly speculative and potentially misleading for BHD Shareholders and/or BHD Optionholders.

Pro Forma Balance Sheets

Set out below are the Pro Forma Balance Sheets for JBL, on a company-only (not consolidated group) basis.

Pro Forma Balance Sheet assuming JBL acquires 100% of BHD

Assets	Pre acquisition balance sheet as at 30 June 2018	Acquisition of BHD shares: 100%	Post acquisition balance sheet: JBL
Current assets			
Cash and cash equivalents	260,675		260,675
Trade and other receivables	13,958,767		13,958,767
Financial instruments	42,520		42,520
Term deposits	30,375		30,375
Other current assets	109,454		109,454
Total current assets	<u>14,401,791</u>		<u>14,401,791</u>
Non-current assets			
Shares in subsidiaries - cost	21,225,400		21,225,400
Investments at fair value through profit and loss - HML	3,544,893		3,544,893
Investments at fair value through profit and loss - BHD	37,004	17,828,545	17,865,549
Property, plant and equipment	1,741,642		1,741,642
Deferred tax	336,360		336,360
Security deposits	148,656		148,656
Total non-current assets	<u>27,033,955</u>		<u>44,862,500</u>
Total assets	<u>41,435,746</u>		<u>59,264,291</u>
Liabilities			
Current liabilities			
Trade and other payables	5,465,933		5,465,933
Borrowings	506,500		506,500
Provisions	247,786		247,786
Total current liabilities	<u>6,220,219</u>		<u>6,220,219</u>
Non-current liabilities			
Borrowings	5,082,334		5,082,334
Deferred tax	2,337,268		2,337,268
Provisions	87,952		87,952
Total non-current liabilities	<u>7,507,554</u>		<u>7,507,554</u>
Total liabilities	<u>13,727,773</u>		<u>13,727,773</u>
Net assets	<u>27,707,973</u>		<u>45,536,518</u>
Equity			
Issued capital	25,567,380	17,828,545	43,395,925
Reserves	431,670		431,670
Retained profits/(accumulated losses)	1,708,923		1,708,923
Total equity/(deficiency)	<u>27,707,973</u>		<u>45,536,518</u>

Pro Forma Balance Sheet assuming JBL acquires 100% of HML and 100% of BHD

Assets	Pre acquisition balance sheet as at 30 June 2018	HML 100%	BHD 100%	Post acquisition balance sheet: JBL
Current assets				
Cash and cash equivalents	260,675			260,675
Trade and other receivables	13,958,767			13,958,767
Financial instruments	42,520			42,520
Term deposits	30,375			30,375
Other current assets	109,454			109,454
Total current assets	<u>14,401,791</u>			<u>14,401,791</u>
Non-current assets				
Shares in subsidiaries - cost	21,225,400			21,225,400
Investments at fair value through profit and loss - HML	3,544,893	30,825,231		34,370,124
Investments at fair value through profit and loss - BHD	37,004		17,828,545	17,865,549
Property, plant and equipment	1,741,642			1,741,642
Deferred tax	336,360			336,360
Security deposits	148,656			148,656
Total non-current assets	<u>27,033,955</u>			<u>75,687,731</u>
Total assets	<u>41,435,746</u>			<u>90,089,522</u>
Liabilities				
Current liabilities				
Trade and other payables	5,465,933			5,465,933
Borrowings	506,500			506,500
Provisions	247,786			247,786
Total current liabilities	<u>6,220,219</u>			<u>6,220,219</u>
Non-current liabilities				
Borrowings	5,082,334			5,082,334
Deferred tax	2,337,268			2,337,268
Provisions	87,952			87,952
Total non-current liabilities	<u>7,507,554</u>			<u>7,507,554</u>
Total liabilities	<u>13,727,773</u>			<u>13,727,773</u>
Net assets	<u>27,707,973</u>			<u>76,361,749</u>
Equity				
Issued capital	25,567,380	30,825,231	17,828,545	74,221,156
Reserves	431,670			431,670
Retained profits/(accumulated losses)	1,708,923			1,708,923
Total equity/(deficiency)	<u>27,707,973</u>			<u>76,361,749</u>

Pro Forma Balance Sheet assuming JBL acquires 50.1% of BHD

Assets	Pre acquisition balance sheet as at 30 June 2018	Acquisition of BHD shares: 50.1%	Post acquisition balance sheet: JBL
Current assets			
Cash and cash equivalents	260,675		260,675
Trade and other receivables	13,958,767		13,958,767
Financial instruments	42,520		42,520
Term deposits	30,375		30,375
Other current assets	109,454		109,454
Total current assets	<u>14,401,791</u>		<u>14,401,791</u>
Non-current assets			
Shares in subsidiaries - cost	21,225,400		21,225,400
Investments at fair value through profit and loss - HML	3,544,893		3,544,893
Investments at fair value through profit and loss - BHD	37,004	8,917,093	8,954,097
Property, plant and equipment	1,741,642		1,741,642
Deferred tax	336,360		336,360
Security deposits	148,656		148,656
Total non-current assets	<u>27,033,955</u>		<u>35,951,048</u>
Total assets	<u>41,435,746</u>		<u>50,352,839</u>
Liabilities			
Current liabilities			
Trade and other payables	5,465,933		5,465,933
Borrowings	506,500		506,500
Provisions	247,786		247,786
Total current liabilities	<u>6,220,219</u>		<u>6,220,219</u>
Non-current liabilities			
Borrowings	5,082,334		5,082,334
Deferred tax	2,337,268		2,337,268
Provisions	87,952		87,952
Total non-current liabilities	<u>7,507,554</u>		<u>7,507,554</u>
Total liabilities	<u>13,727,773</u>		<u>13,727,773</u>
Net assets	<u>27,707,973</u>		<u>36,625,066</u>
Equity			
Issued capital	25,567,380	8,917,093	34,484,473
Reserves	431,670		431,670
Retained profits/(accumulated losses)	1,708,923		1,708,923
Total equity/(deficiency)	<u>27,707,973</u>		<u>36,625,066</u>

Pro Forma Balance Sheet assuming JBL acquires 50.1% of HML and 50.1% of BHD

Assets	Pre acquisition balance sheet as at 30 June 2018	HML 50.1%	BHD 50.1%	Post acquisition balance sheet: JBL
Current assets				
Cash and cash equivalents	260,675			260,675
Trade and other receivables	13,958,767			13,958,767
Financial instruments	42,520			42,520
Term deposits	30,375			30,375
Other current assets	109,454			109,454
Total current assets	14,401,791			14,401,791
Non-current assets				
Shares in subsidiaries - cost	21,225,400			21,225,400
Investments at fair value through profit and loss - HML	3,544,893	13,666,148		17,211,041
Investments at fair value through profit and loss - BHD	37,004		8,917,093	8,954,097
Property, plant and equipment	1,741,642			1,741,642
Deferred tax	336,360			336,360
Security deposits	148,656			148,656
Total non-current assets	27,033,955			49,617,196
Total assets	41,435,746			64,018,987
Liabilities				
Current liabilities				
Trade and other payables	5,465,933			5,465,933
Borrowings	506,500			506,500
Provisions	247,786			247,786
Total current liabilities	6,220,219			6,220,219
Non-current liabilities				
Borrowings	5,082,334			5,082,334
Deferred tax	2,337,268			2,337,268
Provisions	87,952			87,952
Total non-current liabilities	7,507,554			7,507,554
Total liabilities	13,727,773			13,727,773
Net assets	27,707,973			50,291,214
Equity				
Issued capital	25,567,380	13,666,148	8,917,093	48,150,621
Reserves	431,670			431,670
Retained profits/(accumulated losses)	1,708,923			1,708,923
Total equity/(deficiency)	27,707,973			50,291,214

7.4 Pro forma adjustments and transaction assumptions

The following key assumptions have been made in producing each Pro Forma Balance Sheet:

General

The pro forma information has been prepared in accordance with the Australian Accounting Standards Board and also complies with International Financial Reporting Standards, reflecting the accounting policies of JBL. It has not been audited.

The pro forma information has been prepared by aggregating the balance sheets of JBL, BHD and HML (if applicable) as at 30 June 2018.

The pro forma information excludes the impact of general trading and other non-recurring transactions which have occurred since 30 June 2018, but are not considered to materially impact the financial position presented in the Pro Forma Balance Sheets.

BHD and HML acquisitions

Financial information about BHD and HML has been obtained from publicly available sources. JBL is not aware of any events subsequent to the BHD balance date of 30 June 2018 or the HML balance date of 30 June 2018 which would materially alter the Pro Forma Balance Sheets.

The Pro Forma Balance Sheets assume the acquisition of BHD and HML (if applicable) by JBL had been completed by that date. The actual date of the acquisition will be at a later date. AASB 3 'Business Combinations' states that the acquirer shall, at the acquisition date, allocate the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria at their fair values at that date. Accordingly, JBL will assess the fair value of identifiable net assets of BHD and HML (if applicable) on completion of the acquisition.

The Pro Forma Balance Sheets are based on the assumption that the fair value of assets (other than intangible assets) and liabilities of BHD and HML (if applicable) are equal to their book value. A full purchase price allocation exercise will be undertaken post acquisition, and the fair value of the assets will be more accurately assessed at that time. This will not impact on the valuation of the business, but may impact the classification between tangible, identifiable intangible assets and goodwill.

Identifiable intangible assets recognised on acquisition may need to be amortised over the period of their economic benefit to the Merged Group and those amortisation charges will reduce future reported earnings. Due to limited public information available on BHD, it is not possible for JBL to identify all of the intangible assets and consequent amortisation charges at this stage.

For fair value accounting purposes, each JBL Share issued under the Share Offer (and, if applicable, the concurrent offer for all of the fully paid ordinary shares in HML) is assumed to have an issue price of \$2.00 (being the closing price of JBL Shares on NSX on the trading day immediately before the Announcement Date, noting that trading in JBL Shares was suspended by NSX at the time). The actual fair value of JBL Shares to be issued under the Share Offer (and, if applicable, the concurrent offer for all of the fully paid ordinary shares in HML) is determined by the market price of JBL Shares at the actual date of acquisition of BHD and HML (if applicable).

The accounting policies of JBL, BHD and HML (if applicable) are similar and consistent in all material aspects.

Deferred tax assets and deferred tax liabilities have been calculated by assuming that:

- (a) JBL will acquire 100% of BHD and HML (if applicable), and BHD and HML (if applicable) will join the JBL tax consolidated group;

- (b) JBL will be entitled to an income tax deduction for tax losses transferred from BHD and HML (if applicable) to JBL on acquisition, subject to the available fraction method; and
- (c) JBL will recognise a deferred tax asset for BHD's existing tax losses (approximately \$4,728,730, resulting in a deferred tax asset of approximately \$1,418,619). In the event that JBL does not acquire 100% of BHD or HML (if applicable), tax will be apportioned by the percentage which BHD or HML (as applicable) contributes to the overall tax position of the JBL tax consolidated group.

7.5 Prospective financial information of the Merged Group

JBL has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information on the Merged Group. The board of directors of JBL 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.

8 JBL's intentions

8.1 Introduction and important note

This section sets out JBL's current intentions for:

- (a) the continuation of BHD's business;
- (b) any major changes to be made to BHD's business, including any redeployment of the fixed assets of BHD; and
- (c) the future engagement of the present board and executive team of BHD.

JBL's current intentions for BHD have been formed following a review of facts, information and circumstances about BHD that were either publicly available at the date of this Bidder's Statement or provided by BHD during the course of limited due diligence enquiries. That review by JBL did not provide JBL with sufficient facts, information and circumstances necessary to finally determine its intentions for BHD. As such, statements set out in this section are statements of current intention only which may change as new information becomes available or circumstances change.

Following the close of the Offers, it is JBL's intention to undertake a further detailed review of the operations, assets, structure and employees of BHD. The objective of the detailed review will be to:

- (a) evaluate the performance, prospects and strategic relevance of the BHD business and assets to JBL;
- (b) consider whether to realise any of BHD's investments and make a return of capital;
- (c) explore other investment strategies for BHD; and
- (d) make appropriate provisions for any of BHD's ongoing liabilities.

This review may result in the modification or curtailment of some of BHD's existing projects and activities.

Only upon completion of the detailed review, and in light of all material facts and circumstances will JBL finally determine its intentions for BHD and will take the action as it considers desirable to achieve optimum integration and synergies.

8.2 Intentions upon acquisition of 90 percent or more of BHD Shares and/or BHD Options

This section sets out JBL's current intentions if it acquires 90 percent or more of the BHD Shares (in relation to the Share Offer) and/or BHD Options (in relation to the Option Offer) and is entitled to proceed to compulsory acquisition of the outstanding BHD Shares and/or BHD Options.

Compulsory acquisition

If it becomes entitled to do so in respect of the Option Offer, JBL intends to compulsorily acquire any outstanding BHD Options under section 661B Corporations Act.

If it becomes entitled to do so in respect of the Share Offer, JBL intends to compulsorily acquire any outstanding BHD Shares under section 661B Corporations Act. In those circumstances, JBL is also entitled to acquire BHD Shares issued after the Share Offer closes but before the compulsory acquisition notice is given (under section 661A(4)(b) Corporations Act) and on

exercise of the BHD Options, up to six weeks after the notices are given (under section 661A(4)(c) Corporations Act).

JBL also has the right, under part 6A.2 Corporations Act, to seek to compulsorily acquire any of the BHD Options which it has not acquired or have not been exercised if JBL:

- (a) achieves 90 percent voting power in BHD; and
- (b) holds full beneficial interests in at least 90 percent by value of all securities of BHD that are either BHD Shares or convertible into BHD Shares.

If there are any BHD Options outstanding, JBL intends to compulsorily acquire those BHD Options to the extent that it is able to do so.

Amend BHD constitution

JBL intends to amend the constitution of BHD to reflect its status as a wholly-owned subsidiary of JBL and will seek to convert BHD from a public company to a proprietary company.

ASX listing

After conclusion of the compulsory acquisition process, JBL intends to procure that BHD be removed from the official list of ASX.

Directors

JBL intends to replace all members of the BHD Board and of the board of any company on which BHD has nominee directors with JBL nominee directors.

Those nominees have not yet been identified by JBL. Profiles for each of the Directors of JBL are set out in section 4.2.

Operations

Based on information available to JBL, BHD has no fixed assets. In terms of BHD's operations, JBL intends to:

- (a) evaluate the performance, prospects and strategic relevance of BHD investments to JBL;
- (b) consider whether to realise any of BHD's investments and make a return of capital;
- (c) explore other investment strategies for BHD; and
- (d) make appropriate provisions for any of BHD's ongoing liabilities.

Employees

With the benefit of its detailed review, JBL will consider the best allocation of BHD employees to continuing and new roles. The review of BHD operations may result in redundancies or additional staff recruitment.

JBL's current intention is to continue the employment of the majority of BHD present employees.

If any employees are made redundant, they will receive their full entitlements at law.

8.3 Intentions upon acquisition of between 50 percent and 90 percent of BHD Shares and/or BHD Options

This section sets out JBL's current intentions if, by virtue of acceptance of the Offers, it was to gain effective control of BHD but was not entitled to proceed to compulsory acquisition of the outstanding BHD Shares and/or BHD Options.

Compulsory acquisition

If JBL does not become entitled to compulsorily acquire BHD Shares and/or BHD Options under section 661B Corporations Act, it may nevertheless become entitled to exercise the general compulsory acquisition power under part 6A.2 Corporations Act in the future. JBL intends to exercise that power over the BHD Shares and/or BHD Options if it becomes entitled to do so.

ASX listing

ASX guidance indicates that ASX would likely approve an application for BHD to be removed from the official list of ASX without the need for shareholder approval if an application is made within a month of the end of the Offer Period if:

- (a) at the end of the Share Offer, JBL owns or controls at least 75% of the BHD Shares and the Share Offer remained open for at least two weeks after JBL attained ownership or control of at least 75% of the BHD Shares; and
- (b) the number of BHD Shareholders (other than JBL) having holdings with a value of at least \$500 is fewer than 150.

In addition, ASX guidance indicates that ASX would likely approve an application for BHD to be removed from the official list of ASX with shareholder approval, and where such removal is sought later than 12 months after the close of the Share Offer, JBL would be entitled to vote on the resolution approving the removal. JBL intends to apply to ASX for BHD to be removed from the official list of the ASX if it is able to make such an application to the ASX and it is approved.

8.4 Directors

Depending on the level of ownership achieved, it is JBL's intention to replace some of the members of the BHD Board (and the board of any company on which BHD has nominee directors) with JBL nominee directors.

8.5 Intentions generally (including about matters at section 8.2 above)

If, following the close of the Offers, BHD becomes a controlled entity but not a wholly owned subsidiary of JBL, it is the present intention of JBL to procure that the new BHD Board implements the objectives and goals outlined in section 8.2 to the extent possible and appropriate.

8.6 Limitations on intentions

To the extent that BHD is not a wholly owned subsidiary of JBL and there are minority shareholders of BHD, JBL intends to ensure that the JBL nominees appointed to the board of BHD will act at all times in accordance with their fiduciary duties and that all requisite shareholder approvals and other legal requirements are complied with in pursuing any of the intentions outlined above.

The requirement to have regard to those fiduciary duties in the context of a partly owned company and the possible requirements of minority shareholder approval may prevent the particular objective being achieved.

8.7 Intentions upon acquisition of less than 50 percent¹⁰ of BHD Shares and/or BHD Options

JBL will endeavour to implement its intentions as it has outlined in section 8.3 to the extent to which it is able to do so, subject to the limitations identified in section 8.3.

8.8 Intentions generally

Except for the changes and intentions set out in this section 8, JBL intends, based on the information presently known to it:

- (a) to continue the business of BHD;
- (b) not to make any major changes to the business of BHD or the deployment of BHD assets;
and
- (c) to continue the engagement of the majority of the BHD executive team.

¹⁰ In order for this scenario to apply, JBL would be required to waive the 50.1% minimum acceptance condition.

9 Risks

Before deciding whether to accept the Share Offer and/or the Option Offer, you should read this entire Bidder's Statement carefully.

BHD Shareholders will receive JBL Shares as consideration under the Share Offer and BHD Optionholders will receive JBL Options as consideration under the Option Offer. The value of JBL Shares will depend on the future performance of JBL and the market price of JBL Shares from time to time. The future performance of JBL may be influenced by factors associated with investing in both the Investment Management industry and listed securities generally which are beyond the control of JBL.

BHD Securityholders should be aware of the following key risks that may affect the performance of the Merged Group and the value of JBL Shares issued as the Share Offer Consideration and the value of JBL Options issued as the Option Offer Consideration.

9.1 General risks

The price at which JBL Shares trade on NSX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlooks and changes in the supply of, and demand for, Investment Management industry securities.

The market for JBL Shares may also be affected by a wide variety of events and factors including variations in JBL's operating results, recommendations by securities analysts, and the operating and trading price performance of other listed Investment Management industry entities that investors consider to be comparable to JBL. Some of these factors could affect JBL's share price regardless of JBL's underlying operating performance.

9.2 Specific business risks associated with JBL

Set out below are examples of risks associated with JBL. In determining these risks, the Directors have concentrated on risks attaching specifically to an investment in JBL as compared to risks of the Investment Management industry and BHD, to which BHD Shareholders are already exposed.

Funding risk

JBL may need additional funding to undertake its capital expenditure program for the Merged Group. There can be no guarantee that JBL is able to source funding on commercially-acceptable terms.

As at the date of this Bidder's Statement, JBL is in the process of conducting a placement to raise up to \$3.6 million, in addition to establishing an external debt facility for the JBL consolidated group of between \$5-7 million.

Liquidity

The level of liquidity on the NSX market has the potential to be lower than on larger, established markets. As a result, the number of investors willing to buy and sell securities at any particular time is potentially less.

JBL considers that the larger combined shareholder base of JBL, former BHD Shareholders and BHD Optionholders, and (if applicable) former HML shareholders, in addition to the larger market capitalisation of JBL following the successful completion of the Offers and the concurrent off-market takeover bid for all of the issued shares in HML, will provide for increased liquidity in JBL Shares.

Manager risk

There is a risk that JBL will not be able to achieve its objective as investment manager of the entities for which it acts in this capacity. Its ability to do so will depend on a range of factors, including its portfolio selection, the skills of JBL's Chief Investment Officer, the timing of investment strategies and the actual performance of investments.

Dependence on key personnel

JBL depends on the talent and experience of its Personnel as its primary asset. There may be a negative impact on JBL if any of its key Personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key Personnel of JBL who leave to work for a competitor may adversely impact JBL.

In summary, JBL's ability to attract and retain Personnel will have a direct correlation upon its ability to deliver its project commitments and achieve forecast revenues. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of JBL.

Financial market volatility

A fall in global or local equity markets, global or local bond markets or lack of change in the value of the Australia dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on the price at which Shares and Options trade and the value of JBL's assets.

Derivatives Risk

Risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, JBL not being able to meet payment obligations as they arise, regulatory risk and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). JBL employs derivatives for investment, hedging, leverage and investment implementation and exit purposes.

General risks such as liquidity and counterparty or market risks can be magnified by the use of derivatives because of the leverage effect they exert on JBL. JBL manages this risk by maintaining adequate cash and physical asset cover for derivative positions and also by regularly monitoring derivative positions and only entering into transactions with reputable counterparties via recognised exchanges where possible. If JBL enters into any derivative transaction with any other counterparty, it will seek to ensure the counterparty is creditworthy and viable.

JBL will predominately employ exchange-traded derivatives, but may use over the counter derivatives if considered appropriate and prudent.

Short Selling Risk

JBL does not engage in short-selling physical assets but may hold short futures positions. In taking short positions, JBL bears the risk of an increase in price of the underlying investment over which the short position is taken. Such an increase could lead to a substantial loss.

Dependence on Key Contracts

In the event the investment management agreements with HML, BHD or JB High Alpha Fund were terminated, this would have a material detrimental effect on the income of JBL. In these circumstances, the Board of JBL would assess alternate options including investment of JBL's own capital directly in global markets, seeking other investment mandates or returning cash to Shareholders if that was in the best interests of Shareholders.

Manager Risk

There is no guarantee that JBL will achieve its performance objectives, produce returns that are positive, or compare favourably against its peers. Many factors can negatively impact JBL's ability to generate returns from its investment process (for example, loss of key Personnel). There is significant competition among quantitative investment managers and JBL's ability to deliver returns that have a low correlation with global aggregate equity markets and other market participants is dependent on its ability to employ an investment system that is simultaneously profitable and differentiated from those employed by other managers. To the extent that JBL is not able to develop a sufficiently differentiated investment system, JBL's investment objectives may not be met. The growth in assets managed in accordance with similar investment strategies may result in JBL and other market participants inadvertently buying and selling the same or similar investments simultaneously, which may reduce liquidity and exacerbate market movements. JBL may then be subject to an increased risk of suffering substantial losses.

Investment risk

JBL may invest in companies with a limited trading history or which are unlisted. These investments may mean that achieving a return on investment is more difficult than obtaining a return on investments in larger capitalised or listed companies. While risk management and due diligence procedures can minimise these risks, they may be material and significant.

Concentration Risk

Concentration risk is the risk that poor performance in a particular market may significantly affect JBL. Although JBL can invest in many markets at any given time, it may only be invested in a small number of markets. Generally, the fewer markets in which JBL invests, the greater the overall volatility of JBL. This may result in large movements in the Share price of JBL within short periods of time.

Foreign Exchange Risk

The investments of JBL may include overseas investments that will be subject to exchange rate volatility, which will generally not be hedged by JBL. There is a risk that adverse movements in exchange rates could reduce the value of the assets of JBL.

Default Risk

Issuers or entities upon which JBL's investments depend may default on their obligations, for instance by failing to make a payment when due. Such parties can include futures exchanges, derivatives counterparties, brokers (including clearing brokers), foreign exchange counterparties and, deposit taking banks. Default on the part of an issuer or counterparty could result in a financial loss to JBL.

Regulatory and Legal Risk

Governments or regulators may pass laws, create policy, or implement regulation that affects JBL or the assets of JBL. Such initiatives impact either a specific transaction type or market, and may be either country specific or global. Such changes may result in JBL failing to achieve its investment objectives. Similarly, taxation, corporate and regulatory laws may change in the future, affecting investors' rights and investment returns.

Liquidity Risk

Investments may be difficult or impossible to sell, either due to factors specific to that investment, or to prevailing market conditions. Liquidity risk may mean that an asset is unable to be sold or JBL's exposure is unable to be rebalanced within a timely period and at a fair price.

In addition, rapid liquidation of positions during adverse market conditions (for example, a market crash) is likely to lead to greater losses than would be the case under 'normal' market conditions.

Market Risk

Changes in the prices of futures positions held by JBL may result in loss of principal or large movements in the Share price of JBL within short or long periods of time. Global and local economic, financial, political, technological and environmental factors can drive changes in the prices of futures positions. It is not possible to predict the occurrence or magnitude of these and other potentially relevant factors. Different factors may affect the price of individual futures positions, particular asset classes (such as shares, bonds, interest rates, currencies and commodities) or futures positions generally at different times.

Leverage Risk

Leverage risk arises when JBL takes on positions that are greater in size than its assets. JBL will take leveraged positions with the aim of increasing returns which can also lead to increased losses. Leverage arises in JBL through taking both long and short futures positions which are larger in size than the net asset value of JBL. While this process forms a key part of the investment strategy, it may mean that gains and losses may be significantly greater than those in a company that is not leveraged. JBL employs significant leverage and this may result in a loss of some or all of JBL's capital.

Strategy, Model and Research Risk

JBL's investment approach is based on the Investment Manager's experience and research into past data and the application of that research to the development of mathematical models that attempt to forecast returns, risk, correlation and transaction costs. Many of these models are trend following models that attempt to identify and exploit reality but they may be incomplete and/or flawed and there is an inherent risk that any forecasts derived from them may be inaccurate, particularly if the research or models are based on, or incorporate, inaccurate assumptions or data. Assumptions or data may be inaccurate from the outset or may become inaccurate as a result of many factors such as, changes in market structure, increased government intervention in markets or growth in assets managed in accordance with similar investment strategies. In particular, such factors may make the Investment Manager's trend following models less effective because they may lessen the prospect of identified trends occurring or continuing in the future. As a result of the foregoing, the investment system implemented by JBL may not generate profitable trading signals and JBL may suffer a loss.

Collateral Risk

JBL enters into derivatives arrangements that require it to deliver collateral to the derivative counterparty through the futures exchange. As such, JBL may be exposed to certain risks in respect of that collateral, including that JBL:

- (a) will be required to post initial margin/collateral to the derivative counterparty via the futures exchange in the form of cash. JBL will need to have sufficient liquid assets to satisfy this obligation;
- (b) may from time to time, if the value of the derivative arrangements move against it, be required to post variation margin/collateral with the derivatives counterparty via the futures exchange on an ongoing basis. JBL will need to have sufficient liquid assets to satisfy such calls, and in the event it fails to do so, the counterparty may have a right to terminate such derivatives arrangements; and
- (c) may be subject to the credit risk of the counterparty and the futures exchange. In the event the counterparty or futures exchange becomes insolvent at a time it holds margin/collateral posted with it by JBL, JBL will be an unsecured creditor and will rank behind other preferred creditors.

Authorised Representative

JBL is an authorised representative of JB Markets Pty Ltd ACN 123 876 291, an Australian Financial Services Licensee No. 323182. As an authorised representative JBL is permitted to undertake securities trading and funds management activities. There is a risk that changes to the regulatory framework or decisions of the Australian Securities and Investments Commission may result in JB Markets Pty Ltd losing its Australian Financial Services Licence. The directors of JB Markets Pty Ltd may also decide to cancel its licence or no longer authorise JBL to be its authorised representative. This would mean that JBL would cease to be an authorised representative of JB Markets Pty Ltd and may not be able to undertake the activities that it currently does. JBL is confident that it will be in a position to be an authorised representative of an Australian Financial Services Licensee, whether that be JB Markets Pty Ltd or another licensee.

9.3 Transaction specific risks

Conditions to the Share Offer

As noted in Schedule 2, the Share Offer is subject to a number of conditions. Subject to any statutory rights of withdrawal, BHD Shareholders who accept the Share Offer while it still remains conditional will not be able to trade their BHD Shares on the ASX (subject to trading in BHD Shares being reinstated) or withdraw their acceptance of the Share Offer.

As at the date of this Bidder's Statement, BHD Shares remain suspended from trading on the ASX.

If the conditions remain unsatisfied at the end of the Offer Period and are not waived by JBL, there is no obligation on JBL to issue JBL Shares to those BHD Shareholders who have already accepted the Share Offer in consideration for their BHD Shares.

Condition of the Option Offer

The Option Offer is subject to the Share Offer becoming unconditional. Subject to any statutory rights of withdrawal, BHD Optionholders who accept the Option Offer while it remains conditional will not be able to deal with their BHD Options or withdraw their acceptance of the Option Offer.

If the condition remains unsatisfied at the end of the Offer Period and is not waived by JBL, there is no obligation on JBL to grant JBL Options to those BHD Optionholders who have already accepted the Option Offer in consideration for their BHD Options.

Limited withdrawal rights

BHD Shareholders who accept the Share Offer and BHD Optionholders who accept the Option Offer are able to withdraw those acceptances in limited circumstances only.

Issue of JBL Shares and JBL Options as consideration

The Share Offer and Option Offer comprise a specified number of JBL Shares and JBL Options (as applicable) in consideration for each BHD Share and BHD Option (as applicable), rather than a specified value of JBL Shares and JBL Options (as applicable). Accordingly, the value of the consideration may fluctuate depending on the value of JBL Shares from time to time.

Further, if current JBL Shareholders or current BHD Shareholders who accept the Share Offer (or, if applicable, current HML shareholders who accept the concurrent off-market takeover offer for issued shares in HML) seek to sell JBL Shares on market, there may be an adverse impact on the market price of JBL Shares, depending on the price at which those JBL Shares are sold.

This means that the market value of JBL Shares at the time they are issued to BHD Shareholders who accept the Share Offer may vary significantly from their market value on the date of acceptance of the Share Offer. This could result in the value of the consideration to BHD Shareholders increasing, as well as decreasing.

Less than 100 percent ownership

It is possible that JBL may not acquire all BHD Shares under the Share Offer and/or all the BHD Options under the Option Offer. The impact upon JBL of acquiring less than 100 percent will depend upon the final level of ownership acquired. However, the existence of minority shareholders in BHD could have an impact on JBL's intentions regarding BHD (refer to sections 8.2 to 8.8).

Assumed financial information for BHD

There is a risk that the publicly available financial information provided by BHD and utilised by JBL in formulating the Offers and preparing this Bidder's Statement is not materially correct.

Taxation risks

JBL cannot give advice on the tax consequences of the Share Offer and/or the Option Offer, which will depend on the specific circumstances of each BHD Shareholder.

A criterion for the availability of CGT rollover relief in respect of the Share Offer is that JBL increases its holding of BHD Shares to at least 80 percent as a result of the Share Offer, and in respect of the Option Offer is that JBL increases its holding of BHD Options to at least 80 percent as a result of the Option Offer. There is a risk that JBL will not receive sufficient acceptances under the Share Offer and/or the Option Offer (as applicable) to meet this criterion with respect to each of the Share Offer and/or Option Offer (as applicable) and CGT rollover relief may not be available to BHD Shareholders and/or BHD Optionholders (as applicable).

JBL will notify all BHD Shareholders if it receives sufficient acceptances to satisfy this requirement with respect to the Share Offer, and will notify all BHD Optionholders if it receives sufficient acceptances to satisfy this requirement with respect to the Option Offer.

Reporting risks

JBL has assumed that BHD has met all of its reporting obligations and that disclosures made by it are true in all material respects and are not misleading in any material respects.

Dilution risks

As the Share Offer Consideration consists of JBL Shares and the Option Offer Consideration consists of JBL Options, the interests of existing JBL Shareholders (which may include BHD Shareholders following completion of the Share Offer) will be diluted to some degree.

As the consideration for the concurrent off-market takeover bid for all of the issued shares in HML consists of new JBL Shares, there may be further dilution to the interests of JBL Shareholders.

9.4 Specific business risks associated with BHD

Listed investment company risks

The share price of a listed investment company may trade at a premium or discount to net tangible asset backing per share. The operations and financial performance of listed investment companies are driven by a number of factors, including:

- domestic and international financial markets;
- domestic and international economic and political events;
- the applicable regulatory environment in Australia and internationally.

Liquidity risk

There is a risk that BHD's portfolio's underlying investments may not be easily sold when the investment manager decides it is an appropriate time for them to be sold. A lack of liquidity could result in a loss if the delay in the sale of the investment results in the decline in value of the investment. This will be especially relevant to any investments in products which are not exchange traded such as unlisted equities.

Market risk

Investment returns are influenced by general market factors internationally and by factors specific to each security. In particular, the market prices of the shares in many listed entities have in recent times experienced wide fluctuations which in many cases reflect a diverse range of non-entity specific influences including:

- general economic conditions, including changes in inflation rates, short-term or long-term interest rates, exchange rates and commodity prices;
- variations in the local and global markets for listed securities;
- domestic and international economic conditions;
- changes in investor confidence generally and in relation to specific sectors of the market;
- natural disasters, global hostilities and acts of terrorism;
- changes to government policy, legislation or regulation including in relation to taxation and other policy changes; and
- the inclusion or removal of stocks from major market indices.

Currency risk

For investments in global assets which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value and, therefore, the value of BHD's portfolio.

Foreign exchange fluctuations may have a positive or adverse impact on the investment returns of BHD. BHD's foreign currency exposure may be over or under hedged or not hedged at all. It may not always be possible to hedge all foreign currency exposures and there is no guarantee that hedging will be successful. BHD may also hedge the exposure of the other investments in

BHD against investment loss, but is under no obligation to do so. There is no guarantee that any hedging will be successful. The cost of implementing hedging may be significant.

Derivatives risk

There is a risk that the use of derivatives can have a negative impact on BHD's portfolio due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain. Derivative instruments include futures, futures options, over-the-counter products, exchange-traded options, swaps and forward contracts.

The value of all derivatives is 'derived' from underlying assets, such as company shares, commodities and bonds. Derivatives such as futures and options may be used by BHD:

- to offset the risk of price variations of securities;
- as an alternative to purchasing the underlying security;
- to seek to take advantage of any opportunities for profit which may exist in the market from time to time; and
- in the management of currency and interest rate risk.

In all cases, there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.

Risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, BHD not being able to meet payment obligations as they arise, regulatory risk and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). HML employs derivatives for investment, hedging, leverage and investment implementation and exit purposes.

General risks such as liquidity and counterparty or market risks can be magnified by the use of derivatives because of the leverage effect they exert on BHD. BHD manages this risk by maintaining adequate cash and physical asset cover for derivative positions and also by regularly monitoring derivative positions and only entering into transactions with reputable counterparties via recognised exchanges where possible. If BHD enters into any derivative transaction with any other counterparty, it will seek to ensure the counterparty is creditworthy and viable.

9.5 Risk associated with the Merged Group

Implementation risks

There is a risk that less than 50.1 percent of BHD Shareholders will accept the JBL Offer.

There is also a risk that less than 90 percent of BHD Shareholders will accept the JBL Offer. If this occurs, JBL will not be able to proceed to compulsory acquisition of 100 percent of BHD.

Depending on the ultimate shareholding of BHD, this could result in a situation where BHD remains listed on ASX, but JBL holds a substantial holding in BHD.

Changes to investment portfolio

Upon the successful implementation of the Offer, BHD Shareholders will be exposed to a more diversified portfolio of investments than BHD's portfolio. That diversification may continue into the future. A more diverse portfolio of investments may mean that BHD shareholders are exposed to a wider range of risks.

JBL Shares

Under the Share Offer, BHD Shareholders will be issued with JBL Shares in consideration for the transfer of BHD Shares, and under the Option Offer, BHD Optionholders will be issued with JBL Options in consideration for the transfer of BHD Options. The share price performance of a listed company such as JBL, is subject to general fluctuations in the share market. These fluctuations can result from a wide variety of factors, some of which are beyond the control of JBL, including:

- changes in market conditions for derivatives and listed securities;
- general economic and business conditions; and
- changes in regulatory and government policy.

9.6 General risks

Regulation and publicity

Changes in the regulatory environment for listed investment companies, including amendments to the Corporations Act, ASX Listing Rules and Guidance Notes, NSX Listing Rules, ASIC policy and their practical application may impact on the investments of JBL and BHD, and the ability of those companies to achieve their objectives. This may impact on the value of JBL Shares and BHD Shares.

Changes in tax and accounting policies

Accounting policies and taxation laws are in a continual state of change and reform which may affect BHD, JBL, and their shareholders. Changes to these laws may adversely affect the financial performance and/or the returns achieved by shareholders in JBL or BHD.

Economic conditions

There is a risk that returns may be adversely affected by instability in local or global market conditions. The following economic conditions may impact the financial position and performance of JBL and BHD include national and international markets and economic growth, industry change, interest rates, inflation, exchange rates, and changes to government economic policy.

Currency risk

Shareholders who reside outside of Australia should be aware of the impact that fluctuations in exchange rates may have on the value of their investments and returns.

Forward looking statements

Certain information contained in this Bidder's Statement may constitute forward looking information that is subject to risks, uncertainties and various assumptions.

10 Tax considerations

10.1 Introduction

The following is a summary of the potential Australian income tax consequences generally applicable to a BHD Securityholder who disposes of BHD Shares and/or BHD Options under the Share Offer and/or the Option Offer. This summary is based on the law and practice in effect on the date of this Bidder's Statement.

The following summary is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every BHD Securityholder.

In particular the summary is only applicable to BHD Securityholders that are Australian residents for income tax purposes and hold their BHD Shares and/or BHD Options on capital account for income tax purposes. This summary does not apply to BHD Securityholders that hold their BHD Shares and/or BHD Options in the course of a business of trading or dealing in securities. The summary does not apply to BHD Securityholders who acquired their BHD Shares and/or BHD Options as part of an employee share scheme operated by BHD.

All BHD Securityholders are advised to seek independent professional advice about their particular circumstances and non-resident BHD Securityholders should seek their own advice on the Australian and foreign taxation consequences of any sale of their BHD Shares and/or BHD Options.

10.2 CGT consequences on the disposal of BHD Shares

A BHD Shareholder that accepts the Share Offer and whose BHD Shares are subsequently transferred to JBL, is taken to have disposed of their BHD Shares for Australian capital gains tax (CGT) purposes. Shareholders make a capital gain equal to the amount by which the Share Offer Consideration exceeds the cost base that the BHD Shareholder has for the BHD Shares. Subject to the availability of the CGT discount (see below) and any losses available to be offset against the capital gain, this amount is included in the BHD Shareholder's taxable income.

A BHD Shareholder will alternatively make a capital loss equal to the amount by which the reduced cost base of the BHD Shares exceeds the Share Offer Consideration. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests applicable to companies and trusts.

Cost base of BHD Shares generally

The cost base of BHD Shares would generally be equal to the amount the relevant BHD Shareholder paid to acquire the BHD Shares which includes certain incidental costs of the acquisition (such as brokerage).

10.3 CGT discount

Any BHD Shareholder who is an individual, the trustee of a trust or a complying superannuation entity may be entitled to claim the CGT discount in calculating any capital gain provided that:

- (a) the BHD Shares were acquired at least 12 months before disposal to JBL;
- (b) the BHD Shareholder did not choose to index the cost base of their BHD Shares; and
- (c) the CGT discount is applied to the capital gain after any available capital losses are first offset against that capital gain.

The CGT discount allows a BHD Shareholder who is an individual or the trustee of a trust to discount the capital gain by 50 percent and include 50 percent of the capital gain in the taxable income of that individual or trust.

A BHD Shareholder that is a complying superannuation entity may discount the capital gain by 33⅓ percent and include 66⅔ percent of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is not available to a BHD Shareholder that is a company.

10.4 CGT rollover

Where JBL acquires 80% of the Shares in BHD, a BHD Shareholder may be eligible to choose for CGT rollover relief to apply to their disposal of BHD Shares under the scrip for scrip rules so that any CGT payable on the disposal is deferred. Whether the rollover is available depends on the individual circumstances of each Shareholder. Also, if the Share Offer becomes unconditional and JBL does not receive acceptances for 80% of the BHD Shares and acquires those BHD Shares, the rollover relief will not be available.

If a BHD Shareholder is eligible and chooses to apply the scrip for scrip rules, JBL Shares received by the BHD Shareholder should have a cost base equal to the cost base of the original BHD Shares. The cost base will be relevant in determining any future CGT liability on the subsequent disposal of the JBL Shares.

In certain circumstances, it may be necessary for JBL to make a joint election with BHD Shareholders in order for CGT rollover relief to apply. To the extent a joint election is necessary for rollover relief to apply then, at the request of the BHD Shareholder and provided the BHD Shareholder has informed JBL in writing of the cost base of their BHD Shares, JBL will make the joint election.

JBL will not make any choice or election under the CGT rollover provisions to prevent BHD Shareholders from obtaining CGT rollover relief.

10.5 Stamp duty and GST

BHD Shareholders who dispose of their BHD Shares under the Share Offer are not expected to incur any Australian stamp duty or be subject to GST on that disposal.

10.6 Taxation consequences for BHD Optionholders

The tax consequences to BHD Optionholders are generally similar to those of BHD Shareholders.

CGT rollover relief may apply to BHD Optionholders where the BHD Options are replaced by JBL Options. To qualify for rollover relief, the transaction must be pursuant to the Option Offer and satisfy certain conditions.

The effect of the CGT rollover relief is such that BHD Optionholders defer any CGT until such time as the JBL Options are disposed of.

10.7 Obtain your own taxation advice

Do not rely on the comments or the statements contained in this Bidder's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Bidder's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, JBL does not accept any responsibility for tax implications for individual BHD Shareholders.

JBL is not a registered tax agent under the *Tax Agent Services Act 2009* (Cth) and cannot provide tax advice to specific BHD Securityholders. BHD Securityholders should obtain tax advice from a registered tax agent on the consequences of accepting the Share Offer and/or the Option Offer.

11 Important documents

11.1 Bid Implementation Agreement

On 10 September 2018, JBL and BHD entered into a Bid Implementation Agreement for the proposed takeover bid by JBL for all the BHD Shares and all of the BHD Options.

The terms of the Bid Implementation Agreement include:

- (a) BHD Voting Directors recommend that BHD Shareholders accept the Share Offer and/or that BHD Optionholders accept the Option Offer, unless there is a Superior Proposal, and subject to:
 - (i) BHD's due diligence on JBL;
 - (ii) the matters details in the independent expert's report prepared on the instructions of BHD's Voting Directors for the purposes of considering the Offers; and
 - (iii) the assessment of the Offers by the independent expert; and
- (b) until the end of the Offer Period, BHD must comply with the no shop, no due diligence, no talk and no termination conditions.

Exclusivity and other limitations

BHD has agreed not to:

- (a) take any action which may lead to a Competing Proposal (no shop condition);
- (b) permit due diligence on itself or its Subsidiaries (no due diligence condition); or
- (c) negotiate or enter into discussions about a Competing Proposal or respond to a Competing Proposal (no talk condition).

The no talk condition does not prevent a person from doing something with respect to a possible Competing Proposal if, based on the written opinion of BHD's legal advisers, that action or omission is or may reasonably be expected to involve a breach of the fiduciary duties of the BHD Directors or be otherwise unlawful.

The Bid Implementation Agreement is attached to JBL's announcement of the Offers lodged with NSX on the Announcement Date.

12 Additional information

12.1 JBL is a disclosing entity

As JBL is offering JBL Shares as consideration for the acquisition of BHD Shares and JBL Options as consideration for the acquisition of BHD Options, the Corporations Act requires that this Bidder's Statement includes all information that would be required for a prospectus for an offer of JBL Shares and/or JBL Options under sections 710 to 713 Corporations Act. JBL does not need to issue a separate prospectus for the offer of the JBL Shares and/or JBL Options as the offer occurs under a takeover bid.

JBL is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 Corporations Act that is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, JBL is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of JBL's securities.

JBL Shares and JBL Options have been quoted on NSX during the 12 months before the date of this Bidder's Statement. For this reason, JBL is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, where JBL's shares are continuously quoted securities the prospectus is only required to contain information on the effect of the Offers on JBL and the rights and liabilities attaching to the JBL Shares and the JBL Options. It is not necessary to include general information on all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company unless that information has been excluded from a continuous disclosure notice in accordance with the NSX Listing Rules and it is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of those matters and the rights and liabilities attaching to the JBL Shares.

Information that is already in the public domain is not reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete. JBL, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC on JBL (not being documents referred to in section 1274(2)(a) Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (i) the financial statements of JBL for the 12 months ended 30 June 2018 (being the annual financial report most recently lodged by JBL with ASIC);
 - (ii) the half-year financial report lodged for the six months ended 31 December 2017 lodged with ASIC by JBL; and
 - (iii) all continuous disclosure notices given by JBL after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

If you would like to receive a copy of any of these documents or publications, please contact JBL's bid information line weekdays between 9.00am and 5.00pm (Sydney time) on 1300 405 577 (Australia only) or +61 1300 405 577 (outside Australia).

Copies of all documents lodged with ASIC in relation to JBL can be inspected at the registered office of JBL during normal office hours. A list of announcements made by JBL on ASX between 1 July 2018 and the date of this Bidder's Statement appears in Schedule 4.

Other than information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the NSX Listing Rules and is information that a BHD Securityholder or a professional adviser to a BHD Securityholder would reasonably require for the purposes of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of JBL; or
- (b) the rights and liabilities attaching to the JBL Shares and/or the JBL Options.

None of the information referred to in this section 12.1 is incorporated by reference into this Bidder's Statement or is included with this Bidder's Statement.

12.2 Capital structure of JBL

Current

The total number of JBL Shares on issue is 24,367,704 listed shares.

JBL has granted 24,186,520 options over unissued shares in JBL. A summary of the exercise price and expiry date of each class of options is set out in section 5.4.

JBL has 2,227,850 convertible notes on issue with a face value of \$1.58 per convertible note. The convertible notes mature on 6 April 2022. On conversion, one JBL Share will be issued per convertible note.

The effect of the Offers on JBL's capital structure is set out in section 7.

12.3 Rights and liabilities attaching to JBL Shares

The rights and liabilities attaching to ownership of the JBL Shares arise from a combination of JBL's constitution, statute, the NSX Listing Rules and general law.

A summary of the significant rights and liabilities attaching to JBL's Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of JBL Shareholders.

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 JBL or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid JBL 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 JBL Shareholder is entitled to receive notice of, attend and vote at meetings of JBL and to receive all notices, accounts and other documents required to be sent to JBL Shareholders under JBL's constitution, the Corporations Act and the NSX Listing Rules.

Dividends

The Directors may authorise the payment to members of dividends as appear to the Directors to be justified by the profits of JBL. Dividends are payable on all JBL Shares in proportion to the amount of the total issue price paid (but not credited) for the JBL Shares. This is subject to any

special or preferential rights attached to any class of shares created after the issue of the JBL Shares. If a fully paid share is on issue for part only 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 JBL Shares

JBL Shares may be transferred by a proper transfer effected under the ASX Settlement Operating Rules, or by a written instrument of transfer in any usual form or in any other form approved by the Directors.

The Directors may only decline to register a transfer of JBL Shares (other than a proper transfer under the ASX Settlement Operating Rules) where permitted or required to do so under the NSX Listing Rules. If the Directors refuse to register a transfer, JBL must, within five Business Days after the transfer is lodged with JBL, give the party lodging the transfer written notice of the refusal and the reason for refusal. The Directors must decline to register a transfer of JBL Shares when required by the Corporations Act or the NSX Listing Rules.

Issue of further JBL Shares

The Directors may allot, issue, grant options in respect of, or otherwise dispose of, further shares in JBL on terms as they see fit. However, the Directors must act in accordance with the restrictions imposed by JBL's constitution, the Corporations Act, the NSX Listing Rules and any rights for the time being attached to the shares in any special class of those shares.

Winding-up

If JBL is wound up, then, subject to any special rights attaching to any class of shares, JBL Shareholders will be entitled to participate in any surplus assets of JBL in proportion to the amount paid up (or which ought to have been paid up) on their JBL Shares when the winding-up begins.

Unmarketable parcels

Subject to the Corporations Act, NSX Listing Rules and ASX Settlement Operating Rules, JBL may refuse to register a transfer where to do so would create a parcel of shares less than a marketable parcel of shares.

Share buy-back

Subject to the provisions of the Corporations Act and the NSX Listing Rules, JBL may buy back JBL Shares on terms and at times determined by the Directors.

Variation of class rights

Unless otherwise provided by JBL'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 ten percent 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 and bonus share plan

JBL's constitution authorises the Directors to establish and maintain dividend reinvestment plans (whereby any member may elect that dividends payable by JBL be reinvested by way of subscription for shares in JBL) and bonus share plans (whereby any member may elect to forego any dividends that may be payable on all or some of the JBL Shares held by that member and to receive instead JBL Shares).

Indemnities

To the extent permitted by law, JBL indemnifies every officer and former officer of JBL against a liability incurred by the person acting in that capacity. In addition, every officer is indemnified out of the assets of JBL against any liability incurred in defending any civil or criminal proceedings:

- (a) in which judgment is given in favour of the officer, or in which the officer is acquitted; or
- (b) in connection with any application for that proceeding in which relief is granted to the officer under the Corporations Act by the court, and where proceedings are commenced, but are struck out or are in any other manner discontinued or determined otherwise than by a judgment or conviction against the officer.

Alteration of JBL's constitution

JBL's constitution can only be amended by special resolution passed by at least 75 percent of JBL Shareholders present and voting at a general meeting of JBL. JBL must give at least 28 days written notice of its intention to propose a resolution as a special resolution.

12.4 Terms and conditions of JBL Options

The rights and liabilities attaching to ownership of the JBL Options arise from a combination of JBL's constitution, statute, the NSX Listing Rules and general law.

A summary of the significant rights and liabilities attaching to JBL Options is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of JBL Optionholders.

Each JBL Option gives the JBL Optionholder the right to subscribe for one JBL Share upon exercise of the JBL Option.

Expiry Date

The JBL Options expire on 31 March 2020.

Option Period

The period from the date of issue of the Options to 31 March 2020.

Exercise Price

The Exercise Price is \$1.10 for each JBL Option.

Exercise

The JBL Options are exercisable wholly or in part by execution and lodgement with JBL of a notice of exercise and payment of the Exercise Price during the Option Period. The notice of exercise must set out the number of JBL Options which the JBL Optionholder wishes to exercise.

The JBL Options held by a JBL Optionholder may be exercised in whole or in part. If exercised in part, multiples of 1,000 and a minimum of 1,000 must be exercised on each occasion.

All JBL Shares issued upon the exercise of JBL Options will, upon issue, rank equally in all respects with other JBL Shares. JBL will apply for quotation on NSX of any JBL Shares issued as a result of the exercise of a JBL Option.

Transfer

JBL Options are transferable, subject to any restriction or escrow arrangements required or imposed by NSX or the ASX Settlement Operating Rules or under any applicable Australian law.

Quotation

An application will be made for quotation of the new JBL Options issued under the Option Offer under the code 'JBLOA'.

Reorganisation

In the event of any reconstruction of the issued capital of JBL, the number of JBL Options or the Exercise Price or both are to be reconstructed (as appropriate) in accordance with the NSX Listing Rules and in a manner which does not result in any benefits being conferred on JBL Optionholders which are not conferred on JBL Shareholders and (subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of the JBL Shareholders approving the reconstruction of capital) in all other respects the terms for the exercise of JBL Options remain unchanged.

Non-Recognition of Equitable Interests

JBL is entitled to treat the registered holder of a JBL Option as the absolute holder of that JBL Option and is not bound to recognise any equitable or other claim to, or interest in, that JBL Option on the part of any person other than the registered holder, except as ordered by a Court of competent jurisdiction or as required by statute.

12.5 Capital structure of BHD

- (a) JBL's Share Offer is to acquire all of the issued BHD Shares.
- (b) JBL's Option Offer is to acquire all of the issued BHD Options.
- (c) At the date of this Bidder's Statement, there are:
 - (i) 24,155,241 BHD Shares on issue; and
 - (ii) 16,674,856 BHD Options on issue.

12.6 Details of JBL's relevant interests in BHD Shares

At the date of this Bidder's Statement, the number of BHD Shares in which JBL had a relevant interest is set out below:

Class of securities	Total number in class	% of BHD Shares on issue
BHD Shares	46,359 BHD Shares	0.19%

As at the date of this Bidder's Statement JBL has voting power of 0.19% percent in BHD.

12.7 Details of JBL's Directors' relevant interests in BHD Shares

At the date of this Bidder's Statement, the Directors of JBL have the following relevant interests in BHD Shares:

JBL Director	Relevant interest in BHD Shares
Stuart McAuliffe	46,359
John McAuliffe	0
Ross Patane	5,000

12.8 Voting Directors of BHD

JBL understands that Stuart McAuliffe considers it inappropriate that he make a recommendation about the Offer. Accordingly, the Voting Directors are:

- (a) Peter Aardoom; and
- (b) Bryan Cook.

12.9 BHD Options

If a holder of BHD Options exercises those options, he or she can accept the Share Offer for the BHD Shares received from the exercise of those options.

If a holder of BHD Options does not exercise those options, the BHD Optionholder can accept the Option Offer for the BHD Options which they hold.

12.10 Inducing benefits given during previous four months

Except as set out in this Bidder's Statement, neither JBL nor any of its Associates has, during the period of four months before the date of the Offers, or in the period commencing on the date of this Bidder's Statement and ending on the date of the Offers, given, offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to:

- (a) accept an Offer; or
- (b) dispose of BHD Shares,

which benefit was not offered to all BHD Shareholders under the Share Offer and/or to all BHD Optionholders under the Option Offer.

12.11 Miscellaneous matters

NSX relief

JBL has sought a waiver from NSX of the requirement to obtain shareholder approval or re-comply with the requirements for listing under NSX Listing Rule 6.41.

ASIC relief

ASIC has published various class order instruments providing for modifications and exemptions that apply generally to all persons, including JBL, about the operation of chapter 6 Corporations Act. JBL may rely on this class order relief.

JBL has relied on the modification to section 636(3) Corporations Act in paragraph 5(d) of ASIC Class Order 13/521 'Takeover Bids' to include references to certain statements in documents

lodged with ASIC and NSX without obtaining the consent of the persons to whom those statements are attributed.

As required by Class Order 13/521, JBL will make available a copy of the documents containing these statements (or relevant extracts from these documents), free of charge to BHD Shareholders and/or BHD Optionholders who request them before the end of the Offer Period. To obtain a copy of these documents (or the relevant extracts) BHD Shareholders and/or BHD Optionholders should contact the shareholder information line on 1300 405 577 (or +61 1300 405 577 for overseas domiciled holders) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

Other regulatory matters

JBL is not aware of any other Regulatory Approval which is required for it to acquire control or ownership of BHD.

12.12 Foreign Shareholders and Foreign Optionholders

If you are a Foreign Shareholder and/or Foreign Optionholder, unless JBL otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Share Offer and/or the Option Offer to you and to issue you with JBL Shares and/or JBL Options on acceptance of the Share Offer and/or the Option Offer; and
- (b) it is not unlawful for you to accept the Share Offer and/or the Option Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

you will not be entitled to receive JBL Shares as consideration for your BHD Shares and/or JBL Options as consideration for your BHD Options.

If you are a Foreign Shareholder in Singapore, please refer to Schedule 5.

Instead, JBL will:

- (c) arrange for the issue to the Nominee:
 - (i) of the number of JBL Shares to which you and all other Foreign Shareholders would have been entitled but for clause 2.2 of the Share Offer Terms (Schedule 1); and/or
 - (ii) of the number of JBL Options to which you and all other Foreign Optionholders would have been entitled but for clause 2.2 of the Option Offer Terms (Schedule 3);
- (d) cause the Nominee to offer for sale those JBL Shares and those JBL Options within five Business Days after the end of the Offer Period in the manner, at the price and on other terms as are determined by the Nominee; and
- (e) pay to you:
 - (i) in respect of JBL Shares, the amount ascertained under the formula in clause 5.3 of the Share Offer Terms (Schedule 1); and/or
 - (ii) in respect of JBL Options, the amount ascertained under the formula in clause 5.3 of the Option Offer Terms (Schedule 3).

Notwithstanding anything else contained in this Bidder's Statement, JBL is not under any obligation to spend any money or undertake any action to satisfy itself of the eligibility of Foreign Shareholders to receive JBL Shares and/or JBL Options.

12.13 Consents

This Bidder's Statement includes statements which are made in, or based on statements which are made in, documents provided by BHD or announced on the company announcements platform of ASX by BHD. No person who has made any of these statements has consented to the statement being included in or accompanying this Bidder's Statement in the form and context in which it is included.

- (a) McCullough Robertson has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn their written consent to being named in this Bidder's Statement as legal adviser to JBL in respect of the Offer in the form and context in which they are named.
- (b) Link Market Services Limited has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as registry to JBL in respect of the Offer in the form and context in which it is named.
- (c) Each of McCullough Robertson and Link Market Services Limited:
 - (i) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Bidder's Statement with the consent of that person; and
 - (ii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Bidder's Statement with the consent of that party.

12.14 Fees and benefits payable to Directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) Director or proposed director of JBL;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- (c) promoter of JBL,

has, or had within two years before the date of this Bidder's Statement, any interest in:

- (d) the formation or promotion of JBL;
- (e) any property acquired or proposed to be acquired by JBL in connection with its formation or promotion or in connection with the issue of JBL Shares under the Share Offer; or
- (f) the offer of JBL Shares and/or JBL Options under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or a proposed director of JBL as an inducement to become, or to qualify as, a Director of JBL or to any of those persons otherwise for services rendered by them in connection with the formation or promotion of JBL or the offer of JBL Shares and/or JBL Options under this Bidder's Statement.

The Directors of JBL have the following relevant interests in JBL Shares (either held directly, held by entities controlled by them) at the date of this Bidder's Statement:

Director	JBL Shares	% of JBL Shares on issue
John McAuliffe	896,000	3.68%
Ross Patane	87,500	0.36%
Stuart McAuliffe	5,598,000	22.97%

JBL reviews executive remuneration and other terms of employment annually (through a remuneration committee), having regard to performance, relevant comparative information and independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing JBL's operations. Remuneration and other terms of employment for the managing director and certain other senior executives are formalised in service agreements. Incentive-based remuneration packages linked to personal and corporate key performance indicators are in place for each executive.

These incentives are structured to align executive reward with the achievement of strategic objectives and the creation of shareholder value. The personal and corporate key performance indicators and other targets for each executive are reviewed at least annually to ensure that they remain relevant and appropriate, and may agree to vary the stated indicators or targets to ensure that the short term rewards and long term rewards offered to each executive incentivise performance and achievement that are consistent with JBL's goals and objectives. A significant portion of the incentive plan is provided by way of JBL Shares through a deferred employee share plan which seeks to align executive performance with shareholders' interests. JBL's remuneration policy is designed to align management, and therefore JBL's performance with shareholder wealth.

Insurance and indemnity arrangements are in place for officers of JBL. To the extent permitted by law, JBL indemnifies every person who is or has been an officer against:

- (a) any liability to any person (other than JBL, related entities or a major shareholder) incurred while acting in that capacity and good faith; and
- (b) costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

For this purpose 'officer' means any Director or secretary of JBL or any subsidiary of JBL. Under the terms of the indemnity, JBL must maintain indemnity insurance coverage for a period of seven years after the officer held their position in JBL and allow the officer access to certain records after ceasing to hold office in JBL for a period of seven years.

McCullough Robertson has acted as legal adviser to JBL in relation to the Offer. McCullough Robertson is entitled to receive professional fees on a normal basis.

12.15 Expiry date

No JBL Shares or JBL Options will be issued on the basis of the Offers contained in this Bidder's Statement after the date that is 13 months after the date of this Bidder's Statement.

12.16 Other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a BHD Securityholders whether or not to accept an Offer; and
- (b) known to JBL,

and has not previously been disclosed to BHD Securityholders.

13 Definitions and interpretation

13.1 Definitions

In this Bidder's Statement:

Term	Definition
Acceptance Form	means the form of acceptance and transfer accompanying this Bidder's Statement.
Announcement Date	means 10 September 2018, being the date of announcement of the Offers.
ASIC	means the Australian Securities and Investments Commission.
Associates	in the context of a body corporate includes: <ul style="list-style-type: none">(a) a director, secretary and shareholder of the body corporate;(b) a body corporate that is a Related Body Corporate;(c) a director, secretary and shareholder of that Related Body Corporate;(d) the trustee of any trust under which the persons described in clauses (a), (b) and (c) or any of them, may benefit;(e) any person who is a related party for the purposes of section 228 Corporations Act; and(f) in the particular matter to which the associate reference relates, any person or persons with whom the body corporate:<ul style="list-style-type: none">(i) is acting or proposes to act in concert; or(ii) is or proposes to become associated,whether formally or informally.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
ASX Settlement Operating Rules	means the settlement rules of ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHESS system in Australia), a copy of which is available at www.asx.com.au .
BHD	means the target company, Benjamin Hornigold Limited ACN 614 854 045.
BHD Board	means the board of directors of BHD.
BHD Directors	means the current directors of BHD.
BHD Group	means BHD and each of its Subsidiaries.
BHD Optionholder	means a registered holder of BHD Options.
BHD Options	means options over unissued BHD Shares.
BHD Securityholder	means:

Term	Definition
	(a) a BHD Shareholder; or (b) a BHD Optionholder, or both of them, as the context requires.
BHD Shareholder	means a registered holder of BHD Shares.
BHD Shares	means fully paid ordinary shares in the capital of BHD.
Bid Implementation Agreement	means the agreement between JBL and BHD dated 10 September 2018 documenting JBL's proposal to make a takeover bid to acquire all the BHD Shares and BHD Options.
Bidder's Statement	means this document, being the statement of JBL under part 6.5 division 2 Corporations Act relating to the Offers.
Broker	means a person who is a share broker and a participant in CHESS.
Business Day	means a business day as defined in the Listing Rules.
CHESS	means the Clearing House Electronic Subregister System, which provides for electronic share transfer in Australia.
CHESS Holding	means a holding of BHD Shares on the CHESS subregister of BHD.
Competing Proposal	means a proposal for a takeover bid, scheme of arrangement or other corporate transaction involving BHD or BHD Shares that would compete with the Offer or mean that a Defeating Condition would not be fulfilled.
Controlling Participant	means the Broker or Non-Broker Participant who is designated as the controlling participant for shares in a CHESS Holding under the ASX Settlement Operating Rules.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Defeating Condition	means each of the conditions of the Offer set out in Schedule 2.
Directors	means the directors of JBL.
Foreign Shareholder	means a BHD Shareholder whose address on the BHD share register is in a jurisdiction other than Australia or its external territories or New Zealand.
GST	has the meaning it has in the GST Act.
GST Act	means the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
HML	means Henry Morgan Limited ACN 602 041 770.
Issuer Sponsored Holding	means a holding of BHD Shares or BHD Options on BHD's issuer sponsored subregister.
JB Financial Group	means JB Financial Group Pty Ltd ACN 613 592 135.
JBL	means the bidder, John Bridgeman Limited ACN 603 477 185.
JBL Group	means JBL and each of its Subsidiaries.
JBL Optionholder	means a registered holder of JBL Options.

Term	Definition
JBL Options	means options over unissued JBL Shares.
JBL Share	means a fully paid ordinary share in the capital of JBL.
Material Adverse Change	<p>means:</p> <ul style="list-style-type: none"> (a) any matter, event or circumstance which happens, is announced or becomes known to JBL or BHD after the date of this document which (individually or when aggregated with all those matters, events or circumstances) has resulted in or is likely to result the value of consolidated net assets of the JBL Group or the BHD Group being reduced by at least 20% against what they would have been but for the matters, events or circumstances; or (b) JBL or BHD becomes aware, prior to the end of the Offer Period, that JBL or BHD has breached its continuous disclosure obligations under the NSX Listing Rules or ASX Listing Rules (as applicable) and, had a reasonable bidder or target in similar circumstances to JBL or BHD known of the information giving rise to such breach prior to the Announcement Date, it would have resulted in that reasonable bidder offering less Consideration or greater Consideration under the Takeover Bid, <p>but does not include:</p> <ul style="list-style-type: none"> (a) any matter, event or circumstance arising from changes in economic or business conditions which impact on BHD and its competitors in a similar manner; (b) any change in taxation rates or taxation laws which impact on BHD and its competitors in a similar manner; (c) any change in accounting policy required by law; (d) any change occurring directly or indirectly as a result of any matter, event or circumstance required by the Bid Implementation Agreement, the Proposal or the transactions contemplated by them; or (e) any matter, event or circumstance which has been disclosed prior to execution of the Bid Implementation Agreement or which is approved in writing by the other party.
Material Adverse Effect	in relation to any event or series of events means that the event alone or events in aggregate would or would be likely to impact (directly or indirectly) upon the financial position of the BHD Group by an amount equal to or greater than ten percent of the consolidated net assets of the BHD Group as at 30 June 2018.
Merged Group	means JBL and each of its Subsidiaries (including the BHD Group) which will exist as a result of the takeover bid as constituted by the Offers, should the takeover proceed to its conclusion.
NAV	means net asset value.

Term	Definition
Nominee	means an entity to be appointed by JBL after the date of this Bidder's Statement with the prior approval of ASIC.
Non-Broker Participant	means a non-broker participant under the ASX Settlement Operating Rules.
NSX	means the National Stock Exchange of Australia ABN 11 000 902 063.
NSX Listing Rules	means the Listing Rules of NSX and any other rules of ASX which are applicable, each as amended or replaced from time to time, except to the extent of any express written waiver by NSX.
NTA	means net tangible assets.
Offers	means: <ul style="list-style-type: none"> (a) the Share Offer; and (b) the Option Offer, and Offer means either one of them, as the context requires.
Offer Period	means the period commencing on 6 November 2018 and ending at 7.00pm (Sydney time) on 7 December 2018, or any later date to which the Offer is extended.
Option Offer	means the offer by JBL on the Option Offer Terms to acquire BHD Options referred to in section 2 of this Bidder's Statement.
Option Offer Consideration	means 0.50 JBL Options for each BHD Option you own.
Prescribed Occurrence	means: <ul style="list-style-type: none"> (a) (conversion) BHD or JBL converts all or any of its shares into a larger or smaller number of shares; (b) (reduction of share capital) BHD or JBL resolves to reduce its share capital in any way; (c) (buy-back) BHD or JBL: <ul style="list-style-type: none"> (i) enters into a buy-back agreement; or (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act, which is not in place at the time of this Agreement. (d) (distribution) BHD or JBL makes or declares, or announces an intention to make or declare, any distribution (whether by dividend, capital reduction or otherwise and whether in cash or in specie); (e) (issuing shares or options) a member of the BHD or JBL Group: <ul style="list-style-type: none"> (i) issues shares; (ii) grants an option over its shares; or (iii) agrees to make an issue of shares or grant an option over its shares, in each case to a person outside the BHD Group or JBL Group; (f) (securities or other instruments) a member

Term	Definition
	of the BHD Group or JBL Group:
	(i) issues securities or other instruments convertible into shares or debt securities; or
	(ii) agrees to issue securities or other instruments convertible into shares or debt securities,
	in each case to a person outside the BHD Group or JBL Group;
(g)	(constitution) a member of the BHD Group or JBL Group adopts a new constitution or modifies or repeals its constitution or a provision of it;
(h)	(disposals) a member of the BHD Group or JBL Group disposes, or agrees to dispose of, the whole or a substantial part of its business or property;
(i)	(acquisitions, disposals or tenders) a member of the BHD Group or JBL Group:
	(i) acquires or disposes of;
	(ii) agrees to acquire or dispose of; or
	(iii) offers, proposes, announces a bid or tenders for,
	any business, asset (excluding stock in the normal course of business), interest in a joint venture, entity or undertaking, the value of which exceeds \$5 million;
(j)	(Encumbrances) a member of the BHD Group or JBL Group creates any Encumbrance over the whole or a substantial part of its business or property (other than in the ordinary course of business and other than a lien which arises by operation of law or legislation securing an obligation not yet due and consistent with past practice);
(k)	(employment arrangements) a member of the BHD Group or JBL Group:
	(i) materially increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees; or
	(ii) accelerates the rights of any of its directors or employees to compensation or benefits of any kind,
	other than in the ordinary course of business or as a result of contracted arrangements that are consistent with past practice and in effect at the date of the Bid Implementation Agreement;
(l)	(termination or retention payment) a member of the BHD Group or JBL Group pays, or agrees to pay any of its directors or employees a termination or retention payment (otherwise than as required by an existing contract which, at the date of the Bid Implementation Agreement, is in place and has been disclosed to

Term	Definition
	JBL or BHD);
(m)	(commitments and settlements) a member of the BHD Group or JBL Group: <ul style="list-style-type: none"> (i) enters into or agrees to enter into any Material Contract; (ii) terminates or amends in a material manner any Material Contract; (iii) waives any material third party default of a Material Contract; or (iv) accepts as a settlement or compromise of a material matter relating to a Material Contract, less than the full compensation due to BHD or JBL or a Subsidiary of BHD or JBL;
(n)	(financial arrangements) a member of the BHD Group or JBL Group amends (or agrees to amend) in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by the Bid Implementation Agreement;
(o)	(capital expenditure) a member of the BHD Group or JBL Group undertakes or agrees to undertake capital expenditure in excess of \$5 million in aggregate;
(p)	(insolvency) an Insolvency Event occurs in respect of any member of the BHD Group or JBL Group;
(q)	(financial indebtedness) excluding trade debtors in the ordinary course of business, a member of the BHD Group or JBL Group provides financial accommodation (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$10 million, and such action would have a material adverse impact on the other party's position under the Offer;
(r)	(breach of law) a member of the BHD Group or JBL Group takes or omits to take action which results in a breach of law material to a member of the BHD Group or JBL Group;
(s)	(accounting policy) a member of the BHD Group or JBL Group changes any accounting policy applied by them to report their financial position; or
(t)	(tax liability) BHD or JBL or any other member of the BHD Group or JBL Group does anything that results in a taxable gain for the BHD Group or JBL Group by either causing a Subsidiary to cease being a member of the BHD Group or JBL Group or causing the BHD Group or JBL Group to cease being a Consolidated Group, but a Prescribed Occurrence does not include: <ul style="list-style-type: none"> (a) an issue of BHD Shares or JBL Shares on exercise of an option that had been granted on or before the date of the Bid Implementation

Term	Definition
	Agreement;
	(b) any matter required to be done or brought about by BHD or JBL under the Bid Implementation Agreement or which is contemplated by the Proposal; or
	(c) any other matter, the undertaking of which JBL and BHD has approved in writing.
Pro Forma Balance Sheet	means the pro forma combined balance sheet of the Merged Group referred to in section 7.3 of this Bidder's Statement.
Register Date	means 1 November 2018.
Regulatory Agency	means a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local and for these purposes includes ASX, NSX and ASIC.
Regulatory Approvals	means the authorisations, consents, exemptions, modifications and approvals as may be required from any Regulatory Agency (including ASIC, NSX and ASX) to enable the party to perform its obligations under the Bid Implementation Agreement and implement the Offer under the applicable law.
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from BHD Shares or BHD Options (as applicable) directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by BHD or any of its Subsidiaries.
Share Offer	the offer by JBL on the Offer Terms to acquire BHD Shares referred to in section 2 of this Bidder's Statement.
Share Offer Consideration	means 0.65 JBL Shares for each BHD Share you own.
Share Offer Terms	means the terms of the Offer set out in Schedule 1 to this Bidder's Statement.
Subsidiaries	has the meaning given to that term by section 9 Corporations Act.
Superior Proposal	means a Competing Proposal that: <ul style="list-style-type: none"> (a) is actually proposed or offered; and (b) in the determination of the BHD Board, acting reasonably and in good faith and satisfying its fiduciary and statutory duties (on advice from its financial and legal advisers): <ul style="list-style-type: none"> (i) would be likely to be completed substantially in accordance with its terms; and (ii) if completion of that Competing Proposal occurred, it would result in a transaction more favourable to BHD Shareholders than the Offer; and

Term	Definition
	(iii) that determination has been communicated by written notice to JBL and JBL has not matched or bettered the Competing Proposal within two Business Days of receipt of that notice.
Target's Statement	means the target's statement, to be prepared by BHD in response to this Bidder's Statement.
Voting Directors	means those BHD Directors listed in section 12.8.
VWAP	means the volume weighted average price of a security.

13.2 Interpretation

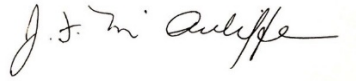
In this Bidder's Statement, unless the context otherwise requires:

- (a) headings are for convenience and do not affect the interpretation;
- (b) words or phrases defined in the Corporations Act have the same meaning in this Bidder's Statement;
- (c) a reference to a section is a reference to a section of this Bidder's Statement;
- (d) a singular word includes the plural and vice versa;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;
- (g) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (h) a reference to '\$' or 'dollar' is to Australian currency;

14 Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by the Directors of JBL on 31 October 2018.

Signed by John McAuliffe, Chairman of JBL, under section 351 Corporations Act.

A handwritten signature in black ink, appearing to read 'J. McAuliffe', is written over a light yellow rectangular background.

John McAuliffe
Chairman
John Bridgeman Limited

Schedule 1

Terms of the Share Offer

1 Share Offer

- 1.1 JBL offers, to each holder of BHD Shares at 7.00pm on the Register Date, to acquire all of your BHD Shares together with all the Rights attaching to them on the terms set out in this Schedule 1. This Share Offer extends to any person who is able during the Offer Period to give good title to BHD Shares and has not already accepted a Share Offer for those BHD Shares.
- 1.2 This Share Offer extends to all BHD Shares that:
 - (a) exist at the Register Date; and
 - (b) that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, any securities which confer on the holder the right to have BHD Shares issued to them.
- 1.3 By accepting this Share Offer, you undertake to transfer to JBL not only the BHD Shares to which the Share Offer relates but also all the Rights attached to the BHD Shares.
- 1.4 JBL Shares issued under this Share Offer will rank equally in all respects with JBL Shares on issue at the Register Date.
- 1.5 This Offer is dated 6 November 2018.

2 Offer Consideration

- 2.1 Subject to clause 2.2 of this Schedule 1, the consideration under the Share Offer Consideration is 0.65 JBL Shares for each BHD Share you own.

Foreign Shareholders

- 2.2 If at the time this Share Offer is made to you, you are a Foreign Shareholder and JBL does not make a determination under section 12.12, you will not be entitled to receive JBL Shares as consideration for your BHD Shares. Instead, you will receive a cash amount calculated under clause 5.3 of this Schedule 1.

Fractional entitlements

- 2.3 If you accept the Offer and are entitled to receive a fraction of a JBL Share, the number of JBL Shares you are entitled to under this Offer is rounded up to the next whole number of JBL Shares if it is 0.5 or more, and rounded down to the nearest whole number if it is less than 0.5. If you are entitled to a fraction of a cent, that fraction is rounded to the nearest cent on the same basis.
- 2.4 If JBL reasonably believes that you have manipulated your holding of BHD Shares to take advantage of rounding up, then any fractional entitlement is aggregated or rounded down to the next whole number of JBL Shares.

3 Offer Period

The Offer will remain open for acceptance during the period commencing on 6 November 2018, and ending at 7.00pm (Sydney time) on 7 December 2018, unless it is withdrawn or extended under the Corporations Act.

4 How to accept this Share Offer

All of your holding

- 4.1 This Share Offer is for all of your BHD Shares.

Acceptance procedure for BHD Shareholders

- 4.2 The acceptance procedure will depend on whether your BHD Shares are in a CHESS Holding or an Issuer Sponsored Holding.

If you hold your BHD Shares in a CHESS Holding

- 4.3 You must comply with the ASX Settlement Operating Rules.
- 4.4 If you are a sponsored CHESS holder of BHD Shares, to accept the Share Offer you must:
- (a) instruct your Controlling Participant to initiate acceptance of the Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
 - (b) complete, sign and send the accompanying Acceptance Form directly to your stockbroker or Controlling Participant; or
 - (c) complete and sign the Acceptance Form and mail or deliver it to the address below and authorise JBL to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf;

before the end of the Offer Period.

If you hold your BHD Shares in an Issuer Sponsored Holding

- 4.5 If your BHD Shares are in an Issuer Sponsored Holding, then to accept this Share Offer you must complete, sign and return the accompanying Acceptance Form in accordance with the instructions on it and deliver it or send it by post so that it is received by JBL's share registry of the Share Offer before the end of the Offer Period.

If you are a Broker or a Non-Broker Participant

- 4.6 If you are a Broker or Non-Broker Participant, initiate acceptance under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

Mailing and delivery addresses

- 4.7 The mailing and delivery addresses for completed Acceptance Forms are as follows.

The mailing address is:

Link Market Services
Benjamin Hornigold Limited (BHD) Takeover
Locked Bag A14
Sydney South NSW 1235
AUSTRALIA

- 4.8 Alternatively you may deliver the Acceptance Form and any associated documents to:

Link Market Services
Benjamin Hornigold Limited (BHD) Takeover
1A Homebush Bay Drive
Rhodes NSW 2138
AUSTRALIA

- 4.9 A reply paid envelope (not able to be used by BHD Shareholders outside Australia) is enclosed for your convenience.

Acceptance Form

- 4.10 The Acceptance Form which accompanies this Share Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Share Offer for your BHD Shares.

Power of attorney, deceased estate

- 4.11 When accepting this Share Offer, you must also forward for inspection:
- (a) if the Acceptance Form is signed by an attorney, the power of attorney; and
 - (b) if the Acceptance Form is signed by the executor of a will or the administrator of the estate of a deceased BHD Shareholder, the relevant grant of probate or letters of administration.

When acceptance is complete

- 4.12 Acceptance of this Share Offer will not be complete until the completed Acceptance Form has been received at one of the addresses set out in clause 4.7 above and the requirements of this clause have been met, provided that:
- (a) JBL may in its sole discretion waive any or all of those requirements at any time; and
 - (b) where those requirements have been complied with for some but not all of your BHD Shares, JBL may, in its sole discretion, deem your acceptance of this Share Offer complete in respect of those BHD Shares for which the requirements have been complied with but not in respect of the remainder.
- 4.13 If your Acceptance Form is returned by post it will be taken as received before the end of the Offer Period if the envelope in which it is sent is postmarked before the end of the Offer Period.

5 Payment of consideration

When consideration is paid

- 5.1 Subject to clauses 5.3 and 5.4 of this Schedule 1, you will be paid the consideration you are entitled to within one month of the later of:
- (a) the date you accept the Share Offer; and
 - (b) the date the Share Offer becomes unconditional.
- 5.2 In any event, you will be paid within 21 days after the end of the Offer Period (assuming all Defeating Conditions are satisfied or waived).

Payments to Foreign Shareholders

- 5.3 If you accept the Share Offer and you are a Foreign Shareholder and JBL does not make a determination under section 12.12 of this Bidder's Statement:
- (a) JBL will arrange for the issue to the Nominee of the number of JBL Shares to which you and all other Foreign Shareholders would have been entitled under the Share Offer but for clause 2.2 of this Schedule 1;
 - (b) JBL will cause the Nominee to offer for sale the JBL Shares as soon as practicable, or otherwise in the manner, at the price and on terms as are determined by the Nominee;

- (c) JBL will cause the Nominee to pay to you the amount calculated under the following formula:

$$\frac{\text{Net Proceeds of Sale} \times \text{Your JBL Shares}}{\text{Total Nominee JBL Shares}}$$

where:

- (i) **Net Proceeds of Sale** means the amount which is received by the Nominee upon the sale of all JBL Shares under this clause 5.3 less brokerage and other sale expenses;
 - (ii) **Your JBL Shares** means the number of JBL Shares which would, but for clause 2.2 of this Schedule 1, have been allotted to you under the Share Offer;
 - (iii) **Total Nominee JBL Shares** means the total number of JBL Shares allotted to the Nominee under this clause 5.3;
- (d) you will receive your share of the proceeds of this sale in Australian currency;
- (e) payment will be made by cheque posted to you at your risk by ordinary mail at the address provided on your Acceptance Form; and
- (f) under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

Where additional documents are required

- 5.4 Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney), if the documents are given:

- (a) with your acceptance, JBL will provide the consideration in accordance with clause 5.1 of this Schedule 1;
- (b) after acceptance and before the end of the Offer Period and the Share Offer is subject to a Defeating Condition at the time that JBL is given the documents, JBL will provide the consideration by the end of whichever period ends earlier:
 - (i) within one month after the contract resulting from your acceptance of the Share Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period;
- (c) after acceptance and before the end of the Offer Period and the Share Offer is unconditional at the time that JBL is given the documents, JBL will provide the consideration by the end of whichever period ends earlier:
 - (i) one month after JBL is given the document; and
 - (ii) 21 days after the end of the Offer Period; or
- (d) after the end of the Offer Period, JBL will provide the consideration within 21 days after the documents are given, but if at the time JBL is given the documents, the contract resulting from your acceptance of the Share Offer is still subject to one or more of the Defeating Conditions, JBL will provide the consideration within 21 days after that contract becomes unconditional.

- 5.5 If you do not give JBL the required additional documents within one month after the end of the Offer Period, JBL may, in its sole discretion, rescind the contract resulting from your acceptance of the Share Offer.

Where JBL is entitled to any Rights

- 5.6 If JBL becomes entitled to any Rights on acceptance of this Share Offer, you must give JBL all documents that JBL needs to give JBL title to those Rights. If you do not give those documents to JBL, or if you have received the benefit of those Rights, JBL will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by JBL) of those Rights.

Payment to be mailed by cheque

- 5.7 Payment of the cash amount to which you are entitled will be mailed by cheque (or otherwise as agreed by JBL) in Australian currency. Cheques will be sent to the address on the Acceptance Form by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

Clearances for offshore residents

- 5.8 If, at the time of acceptance of this Share Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Share Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the *Banking (Foreign Exchange) Regulations 1959* (Cth) or otherwise), or of the Australian Taxation Office, have been obtained.

6 Conditions of the Share Offer

Conditions

- 6.1 This Share Offer and the contract that results from acceptance of this Share Offer are subject to fulfilment of the Defeating Conditions.

Nature of conditions

- 6.2 Each of the Defeating Conditions set out in each paragraph and subparagraph of Schedule 2:
- (a) constitutes and will be construed as a separate, several and distinct condition;
 - (b) is a condition subsequent; and
 - (c) until the expiration of the Offer Period will be for the benefit of JBL alone and may be relied upon only by JBL.

Conditions apply to multiple events

- 6.3 Where an event occurs that would mean at the time the event occurs a Defeating Condition would not be satisfied, each Defeating Condition affected by that event becomes two separate conditions on identical terms except that:
- (a) one of them relates solely to that event; and
 - (b) the other specifically excludes that event.
- 6.4 JBL may declare the Share Offer free under clause 6.5 from either of those conditions without declaring it free from the other and may do so at different times. This clause may apply any number of times to a Defeating Condition (including a condition arising from a previous operation of this clause).

Effect of breach or non-fulfilment

- 6.5 The breach or non-fulfilment of any of the Defeating Conditions does not prevent a contract arising to acquire your BHD Shares resulting from your acceptance of this Share Offer. If at the end of the Offer Period, in respect of any Defeating Condition:

- (a) JBL has not declared the Share Offer (and the Share Offer has not become) free from that Defeating Condition; or
- (b) that Defeating Condition has not been satisfied,

all contracts resulting from the acceptance of the Share Offer and all acceptances that have not resulted in binding contracts are void. In that case, JBL will return the Acceptance Form together with all documents to the address shown in the Acceptance Form.

JBL may decide Share Offer is free from all or any of the Defeating Conditions

- 6.6 JBL may at any time at its sole discretion but in compliance with section 650F and section 630(1) Corporations Act, declare the Share Offer free from all or any of the Defeating Conditions by written notice to BHD not later than seven days before the end of the Offer Period.

Date for giving notice on status of Defeating Conditions

- 6.7 The date for giving a notice on the status of the Defeating Conditions as required by section 630(1) Corporations Act is the date seven days before the end of the Offer Period, subject to variation under section 630(2) Corporations Act if the Offer Period is extended.

Effect of acceptance

- 6.8 Once you have accepted this Share Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, unless:

- (a) by the end of the Offer Period, the Defeating Conditions have not all been satisfied or waived in which case, this Share Offer will automatically terminate; and
- (b) the circumstances set out in section 650E Corporations Act apply.

- 6.9 By signing and returning the Acceptance Form, you will be deemed to have:

- (a) irrevocably accepted this Share Offer (and each variation of this Share Offer) in respect of all your BHD Shares despite any difference between that number and the number of BHD Shares shown in the Acceptance Form;
- (b) irrevocably authorised JBL to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your BHD Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,

as may be necessary to make the Acceptance Form a valid acceptance of this Share Offer and to enable registration of the transfer of your BHD Shares to JBL;

- (c) represented and warranted to JBL, as a condition of the contract resulting from your acceptance of the Share Offer, that at the time of acceptance and at the time of transfer to JBL:
 - (i) you have paid to BHD all amounts which are due for payment for your BHD Shares;
 - (ii) all of your BHD Shares are fully paid and free from all mortgages, charges, liens and other encumbrances of any nature; and
 - (iii) you have full power and capacity to sell and transfer those BHD Shares;

- (d) granted to JBL and each of its Directors power of attorney to sign any document or do any thing on your behalf necessary to cause BHD to issue a replacement share certificate for those BHD Shares;
- (e) agreed to:
 - (i) do anything necessary to ratify any act taken or purported to be taken by JBL or any of its Directors under the power of attorney granted by clause 6.9(d) of this Schedule 1; and
 - (ii) indemnify JBL and each of its Directors in respect of that act;
- (f) from the time of acceptance until the Share Offer has become unconditional, until the earlier of the withdrawal of your acceptance under section 650E Corporations Act or the end of the Offer Period, irrevocably appointed JBL or any nominee of JBL as your attorney to exercise all your powers and rights attaching to your BHD Shares including (without limitation) to requisition, convene, attend and vote at all general meetings of BHD or appoint a proxy or proxies to attend and vote on your behalf at that meeting, where the passing or defeat of any resolution before the meeting might adversely affect the likelihood of the Share Offer being successful and to do so in a way which would prevent that effect arising;
- (g) on this Share Offer or any takeover contract becoming unconditional, irrevocably appointed JBL or any nominee of JBL as your attorney to exercise all your powers and rights attaching to your BHD Shares including (without limitation):
 - (i) to requisition, convene, attend and vote at all general meetings of BHD or appoint a proxy or proxies to attend and vote on your behalf at that meeting; and
 - (ii) sign all documents and resolutions relating to your BHD Shares, and generally to exercise all powers and rights which you may have as a BHD Shareholder and perform actions as may be appropriate to vest good title in your BHD Shares in JBL;
- (h) agreed that in exercising the powers conferred by the power of attorney in clause 6.9(f) of this Schedule 1, JBL is entitled to act in the interests of JBL;
- (i) agreed not to attend or vote in person at any general meeting of BHD or to exercise or purport to exercise any of the powers conferred on JBL or its nominee in clause 6.9(f) of this Schedule 1;
- (j) agreed to accept the JBL Shares, to which you have become entitled by acceptance of this Share Offer, subject to the constitution of JBL and have authorised JBL to place your name on the register of members for those JBL Shares; and
- (k) if your BHD Shares are in a CHESS Holding and you sign and return the Acceptance Form, irrevocably authorised JBL:
 - (i) to instruct your Controlling Participant to initiate acceptance of this Share Offer for your BHD Shares under the ASX Settlement Operating Rules; and
 - (ii) to give any other instructions in relation to your BHD Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

Withdrawal

- 6.10 JBL may withdraw unaccepted Share Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in that consent.

Variation

- 6.11 JBL may vary this Share Offer in accordance with the Corporations Act.

7 Acceptances by transferees and nominees

Who may accept the Share Offer

- 7.1 During the Offer Period:

- (a) any person who is able to give good title to a parcel of BHD Shares may accept (if they have not already accepted an offer in the form of this Share Offer) as if an offer on terms identical with this Share Offer has been made to that person; and
- (b) any person who holds one or more parcels of BHD Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

Holding shares

- 7.2 A person is taken to hold BHD Shares if the person is, or is entitled to be registered as, the holder of those BHD Shares.

Holding shares on trust or as a nominee

- 7.3 A person is taken to hold BHD Shares on trust for, as nominee for, or on account of, another person if that person:
- (a) is entitled to be registered as the holder of BHD Shares; and
 - (b) holds the interest in the BHD Shares on trust for, as nominee for, or on account of, that other person.

Effective acceptance

- 7.4 An acceptance of a Shareholder under clause 7.1(b) of this Schedule 1 is ineffective unless:
- (a) the person who holds on account of another person, gives that other person written notice stating that the BHD Shares consist of a separate parcel; and
 - (b) the acceptance specifies the number of BHD Shares in that parcel.

Notice of acceptance

- 7.5 A notice under clause 7.4(a) of this Schedule 1 must be made in writing.
- 7.6 A person may, at the one time, accept for two or more parcels under clause 7.6 of this Schedule 1 as if there had been a single offer for a separate parcel consisting of those parcels.

8 Other matters

Notices and other communications

- 8.1 Subject to the Corporations Act, a notice or other communication given by JBL to you in connection with this Share Offer is deemed to be duly given if it is in writing and:
- (a) is delivered at your address as recorded on the register of members of BHD or the address shown in the Acceptance Form; and
 - (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

Return of documents

- 8.2 If:
- (a) this Share Offer is withdrawn after your Acceptance Form has been sent to JBL, but before it has been received; or
 - (b) for any other reason JBL does not acquire the BHD Shares to which your Acceptance Form relates,

JBL will despatch at your risk your Acceptance Form together with all other documents forwarded by you.

9 Costs and expenses

All costs and expenses of the preparation, despatch and circulation of the Share Offer and all stamp duty payable for a transfer of BHD Shares for which Share Offers are accepted, will be paid by JBL.

10 Official quotation of JBL Shares

- 10.1 Subject to clause 1 of this Schedule 1, the JBL Shares offered by JBL as consideration under the Share Offer will rank equally with JBL Shares on issue at the Register Date.
- 10.2 JBL has been admitted to the official list of NSX and shares of the same class as those to be issued as consideration under the Share Offer have been granted official quotation by NSX.
- 10.3 An application was made on the date of this Bidder's Statement to NSX for the granting of official quotation of the JBL Shares to be issued. However, official quotation is not granted automatically on application.
- 10.4 Under section 625(3) Corporations Act, the Share Offer is subject to a condition that application for admission to quotation of the JBL Shares issued under the Share Offer is made within seven days after the start of the Offer Period and permission for admission to quotation will be granted no later than seven days after the end of the Offer Period. This condition may not be waived.

Schedule 2

Conditions of the Share Offer

The Share Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

- 1 **(Minimum acceptance)** Before the end of the Offer Period, JBL has a Relevant Interest in at least 50.1% (by number) of BHD Shares.
- 2 **(Regulatory Approvals)** Before the end of the Offer Period, the Regulatory Approvals are:
 - (a) granted, given, made or obtained unconditionally, or on the basis of conditions that impose only non-material requirements incidental to the approval or consent;
 - (b) remain in full force and effect; and
 - (c) do not become subject to any notice, indication or intention to revoke, suspend, restrict, modify or renew them.
- 3 **(No regulatory action)** Between the Announcement Date and the end of the Offer Period:
 - (a) no preliminary or final decision, order or direction is made or issued by any Regulatory Authority;
 - (b) no action, proceeding or investigation is announced, commenced or threatened by any Regulatory Authority; and
 - (c) no application is made to any Regulatory Authority (other than by JBL or any Associate of JBL),

which is likely to or purports or threatens to restrain, prohibit, impede or otherwise adversely affect the making of the Share Offer, consideration of the Share Offer by BHD, the acquisition of the BHD Shares by JBL, the provision of BHD Shares to JBL, the rights of JBL in respect of BHD and the BHD Shares, the rights of BHD in respect JBL and the JBL Shares or the continued operation of the businesses of BHD or its Subsidiaries or JBL and its Subsidiaries (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).
- 4 **(No Prescribed Occurrences)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Prescribed Occurrence.
- 5 **(No Material Adverse Change)** Between the Announcement Date and the end of the Offer Period, there is no occurrence of a Material Adverse Change.
- 6 **(BHD Options)** Before the end of the Offer Period all of the BHD Options are exercised, cancelled or transferred to JBL or are the subject of agreements or arrangements entered into between JBL and the relevant holder of the BHD Options that will cause the BHD Options to be cancelled or transferred to JBL.
- 7 **(Third party consents)** All other approvals of a third party which JBL or BHD determines acting reasonably are necessary to undertake and successfully complete the Share Offer are obtained.

Schedule 3

Terms of the Option Offer

1 Option Offer

- 1.1 JBL offers, to each holder of BHD Options at 7.00pm on the Register Date, to acquire all of your BHD Options together with all the Rights attaching to them on the terms set out in this Schedule 3. This Option Offer extends to any person who is able during the Offer Period to give good title to BHD Options and has not already accepted an Option Offer for those BHD Options.
- 1.2 This Option Offer extends to all BHD Options that exist at the Register Date.
- 1.3 By accepting this Option Offer, you undertake to transfer to JBL not only the BHD Options to which the Option Offer relates but also all the Rights attached to the BHD Options.
- 1.4 This Option Offer is dated 6 November 2018.

2 Offer Consideration

- 2.1 Subject to clause 2.2 of this Schedule 3 the consideration under the Option Offer Consideration is 0.50 JBL Option for each BHD Option you hold.

Foreign Optionholders

- 2.2 If at the time this Option Offer is made to you, you are a Foreign Optionholder and JBL does not make a determination under section 12.12, you will not be entitled to receive JBL Options as consideration for your BHD Options. Instead, you will receive a cash amount calculated under clause 5.3 of this Schedule 3.

Fractional entitlements

- 2.3 If you accept the Option Offer and are entitled to receive a fraction of a JBL Option, the number of JBL Options you are entitled to under this Option Offer is rounded up to the next whole number of JBL Options if it is 0.5 or more, and rounded down to the nearest whole number if it is less than 0.5.
- 2.4 If JBL reasonably believes that you have manipulated your holding of BHD Options to take advantage of rounding up, then any fractional entitlement is aggregated or rounded down to the next whole number of JBL Options.

3 Offer Period

The Option Offer will remain open for acceptance during the period commencing on 6 November 2018, and ending at 7.00pm (Sydney time) on 7 December 2018, unless it is withdrawn or extended under the Corporations Act.

4 How to accept this Option Offer

All of your holding

- 4.1 This Option Offer is for all of your BHD Options.

Acceptance procedure for BHD Optionholders

- 4.2 The acceptance procedure will depend on whether your BHD Options are in a CHESS Holding or an Issuer Sponsored Holding.

If you hold your BHD Options in a CHESS Holding

- 4.3 You must comply with the ASX Settlement Operating Rules.
- 4.4 If you are a sponsored CHESS holder of BHD Options, to accept the Option Offer you must:
- (a) instruct your Controlling Participant to initiate acceptance of the Option Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
 - (b) complete, sign and send the accompanying Acceptance Form directly to your stockbroker or Controlling Participant; or
 - (c) complete and sign the Acceptance Form and mail or deliver it to the address below and authorise JBL to instruct your Controlling Participant to initiate acceptance of the Option Offer on your behalf;

before the end of the Offer Period.

If you hold your BHD Options in an Issuer Sponsored Holding

- 4.5 If your BHD Options are in an Issuer Sponsored Holding, then to accept this Option Offer you must complete, sign and return the accompanying Acceptance Form in accordance with the instructions on it and deliver it or send it by post so that it is received by JBL's share registry of the Option Offer before the end of the Offer Period.

If you are a Broker or a Non-Broker Participant

- 4.6 If you are a Broker or Non-Broker Participant, initiate acceptance under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

Mailing and delivery addresses

- 4.7 The mailing and delivery addresses for completed Acceptance Forms are as follows.

The mailing address is:

Link Market Services Limited
Benjamin Hornigold Ltd (BHD) Takeover
Locked Bag A14
Sydney South NSW 1235

- 4.8 Alternatively, you may deliver the Acceptance Form and any associated documents to:

Link Market Services Limited
Benjamin Hornigold Ltd (BHD) Takeover

1A Homebush Bay Drive
Rhodes NSW 2138

- 4.9 A reply paid envelope (not able to be used by BHD Optionholders outside Australia) is enclosed for your convenience.

Acceptance Form

- 4.10 The Acceptance Form which accompanies this Option Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Option Offer for your BHD Options.

Power of attorney, deceased estate

- 4.11 When accepting this Option Offer, you must also forward for inspection:
- (a) if the Acceptance Form is signed by an attorney, the power of attorney; and
 - (b) if the Acceptance Form is signed by the executor of a will or the administrator of the estate of a deceased BHD Optionholder, the relevant grant of probate or letters of administration.

When acceptance is complete

- 4.12 Acceptance of this Option Offer will not be complete until the completed Acceptance Form has been received at one of the addresses set out in clause 4.7 above and the requirements of this clause have been met, provided that:
- (c) JBL may in its sole discretion waive any or all of those requirements at any time; and
 - (d) where those requirements have been complied with for some but not all of your BHD Options, JBL may, in its sole discretion, deem your acceptance of this Option Offer complete in respect of those BHD Options for which the requirements have been complied with but not in respect of the remainder.
- 4.13 If your Acceptance Form is returned by post it will be taken as received before the end of the Offer Period if the envelope in which it is sent is postmarked before the end of the Offer Period.

5 Payment of consideration

When consideration is paid

- 5.1 Subject to clauses 5.3 and 5.4 of this Schedule 3, you will be paid the consideration you are entitled to within one month of the later of:
- (a) the date you accept the Option Offer; and
 - (b) the date the Option Offer becomes unconditional.
- 5.2 In any event, you will be paid within 21 days after the end of the Offer Period (assuming that the Share Offer becomes unconditional).

Payments to Foreign Optionholders

- 5.3 If you accept the Option Offer and you are a Foreign Optionholder and JBL does not make a determination under section 12.12 of this Bidder's Statement:

- (a) JBL will arrange for the issue to the Nominee of the number of JBL Options to which you and all other Foreign Optionholders would have been entitled under the Option Offer but for clause 2.2 of this Schedule 3;
- (b) JBL will cause the Nominee to offer for sale the JBL Options as soon as practicable, or otherwise in the manner, at the price and on terms as are determined by the Nominee;
- (c) JBL will cause the Nominee to pay to you the amount calculated under the following formula:

$$\frac{\text{Net Proceeds of Sale} \times \text{Your JBL Options}}{\text{Total Nominee JBL Options}}$$

where:

- (i) **Net Proceeds of Sale** means the amount which is received by the Nominee upon the sale of all JBL Options under this clause 5.3 less brokerage and other sale expenses;
- (ii) **Your JBL Options** means the number of JBL Options which would, but for clause 2.2 of this Schedule 3, have been allotted to you under the Option Offer;
- (iii) **Total Nominee JBL Options** means the total number of JBL Options allotted to the Nominee under this clause 5.3;
- (d) you will receive your share of the proceeds of this sale in Australian currency;
- (e) payment will be made by cheque posted to you at your risk by ordinary mail at the address provided on your Acceptance Form; and
- (f) under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

Where additional documents are required

- 5.4 Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney), if the documents are given:

- (a) with your acceptance, JBL will provide the consideration in accordance with clause 5.1 of this Schedule 3;
- (b) after acceptance and before the end of the Offer Period and the Share Offer is subject to a Defeating Condition at the time that JBL is given the documents, JBL will provide the consideration by the end of whichever period ends earlier:
 - (i) within one month after the contract resulting from your acceptance of the Option Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period;
- (c) after acceptance and before the end of the Offer Period and the Option Offer is unconditional at the time that JBL is given the documents, JBL will provide the consideration by the end of whichever period ends earlier:
 - (i) one month after JBL is given the document; and

- (ii) 21 days after the end of the Offer Period; or
 - (d) after the end of the Offer Period, JBL will provide the consideration within 21 days after the documents are given, but if at the time JBL is given the documents, the contract resulting from your acceptance of the Option Offer is still subject to the Share Offer becoming unconditional, JBL will provide the consideration within 21 days after that contract becomes unconditional.
- 5.5 If you do not give JBL the required additional documents within one month after the end of the Offer Period, JBL may, in its sole discretion, rescind the contract resulting from your acceptance of the Option Offer.

Where JBL is entitled to any Rights

- 5.6 If JBL becomes entitled to any Rights on acceptance of this Option Offer, you must give JBL all documents that JBL needs to give JBL title to those Rights. If you do not give those documents to JBL, or if you have received the benefit of those Rights, JBL will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by JBL) of those Rights.

Payment to be mailed by cheque

- 5.7 Payment of the cash amount to which you are entitled will be mailed by cheque (or otherwise as agreed by JBL) in Australian currency. Cheques will be sent to the address on the Acceptance Form by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

Clearances for offshore residents

- 5.8 If, at the time of acceptance of this Option Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Share Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the *Banking (Foreign Exchange) Regulations 1959* (Cth) or otherwise), or of the Australian Taxation Office, have been obtained.

6 Conditions of the Option Offer

Conditions

- 6.1 This Option Offer and the contract that results from acceptance of this Option Offer are subject to the Share Offer becoming unconditional.

Nature of conditions

- 6.2 The condition in clause 6.1;
- (a) is a condition subsequent; and
 - (b) until the expiration of the Offer Period will be for the benefit of JBL alone and may be relied upon only by JBL.

Effect of breach or non-fulfilment

- 6.3 The breach or non-fulfilment of the condition in clause 6.1 does not prevent a contract arising to acquire your BHD Options resulting from your acceptance of this Option Offer. If at the end of the Offer Period:

- (a) JBL has not declared the Share Offer (and the Share Offer has not become) free from the condition in clause 6.1; or
- (b) the condition in clause 6.1 has not been satisfied,

all contracts resulting from the acceptance of the Option Offer and all acceptances that have not resulted in binding contracts are void. In that case, JBL will return the Acceptance Form together with all documents to the address shown in the Acceptance Form.

JBL may decide Option Offer is free from the condition

- 6.4 JBL may at any time at its sole discretion but in compliance with section 650F and section 630(1) Corporations Act, declare the Option Offer free from the condition in clause 6.1 by written notice to BHD not later than seven days before the end of the Offer Period.

Date for giving notice on status of the condition

- 6.5 The date for giving a notice on the status of the condition in clause 6.1 as required by section 630(1) Corporations Act is the date seven days before the end of the Offer Period, subject to variation under section 630(2) Corporations Act if the Offer Period is extended.

Effect of acceptance

- 6.6 Once you have accepted this Option Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, unless:
 - (a) by the end of the Offer Period, the condition in clause 6.1 have not all been satisfied or waived in which case, this Option Offer will automatically terminate; and
 - (b) the circumstances set out in section 650E Corporations Act apply.
- 6.7 By signing and returning the Acceptance Form, you will be deemed to have:
 - (a) irrevocably accepted this Option Offer (and each variation of this Option Offer) in respect of all your BHD Options despite any difference between that number and the number of BHD Options shown in the Acceptance Form;
 - (b) irrevocably authorised JBL to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your BHD Options;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,
 as may be necessary to make the Acceptance Form a valid acceptance of this Option Offer and to enable registration of the transfer of your BHD Options to JBL;
 - (c) represented and warranted to JBL, as a condition of the contract resulting from your acceptance of the Option Offer, that at the time of acceptance and at the time of transfer to JBL:
 - (i) you have paid to BHD all amounts which are due for payment for your BHD Options;

- (ii) all of your BHD Options are fully paid and free from all mortgages, charges, liens and other encumbrances of any nature; and
 - (iii) you have full power and capacity to sell and transfer those BHD Options;
- (d) granted to JBL and each of its Directors power of attorney to sign any document or do any thing on your behalf necessary to cause BHD to issue a replacement option certificate (if any) for those BHD Options;
- (e) agreed to:
 - (i) do anything necessary to ratify any act taken or purported to be taken by JBL or any of its Directors under the power of attorney granted by clause 6.9(d) of this Schedule 3; and
 - (ii) indemnify JBL and each of its Directors in respect of that act;
- (f) from the time of acceptance until the Option Offer has become unconditional, until the earlier of the withdrawal of your acceptance under section 650E Corporations Act or the end of the Offer Period, irrevocably appointed JBL or any nominee of JBL as your attorney to exercise all your powers and rights attaching to your BHD Option including (without limitation) to requisition, convene, attend and vote at all meetings of BHD Optionholders or appoint a proxy or proxies to attend and vote on your behalf at that meeting, where the passing or defeat of any resolution before the meeting might adversely affect the likelihood of the Option Offer being successful and to do so in a way which would prevent that effect arising;
- (g) on this Option Offer or any takeover contract becoming unconditional, irrevocably appointed JBL or any nominee of JBL as your attorney to exercise all your powers and rights attaching to your BHD Options including (without limitation):
 - (i) to requisition, convene, attend and vote at all meetings of BHD Optionholders or appoint a proxy or proxies to attend and vote on your behalf at that meeting; and
 - (ii) sign all documents and resolutions relating to your BHD Options, and generally to exercise all powers and rights which you may have as a BHD Optionholder and perform actions as may be appropriate to vest good title in your BHD Options in JBL;
- (h) agreed that in exercising the powers conferred by the power of attorney in clause 6.9(f) of this Schedule 3, JBL is entitled to act in the interests of JBL;
- (i) agreed not to attend or vote in person at any general meeting of BHD or to exercise or purport to exercise any of the powers conferred on JBL or its nominee in clause 6.9(f) of this Schedule 3;
- (j) agreed to accept the JBL Options, to which you have become entitled by acceptance of this Option Offer, subject to the constitution of JBL and have authorised JBL to place your name on the register of members for those JBL Options; and
- (k) if your BHD Options are in a CHESS Holding and you sign and return the Acceptance Form, irrevocably authorised JBL:
 - (i) to instruct your Controlling Participant to initiate acceptance of this Option Offer for your BHD Options under the ASX Settlement Operating Rules; and

- (ii) to give any other instructions in relation to your BHD Options to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

Withdrawal

- 6.8 JBL may withdraw unaccepted Option Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in that consent.

Variation

- 6.9 JBL may vary this Option Offer in accordance with the Corporations Act.

7 Acceptances by transferees and nominees

Who may accept the Option Offer

- 7.1 During the Offer Period:

- (a) any person who is able to give good title to a parcel of BHD Options may accept (if they have not already accepted an offer in the form of this Option Offer) as if an offer on terms identical with this Option Offer has been made to that person; and
- (b) any person who holds one or more parcels of BHD Options as trustee, nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

Holding options

- 7.2 A person is taken to hold BHD Options if the person is, or is entitled to be registered as, the holder of those BHD Options.

Holding shares on trust or as a nominee

- 7.3 A person is taken to hold BHD Options on trust for, as nominee for, or on account of, another person if that person:
- (a) is entitled to be registered as the holder of BHD Options; and
 - (b) holds the interest in the BHD Options on trust for, as nominee for, or on account of, that other person.

Effective acceptance

- 7.4 An acceptance of an Option Offer under clause 7.1(b) of this Schedule 1 is ineffective unless:
- (a) the person who holds on account of another person, gives that other person written notice stating that the BHD Options consist of a separate parcel; and
 - (b) the acceptance specifies the number of BHD Options in that parcel.

Notice of acceptance

- 7.5 A notice under clause 7.4(a) of this Schedule 3 must be made in writing.
- 7.6 A person may, at the one time, accept for two or more parcels under clause 7.6 of this Schedule 3 as if there had been a single offer for a separate parcel consisting of those parcels.

8 Other matters

Notices and other communications

- 8.1 Subject to the Corporations Act, a notice or other communication given by JBL to you in connection with this Option Offer is deemed to be duly given if it is in writing and:
- (a) is delivered at your address as recorded on the register of optionholders of BHD or the address shown in the Acceptance Form; and
 - (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

Return of documents

- 8.2 If:
- (a) this Option Offer is withdrawn after your Acceptance Form has been sent to JBL, but before it has been received; or
 - (b) for any other reason JBL does not acquire the BHD Options to which your Acceptance Form relates,

JBL will despatch at your risk your Acceptance Form together with all other documents forwarded by you.

9 Costs and expenses

All costs and expenses of the preparation, despatch and circulation of the Option Offer and all stamp duty payable for a transfer of BHD Options for which Option Offers are accepted, will be paid by JBL.

10 Official quotation of JBL Options

- 10.1 Subject to clause 1 of this Schedule 3, the JBL Options offered by JBL as consideration under the Option Offer will rank equally with JBL Options on issue at the Register Date.
- 10.2 JBL has been admitted to the official list of NSX and options of the same class as those to be issued as consideration under the Option Offer have been granted official quotation by NSX.
- 10.3 An application was made on the date of this Bidder's Statement to NSX for the granting of official quotation of the JBL Option to be issued. However, official quotation is not granted automatically on application.

- 10.4 Under section 625(3) Corporations Act, the Option Offer is subject to a condition that application for admission to quotation of the JBL Options issued under the Option Offer is made within seven days after the start of the Offer Period and permission for admission to quotation will be granted no later than seven days after the end of the Offer Period. This condition may not be waived.

Schedule 4

JBL announcements to NSX since 1 July 2018

Date	Announcement
10 July 2018	41999 NSX General Market Disclosure Other - JB Financial Group acquisition update
12 July 2018	40140 NSX Section 205G Notice Initial/Final Director's Interests - Final Director's Interests Notice - S Richardson
12 July 2018	40140 NSX Section 205G Notice Initial/Final Director's Interests - Final Director's Interests Notice - V Gordon
20 July 2018	41999 NSX General Market Disclosure Other - Update on on-market buy-back
6 August 2018	40370 NSX On Market BuyBack - Update on on-market buy-back
8 August 2018	41999 NSX General Market Disclosure Other - NSX Reviewing The Update To On-Market Buy-Back
13 August 2018	40370 NSX On Market BuyBack - On-market share buy-back update
27 August 2018	40080 NSX Query - General Disclosure Query - 22 August 2018
27 August 2018	40081 NSX Response to Query - Response to General Disclosure Query - 22 Aug 2018
29 August 2018	40050 NSX Suspension from Official Quotation - Company securities suspended from Official Quotation
10 September 2018	40299 NSX Takeover Other - JBL announces scrip bids for BHD and BHD
13 September 2018	40370 NSX On Market BuyBack - On-market share buy-back update
14 September 2018	40530 NSX Preliminary/Final Statement - Preliminary Final Report
14 September 2018	40051 NSX Reinstatement to Official Quotation - Reinstatement to Official Quotation
17 September 2018	40030 NSX Trading Halt - Trading Halt
18 September 2018	40370 NSX On Market BuyBack - Update on on-market buy-back
18 September 2018	40030 NSX Trading Halt - Securities Remain in Trading Halt
19 September 2018	40370 NSX On Market BuyBack - Update on on-market buy-back
19 September 2018	40031 NSX Trading Halt Status - Securities to remain under trading halt
20 September 2018	41999 NSX General Market Disclosure Other - Business update
20 September 2018	40370 NSX On Market BuyBack - On-market share buy-back update
20 September 2018	40051 NSX Reinstatement to Official Quotation - Reinstatement to Official Quotation
20 September 2018	40370 NSX On Market BuyBack - On-market share buy-back update
27 September 2018	40370 NSX On Market BuyBack - Update on on-market share buy-back
1 October 2018	40030 NSX Trading Halt - Request for Trading Halt
1 October 2018	40030 NSX Trading Halt - Trading Halt - Failure to lodge Audited Annual Financials - 30 June 2018
3 October 2018	40050 NSX Suspension from Official Quotation - Suspended - Failure to lodge Audited Annual Financials - 30 June 2018

Date	Announcement
11 October 2018	40299 NSX Takeover Other - Update on off-market takeover bids for Henry Morgan and Benjamin Hornigold
11 October 2018	41999 NSX General Market Disclosure Other – Commentary on market conditions
22 October 2018	40510 NSX Annual Report – 2018 Annual Report
22 October 2018	40051 NSX Reinstatement to Official Quotation – Reinstatement to Official Quotation – Audited Annual Financial Statements for 30 June 2018 lodged
22 October 2018	41999 NSX General Market Disclosure Other – Capital raising update
23 October 2018	40299 NSX Takeover Other – Update on off-market takeover bids

Schedule 5

Foreign Shareholders in Singapore

This Bidder's Statement, including its schedules, any announcements made by BHD and/or JBL in relation to the Offers (**Offer Documentation**) and any other materials relating to the Offer and the BHD Shares and/or JBL Shares do not constitute a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (**SFA**) and have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. The Offer Documentation and any other documents or materials in connection with the offer or sale, or invitation for subscription or purchase, of JBL Shares, may not be issued, circulated or distributed, nor may the JBL Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than: (i) an 'institutional investor' (as defined in section 4A(1) of the SFA); (ii) a 'relevant person' (as defined in section 275(2) of the SFA); (iii) persons pursuant to offers referred to in section 275(1A) of the SFA; or (iv) or pursuant to and in accordance with, the conditions of any other applicable provisions of the SFA.

In accepting the Offer Documentation, you are (i) an 'institutional investor' (as defined in section 4A(1) of the SFA); (ii) a 'relevant person' (as defined in section 275(2) of the SFA) or (iii) persons pursuant to offers referred to in section 275(1A) of the SFA and agree to be bound by the limitations and restrictions described herein. In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate the Offer Documentation to any other person in Singapore.

You should note that any offer contained in the Offer Documentation is subject to resale restrictions and, if you accept such offer, you shall not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale in Singapore, of the JBL Shares unless such sale or offer in Singapore is made in accordance with Part XIII Division (1) Subdivision (4) of the SFA. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly. In particular, where the offer has been accepted by a "relevant person" (as defined in section 275(2) of the SFA), such "relevant person" shall not be able to make any offer and subsequent sale of the JBL Shares in Singapore unless it is to (i) an "institutional investor" (as defined in section 4A(1) of the SFA); (ii) another "relevant person" (as defined in section 275(2) of the SFA) or (iii) any person pursuant to an offer referred to in section 275(1A) of the SFA.

Where the offer has been accepted by a "relevant person" which is (a) a corporation (which is not an "accredited investor" (as defined in section 275(2) of the SFA)) and the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under section 275 of the SFA except to an "institutional investor" (as defined in section 4A(1) of the SFA) or to a "relevant person" (as defined in section 275(2) of the SFA), or to any person pursuant to an offer referred to in section 275(1A) of the SFA; or where no consideration is or will be given for the transfer; or where the transfer is by operation of law; or as specified in Section 276(7) of the SFA; or as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Nothing in the Offer Documentation and any other document or material in connection with the offer or BHD Shares and/or JBL Shares constitutes, or may not be used in connection with, an offer of securities or solicitation in any jurisdiction where such an offer or solicitation is not authorized or is unlawful.

Corporate directory

Company

John Bridgman Limited
Level 9, 123 Eagle Street
BRISBANE QLD 4000
+61 1300 108 495
www.johnbridgeman.com.au

Legal Advisers

McCullough Robertson Lawyers
Level 11
Central Plaza Two
66 Eagle Street
BRISBANE QLD 4000
+61 7 3233 8888
www.mccullough.com.au

Directors

Mr John McAuliffe – Chairman
Mr Stuart McAuliffe – Managing Director
Mr Ross Patane – Non-executive Director

Share Registry

Link Market Services Limited
Level 21, 10 Eagle Street
BRISBANE QLD 4000
+ 61 1300 554 474
www.linkmarketservices.com.au

Need help?

Contact John Bridgeman Limited (JBL)
Offer Information Line
Phone 1300 405 577 (from within Australia)
Phone +61 1300 405 577 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Holder Identification Number: X12345678910
Benjamin Hornigold Limited Options held 99,999,999
If your holding has changed, then write your current holding here.

This is an important document. If you are in doubt as to how to complete this form, please consult your financial or other professional adviser immediately.

CONTROLLING PARTICIPANT'S NAME
Broker's Name printed here

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- If your Controlling Participant acts on your instruction CHESS will send you a confirmation notice.

C Contact details

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Contact Name (PRINT)

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Optionholder 1 (Individual)

Sole Director & Sole Company Secretary

Optionholder 2 (Individual)

Secretary/Director (delete one)

Optionholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



HIN



Broker PID



Holding

BHDT TKO004



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Please refer to the Bidder's Statement dated 31 October 2018 which accompanies this Acceptance Form. Terms are defined in the Bidder's Statement and have the same meaning in this Acceptance Form.

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 - **Powers of attorney:** If this Acceptance Form is signed under a power of attorney, please attach a certified copy of the power of attorney to this Acceptance Form when you return it. If this Acceptance Form is signed under Power of Attorney, the attorney declares that he/she has no notice of revocation of the Power of Attorney.
 - **Deceased Estates:** All the executors and administrators must sign this Acceptance Form. When you return this Acceptance Form, please attach it to a certified copy of probate, letters of administration or certificate of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of Section 1071B(9)(b)(iii) of the Corporations Act.

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Lodgement instructions

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Mailing Address	or	Hand Delivery
Link Market Services Limited		Link Market Services Limited
Benjamin Hornigold Limited Takeover		Benjamin Hornigold Limited Takeover
Locked Bag A14		1A Homebush Bay Drive
SYDNEY SOUTH NSW 1235		RHODES NSW 2138

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within Australia: 1300 405 577
outside Australia: +61 1300 405 577

Need help?

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Offer Information Line
Phone 1300 405 577 (from within Australia)
Phone +61 1300 405 577 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Securityholder Reference Number: I12345678910

Benjamin Hornigold Limited Options held 99,999,999

If your holding has changed, then write your current holding here.
Your acceptance will be granted over your updated holding.

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Optionholder 1 (Individual)

Sole Director & Sole Company Secretary

Optionholder 2 (Individual)

Secretary/Director (delete one)

Optionholder 3 (Individual)

Director

Please refer overleaf for further important instructions

REGISTRY USE ONLY



SRN



Holding

BHDT TKO003



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Offer Information Line
Phone 1300 405 577 (from within Australia)
Phone +61 1300 405 577 (from outside Australia)

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Holder Identification Number: X12345678910
Benjamin Hornigold Limited Shares held 99,999,999
If your holding has changed, then write your current holding here.

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CONTROLLING PARTICIPANT'S NAME
Broker's Name printed here

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Sole Director & Sole Company Secretary

Shareholder 2 (Individual)

Secretary/Director (delete one)

Shareholder 3 (Individual)

Director

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REGISTRY USE ONLY



HIN



Broker PID



Holding

BHDT TKO002



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SYDNEY SOUTH NSW 1235

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Hand Delivery

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Benjamin Hornigold Limited Takeover
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RHODES NSW 2138

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within Australia: 1300 405 577
outside Australia: +61 1300 405 577

A Your name

SAMPLE NAME 1
SAMPLE NAME 2
<SAMPLE A/C>
SAMPLE ADDRESS 1
SAMPLE ADDRESS 2

Your holding

Securityholder Reference Number: I12345678910

Benjamin Hornigold Limited Shares held	99,999,999
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If your holding has changed, then write your current holding here.
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Contact Name (PRINT)

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Shareholder 2 (Individual)

Secretary/Director (delete one)

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Director

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REGISTRY USE ONLY



SRN



Holding

BHDT TKO001



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