



JOHN.BRIDGEMAN  
LIMITED

## **JOHN BRIDGEMAN LIMITED**

ACN 603 477 185

# **NOTICE OF EXTRAORDINARY GENERAL MEETING**

John Bridgeman Limited ACN 603 477 185 hereby gives notice that an Extraordinary General Meeting of JBL Shareholders will be held on 24 December 2018 at 10.00am (Brisbane time) at Level 11, 66 Eagle Street, Brisbane, Queensland.



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# Notice of Extraordinary General Meeting

John Bridgeman Limited ACN 603 477 185

Notice is given that an Extraordinary General Meeting of John Bridgeman Limited ACN 603 477 185 (**JBL**) will be held at:

<b>Location</b>	Level 11, 66 Eagle Street, Brisbane, Queensland
<b>Date</b>	24 December 2018
<b>Time</b>	10.00am (Brisbane time)

## Special business

### Approval of HML Takeover Bid

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 1 *'That, for the purposes of NSX Listing Rules 6.41 and 6.43 and for all other purposes, approval be given for:*
  - (a) *a change to the nature and scale of activities of JBL arising as a result of the off-market takeover bid for all of the issued shares in Henry Morgan Limited ACN 602 041 770 (**HML**); and*
  - (b) *JBL to acquire all of the HML Shares which are held by the Interested Directors (either directly or indirectly through their Associates) under the HML Offer,*  
  
*on the terms and conditions set out in the Explanatory Memorandum.'*

**Note:** Further information in relation to this resolution appears in the Explanatory Memorandum.

### Approval of BHD Takeover Bid

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 2 *'That, for the purposes of NSX Listing Rules 6.41 and 6.43 and for all other purposes, approval be given for:*
  - (a) *a change to the nature and scale of activities of JBL arising as a result of the the off-market takeover bids for all of the issued shares and options in Benjamin Hornigold Limited ACN 614 854 045 (**BHD**); and*
  - (b) *JBL to acquire all of the BHD Shares and/or BHD Options which are held by the Interested Directors (either directly or indirectly through their Associates) under the BHD Offers,*  
  
*on the terms and conditions set out in the Explanatory Memorandum.'*



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**Note:** Further information in relation to this resolution appears in the Explanatory Memorandum.

Dated 23 November 2018

By order of the Board

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**Kevin Mischewski**

Company Secretary



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## Voting instructions

### ***Record Date***

JBL has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting (including any reinstatement of the Meeting in the event the Meeting is adjourned), securities are taken to be held by those persons recorded on JBL's register of shareholders as at 10.00am (Brisbane time) on Saturday, 22 December 2018 (**Record Date**).

### ***Persons who purchase JBL Shares after the Notice Date***

Persons who become registered JBL Shareholders by acquiring JBL Shares between the Notice Date and the Record Date and who wish to vote at the Meeting by proxy should call Link Market Services on + 61 1300 554 474 (within Australia) and request an additional proxy form.

### ***How to vote***

JBL Shareholders can vote by either attending the Meeting and voting, or by appointing a proxy to attend the Meeting and vote on their behalf.

### ***Appointment of proxies***

A JBL Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy. The proxy need not be a JBL Shareholder. A JBL Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form. Proxy forms (and the original or a certified copy of the power of attorney if the proxy form is signed by an attorney) must be received by JBL's share registry, Link Market Services, by no later than 10.00am (Brisbane time) on 22 December 2018.

If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form. If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands. If the proxy is the chair of the Meeting, the proxy must vote on a poll or must vote the way specified in the proxy form. If the proxy is not the chair of the Meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.

If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the Meeting and a poll is demanded and either:

- (a) the proxy is not recorded as attending; or
- (b) the proxy does not vote,

the chair of the Meeting is deemed the proxy for that resolution.

A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act, in which case JBL will require written proof of the representative's appointment which must be lodged with, or presented to, JBL before the Meeting.

If you have any queries on how to cast your votes, you can contact Kevin Mischewski, Company Secretary, on +61 7 3505 5611 during business hours or by email at [kmischewski@johnbridgeman.com.au](mailto:kmischewski@johnbridgeman.com.au).



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### ***Voting restrictions***

JBL will disregard any votes cast in favour:

<b>Resolution 1</b>	by John McAuliffe, Stuart McAuliffe or Ross Patane (or their Associates)
<b>Resolution 2</b>	by Stuart McAuliffe or Ross Patane (or their Associates)

However, JBL need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;  
or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Forward looking statements**

This Notice of Meeting, including the Explanatory Memorandum, contains certain forward looking statements. Such forward looking statements are based on JBL's current expectations about future events. Any forward looking statements are subject to known and unknown risks, uncertainties and assumptions, some of which may be outside the control of JBL and the Directors, which may cause actual results, performance or achievements to differ from future results, performance or achievements expressed or implied by the use of forward looking statements.

Forward looking statements can be identified by use of words including, but not limited to, 'anticipates', 'intends', 'will', 'should', 'expects', 'plans', or other similar expressions.

# Explanatory Memorandum

John Bridgeman Limited ACN 603 477 185

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This Explanatory Memorandum accompanies the notice of Extraordinary General Meeting of JBL to be held at Level 11, 66 Eagle Street, Brisbane, Queensland, at 10.00am (Brisbane time) on 24 December 2018.

The Explanatory Memorandum has been prepared to assist JBL Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

## Background

### Takeover Bids

- 1 As announced to the market via the NSX platform on 31 October 2018, JBL has offered to acquire:
  - (a) all of the issued shares in Henry Morgan Limited ACN 602 041 770 (**HML**) (**HML Offer**); and
  - (b) all of the issued shares and all of the issued options in Benjamin Hornigold Limited ACN 614 854 045 (**BHD**) (**BHD Offers**),by way of off-market scrip takeover bids under Chapter 6 of the Corporations Act (each a **Takeover Bid**).
- 2 The consideration:
  - (a) under the HML Offer is 0.95 JBL Shares per HML Share; and
  - (b) under the BHD Offers:
    - (i) is 0.65 JBL Shares per BHD Share; and/or
    - (ii) is 0.5 JBL Options per BHD Option.
- 3 The implied value of the Offers will fluctuate with the JBL Share price. Accordingly, if the JBL Share price falls, the implied value of the Offer will also fall. Likewise, if the JBL Share price rises, the implied value of the Offer will rise. Some of the factors which the Board considers may be relevant in assessing the Offer are set out below.
- 4 On completion of the HML Offer, assuming JBL acquires 100% of HML, former shareholders of HML will in aggregate hold approximately 53.22% of JBL.
- 5 On completion of the BHD Offer, assuming JBL acquires 100% of BHD, former shareholders of BHD will in aggregate hold approximately 39.14% of JBL.
- 6 This Notice of Meeting sets out further information on JBL, HML and BHD, JBL's intentions for HML and BHD, risks for JBL Shareholders in approving the issue of shares under the Takeover

Bids and other important disclosure, and is designed to assist JBL Shareholders in making a decision as to how to vote on resolutions 1 and 2.

### Indicative timetable

- 7 Subject to the requirements of the NSX Listing Rules and the Corporations Act, JBL anticipates that each Takeover Bid will take place in accordance with the following timetable:

Event	Date
<b>Announcement of the Offer</b>	10 September 2018
<b>Bidder's Statement lodged with ASIC</b>	31 October 2018
<b>Offer opens</b>	6 November 2018
<b>Supplementary Bidder's Statement lodged with ASIC</b>	22 November 2018
<b>Dispatch of Notice of Meeting</b>	23 November 2018
<b>Extraordinary General Meeting held to approve issue of JBL Shares</b>	24 December 2018
<b>Offer closes</b>	14 January 2019 <sup>1</sup>
<b>JBL Shares issued</b>	No later than 21 days after the Offer closes (assuming all conditions of the Offer are satisfied or waived).

- 8 The dates set out in the above timetable are indicative only and are subject to change.

### Rationale for each Takeover Bid

- 9 JBL believes completion of each Takeover Bid will provide significant benefits to all current and future JBL shareholders because the businesses operated by HML and BHD are complementary to, and provide an alternative revenue stream to, income generated through businesses operating in the listed environment.
- 10 JBL also currently acts as the investment manager for each of HML and BHD under an investment management services agreement.

### Details of HML Offer and BHD Offers

- 11 JBL Shareholders are advised of the following particulars in relation to the HML Offer and the BHD Offers:

<b>Person to whom JBL Shares are to be issued</b>	HML Shareholders who are entitled to be issued 0.95 JBL Shares under the HML Offer – this includes those HML Shares, if any, which are compulsorily acquired under the HML Share Offer.  BHD Shareholders who are entitled to be issued 0.65 JBL Shares under the BHD Share Offer – this includes those BHD Shares, if any, which are compulsorily acquired under the BHD Share Offer.
<b>Person to whom JBL</b>	BHD Optionholders who are entitled to be issued 0.5 JBL

<sup>1</sup> Subject to any extension of the Offer period by JBL.

<b>Options are to be issued</b>	Options under the BHD Option Offer - this includes those BHD Options, if any, which are compulsorily acquired under the BHD Option Offer.
<b>Date of issue</b>	JBL will issue the JBL Shares under the HML Offer and the JBL Shares and the JBL Options under the BHD Offers (as applicable): (a) no earlier than the date on which the applicable Offer become unconditional; and (b) no later than the date within one month of the later of: (i) the date an HML Shareholder accepts the HML Offer, the date a BHD Shareholder accepts the BHD Share Offer or the date a BHD Optionholder accepts the BHD Option Offer (as applicable); and (ii) the date the applicable Offer becomes unconditional, and in any event within 21 days after the Offer closes (assuming all conditions of the applicable Offer are satisfied or waived).
<b>Maximum number of JBL Shares</b>	27,722,747 (excluding rounding adjustments) JBL Shares <sup>2</sup> are required to be issued under the HML Offer if acceptances are received for all the HML Shares on issue at the date of the Notice of Meeting. 15,671,423 (excluding rounding adjustments) JBL Shares <sup>3</sup> are required to be issued under the BHD Share Offer if acceptances are received for all the BHD Shares on issue at the date of the Notice of Meeting. Up to a further 10,237,837 JBL Shares may be required to be issued if all BHD Optionholders exercise their BHD Options and elect to participate in the BHD Share Offer.
<b>Terms of JBL Shares issued</b>	Fully paid ordinary shares ranking equally with JBL Shares on issue.
<b>Terms of JBL Options issued</b>	JBL Options will be issued upon the same terms as and rank equally with the 'JBLOA' quoted options.

## NSX

12 NSX takes no responsibility for the content of this Notice of Meeting.

## No other material information

13 The Directors are not aware of any other information not previously disclosed to JBL Shareholders which is material to the making of a decision by a JBL Shareholder as to whether or not to approve resolutions 1 and 2, other than as disclosed in this Explanatory Memorandum.

<sup>2</sup> Assuming JBL acquires all the ordinary shares in HML under the HML Offer.

<sup>3</sup> Assuming JBL acquires all the ordinary shares in BHD under the BHD Share Offer.



## About JBL

### Overview

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

### Publicly available information

- 15 JBL is a company listed on NSX (NSX: 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 on [www.nsx.com.au](http://www.nsx.com.au). This information and other announcements made available by JBL to NSX may be relevant to your assessment of how to vote on the resolutions at the Meeting.

## About HML

### Disclaimer

- 16 The following information about 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 Notice of Meeting should not be considered comprehensive.

### Overview

- 17 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.
- 18 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.
- 19 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.

### Directors

- 20 The directors of HML, and their profiles, are set out in Annexure A.

### Financial profile of HML

- 21 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 and can be accessed at <https://henrymorgan.com.au/investor-centre/governance.html>.
- 22 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.

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

(a) Revenues of -\$12,429,630.

(b) Net loss of \$13,253,940.

### **Publicly available information**

24 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's announcements on [www.asx.com.au](http://www.asx.com.au).

### **Further information**

25 Further information about HML can be found on HML's website: [www.henrymorgan.com.au](http://www.henrymorgan.com.au).

### **Recent price performance of HML Shares**

26 HML Shares are quoted on ASX under the code HML.

27 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.

## **About BHD**

### **Disclaimer**

28 The following information about 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 Notice of Meeting should not be considered comprehensive.

### **Overview**

29 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.

30 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).

### **Directors**

31 The directors of BHD, and their profiles, are set out in Annexure B.

### **Financial profile of BHD**

32 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 and can be accessed at <https://www.benjaminhornigold.com.au/investor-centre/announcements.html>.

33 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.

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

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

### **Publicly available information**

35 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](http://www.asx.com.au).

### **Further information**

36 Further information about BHD can be found on BHD's website: [www.benjaminhornigold.com.au](http://www.benjaminhornigold.com.au).

### **Recent share price performance**

37 BHD Shares are quoted on ASX under the code BHD.

38 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.

## **Profile of the Merged Group**

### **Introduction**

39 The profile of the Merged Group will vary depending on the outcome of the Offers.

40 The BHD Offers are not conditional upon the success of the HML Offer, nor is the HML Offer conditional upon the success of the BHD Offers. Accordingly, either Offer may still be completed (subject to acceptances) irrespective of the success (and level of acceptances) under the other.

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

### **Overview of the Merged Group**

42 The Merged Group would be publicly listed on the NSX.

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

- 44 HML's investments are intended to continue to be managed by JBL under the current management services agreement.
- 45 BHD's investments are intended to continue to be managed by JBL under the current management services agreement.
- 46 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.
- 47 Depending on the outcome of the Takeover Bids and the level of ownership which JBL attains in both HML and BHD, JBL may be required to update the market as to the performance of any funds which it may manage. JBL will continue to provide information and reports as required by the Corporations Act, NSX Listing Rules or ASX Listing Rules (as may be relevant) in relation to the applicable company.

**Pro forma balance sheets assuming JBL acquires 100% of HML**

- 48 Annexure C contains the Pro Forma Balance Sheets for JBL, on a company-only (not consolidated group) basis:
  - (a) assuming JBL acquires 100% of HML and 100% of BHD; and
  - (b) assuming JBL acquires 50.1% of HML and 50.1% of BHD.
- 49 Annexure D contains the assumptions made in producing each Pro Forma Balance Sheet.

**No forward looking financial statements**

- 50 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 Notice. JBL believes that the inclusion of revenue or profit forecasts would be unduly speculative and potentially misleading.

## Impact of the Takeover Bids on JBL's capital structure

- 51 Set out below is a table showing the number of JBL Shares that may be issued to HML Shareholders and BHD Shareholders under the Takeover Bids and the dilutive effect on existing JBL Shareholders:

<b>Number of existing JBL Shares on issue<sup>4</sup></b>	24,367,704
<b>Number of existing JBL Options on issue<sup>4</sup></b>	24,186,520
<b>Maximum number of JBL Shares to be issued under the HML Offer</b>	27,722,747
<b>Maximum number of JBL Shares to be issued under the BHD Share Offer</b>	15,671,423 Up to a further 10,237,837 JBL Shares may be issued, where all BHD Optionholders elect to exercise their BHD Options and are issued with BHD Shares and subsequently accept the BHD Share Offer
<b>Number of JBL Shares on issue following completion of the Takeover Bids (i.e. shares on issue in the Merged Group)</b>	67,761,874
<b>Number of JBL Options on issue following completion of the Takeover Bids</b>	32,061,779

- 52 Based on substantial holder and directors' interest disclosure available to JBL at the date of this Notice of Meeting, the following persons will become (or continue to be) substantial holders of the Merged Group.

<b>Substantial Holder</b>	<b>JBL Shares</b>	<b>Voting Power</b>
<b>Stuart Capital Pty Ltd</b>	7,931,016	11.70%
<b>Stuart McAuliffe*</b>	7,702,642	11.37%
* The following substantial holders are duplicates, being the relevant interests of entities controlled by Stuart McAuliffe. These 5,944,642 shares are included in Stuart McAuliffe's substantial holding disclosure.		
<b>Substantial Holder</b>	<b>JBL Shares</b>	<b>Voting Power</b>
<b>Henry Avery Partners Pty Ltd</b>	5,944,642	8.77%
<b>John Hawkins Pty Ltd</b>	5,944,642	8.77%

<sup>4</sup> As at the date of this Notice of Meeting.

## **JBL's intentions for HML**

### **Intentions upon acquisition of 90 percent or more of HML Shares and finalisation of compulsory acquisition**

#### *Compulsory acquisition*

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

#### *Amend HML constitution*

- 54 Once JBL acquires 100% of the HML Shares, 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*

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

#### *Directors*

- 56 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.
- 57 Those nominees have not yet been identified by JBL. Profiles for each of the Directors of JBL can be accessed at <https://johnbridgeman.com.au/about-us.html>.

#### *Operations*

- 58 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*

- 59 Based on information available to JBL, HML has one employee. The directors of HML are responsible for the management of HML.

### **Intentions upon acquisition of between 50 percent and 90 percent of HML Shares**

#### *Compulsory acquisition*

- 60 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*

- 61 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 HML Offer, JBL owns or controls at least 75% of the HML Shares and the HML 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.
- 62 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 HML 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.

### *Directors*

- 63 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.

### **Intentions generally**

- 64 If, following the close of the HML 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 paragraphs 60 to 63 to the extent possible and appropriate.

### **Limitations on intentions**

- 65 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.
- 66 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.

### **Intentions upon acquisition of less than 50 percent of HML Shares<sup>5</sup>**

- 67 JBL will endeavour to implement its intentions as it has outlined in paragraphs 60 to 63 to the extent to which it is able to do so, subject to the limitations identified in paragraphs 65 to 66.

### **Intentions generally**

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

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<sup>5</sup> In order for this scenario to apply, JBL would be required to waive the 50.1% minimum acceptance condition.

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

## **JBL's intentions for BHD**

### **Intentions upon acquisition of 90 percent or more of BHD Shares and/or BHD Options and finalisation of compulsory acquisition**

#### *Compulsory acquisition*

- 69 If it becomes entitled to do so in respect of the BHD Option Offer, JBL intends to compulsorily acquire any outstanding BHD Options under section 661B Corporations Act.
- 70 If it becomes entitled to do so in respect of the BHD 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 BHD 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).
- 71 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.
- 72 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*

- 73 Once JBL acquires 100% of the BHD Shares and BHD Options, 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*

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

#### *Directors*

- 75 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.
- 76 Those nominees have not yet been identified by JBL. Profiles for each of the Directors of JBL may be accessed at <https://johnbridgeman.com.au/about-us.html>.

#### *Operations*

- 77 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*

- 78 Based upon information available to JBL, BHD has no employees. The directors of BHD are responsible for the management of BHD.

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

*Compulsory acquisition*

- 79 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*

- 80 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 BHD Share Offer, JBL owns or controls at least 75% of the BHD Shares and the BHD 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.

- 81 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 BHD 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.

*Directors*

- 82 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.

**Intentions generally**

- 83 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 paragraph 79 to paragraph 82 to the extent possible and appropriate.

### Limitations on intentions

- 84 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.
- 85 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.

### Intentions upon acquisition of less than 50 percent<sup>6</sup> of BHD Shares and/or BHD Options

- 86 JBL will endeavour to implement its intentions as it has outlined in paragraph 79 to paragraph 82 to the extent to which it is able to do so, subject to the limitations identified in paragraph 84 to paragraph 85.

### Intentions generally

- 87 Except for the changes and intentions set out in this section, 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.

### Transaction Risks

- 88 The Takeover Bids are subject to a number of risks, which are set out below.

<b>Conditions to the Offers</b>	The Offers are subject to a number of conditions. If these conditions are not satisfied or waived by JBL, the Offers will not proceed and each Takeover Bid will lapse.
<b>Trading in BHD and HML</b>	As at the date of this Notice of Meeting, BHD Shares and HML Shares remain suspended from trading on the ASX. Following the conclusion of the Offers (and depending on the outcome of those Offers), JBL may be unable to expediently dispose of any interest it holds in HML or BHD.
<b>Issue of JBL Shares and JBL Options as consideration</b>	The Offers 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 or HML Shareholders who accept the BHD Share Offer or the HML Offer (as applicable) 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

<sup>6</sup> In order for this scenario to apply, JBL would be required to waive the 50.1% minimum acceptance condition.

	which those JBL Shares are sold.
<b>Less than 100 percent ownership</b>	It is possible that JBL may not acquire all HML Shares or BHD Shares and/or all the BHD Options. 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 or HML could have an impact on JBL's intentions regarding HML or BHD.
<b>Reporting risks</b>	JBL has assumed that BHD and HML have met all of their reporting obligations and that disclosures made by it are true in all material respects and are not misleading in any material respects.
<b>Dilution risks</b>	As the HML Offer consideration consists of JBL Shares, the interests of existing JBL Shareholders (which may include HML Shareholders following completion of the HML Offer) will be diluted to some degree. As the BHD Share Offer consideration consists of JBL Shares and the BHD Option Offer consideration consists of JBL Options, the interests of existing JBL Shareholders (which may include BHD Shareholders following completion of the BHD Share Offer) will be diluted to some degree. The extent of the dilution will depend on the outcome of each of the Offers.

## Specific business risks associated with HML and BHD

89 HML and BHD are subject to a number of risks (which apply to both HML and BHD), set out below.

<b>Listed investment company risks</b>	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: (a) domestic and international financial markets; (b) domestic and international economic and political events; (c) the applicable regulatory environment in Australia and internationally.
<b>Liquidity risk</b>	There is a risk that HML's or BHD'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.
<b>Market risk</b>	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: (a) general economic conditions, including changes in inflation rates, short-term or long term interest rates, exchange rates and commodity prices; (b) variations in the local and global markets for listed securities; (c) domestic and international economic conditions;

	<p>(d) changes in investor confidence generally and in relation to specific sectors of the market;</p> <p>(e) natural disasters, global hostilities and acts of terrorism;</p> <p>(f) changes to government policy, legislation or regulation including in relation to taxation and other policy changes; and</p> <p>(g) the inclusion or removal of stocks from major market indices.</p>
<b>Currency risk</b>	<p>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 or BHD's portfolio.</p> <p>Foreign exchange fluctuations may have a positive or adverse impact on the investment returns of HML or BHD. HML's or 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. HML and BHD may also hedge the exposure of the other investments in HML or 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.</p>
<b>Derivatives risk</b>	<p>There is a risk that the use of derivatives can have a negative impact on HML's or 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.</p> <p>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 and BHD:</p> <p>(a) to offset the risk of price variations of securities;</p> <p>(b) as an alternative to purchasing the underlying security;</p> <p>(c) to seek to take advantage of any opportunities for profit which may exist in the market from time to time; and</p> <p>(d) in the management of currency and interest rate risk.</p> <p>In all cases, there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.</p> <p>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 or 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 and BHD employ derivatives for investment, hedging, leverage and investment implementation and exit purposes.</p> <p>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 and BHD. HML and 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 HML or BHD enters into any derivative transaction with any other counterparty, it will seek to ensure the counterparty is creditworthy and viable.</p>

## Risk associated with the Merged Group

90 If the Offers are successful, the Merged Group may be subject to the risks set out below.

<b>Implementation risks</b>	<p>There is a risk that less than 50.1 percent of BHD Shareholders will accept the BHD Share Offer and less than 50.1 percent of HML Shareholders will accept the HML Share Offer.</p> <p>There is also a risk that less than 90 percent of BHD Shareholders will accept the BHD Share Offer and less than 90 percent of HML Shareholders will accept the HML Offer. If this occurs, JBL will not be able to proceed to compulsory acquisition of 100 percent of BHD or HML (as applicable).</p> <p>Depending on the ultimate shareholding of BHD or HML, this could result in a situation where BHD or HML remains listed on ASX, but JBL holds a substantial holding in BHD or HML (as applicable).</p>
<b>Changes to investment portfolio</b>	<p>Upon the successful implementation of the Offer, JBL Shareholders will be exposed to a more diversified portfolio of investments than solely JBL's portfolio. That diversification may continue into the future.</p> <p>A more diverse portfolio of investments may mean that JBL Shareholders are exposed to a wider range of risks.</p>
<b>Funding risk</b>	<p>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.</p>

## Special business

### Resolution 1: Approval of HML Takeover Bid

#### Why is JBL Shareholder approval required?

91 Resolution 1 seeks approval from JBL Shareholders under:

- (a) NSX Listing Rule 6.41 (and for all other purposes) in relation to a change to the nature and scale of activities of JBL arising as a result of the acquisition of the HML Shares; and
- (b) NSX Listing Rule 6.43 (and for all other purposes) in relation to the acquisition of any HML Shares which are held by the Interested Directors (either directly or indirectly through their Associates), under the HML Offer.

92 If JBL Shareholder approval is not obtained, a Defeating Condition of the HML Offer will become incapable of being satisfied and the bid will lapse.

#### NSX Listing Rule 6.41

93 NSX Listing Rule 6.41 provides that an issuer shall provide full details to NSX as soon as practicable of any proposed significant change to the nature or scale of its activities. If required by NSX, the issuer must do any of the following:

- (a) provide additional information to NSX;
- (b) obtain the approval of the issuer's members for the change; and

(c) re-comply with the requirements for admission.

94 NSX considers that Listing Rule 6.41 applies in the circumstances and requires JBL to obtain the approval of JBL Shareholders in relation to the change.

95 The JBL Shares to be issued under the HML Offer are an exception to the restriction on JBL's ability to issue more than 15% of its issued capital under NSX Listing Rule 6.25(2)(vi).

### **NSX Listing Rule 6.43**

96 NSX Listing Rule 6.43 has the effect that JBL cannot acquire a substantial asset from, or dispose of a substantial asset to, a person in a position of influence with JBL, including a related party, without the approval of JBL Shareholders.

97 Each director of JBL, being Stuart McAuliffe, Ross Patane and John McAuliffe, is a 'related party' to JBL for the purposes of NSX Listing Rule 6.43(i).

98 NSX considers that NSX Listing Rule 6.43 applies in the circumstances, and has determined that the HML Shares held by Directors are a 'substantial asset' for the purposes of NSX Listing Rule 6.43. The relevant HML Shares which the Interested Directors hold (directly and indirectly via their Associates) in HML are set out in the table below:

	<b>Number held</b>	<b>Voting Power</b>
<b>Stuart McAuliffe</b>	414,728	1.28%
<b>John McAuliffe</b>	1,800,000	5.56%
<b>Ross Patane</b>	15,968	0.05%

99 Because the Interested Directors hold HML Shares, the successful completion of the HML Offer would involve JBL acquiring those HML Shares held by the Interested Directors (and issuing to the Interested Directors 0.95 JBL Shares for each of their HML Shares as consideration under the HML Offer).

### **Terms of the acquisition**

100 Under the HML Offer, the Interested Directors will receive JBL Shares in exchange for their HML Shares on the same terms as all other HML Shareholders.

101 The consideration which the Interested Directors would receive for each of their HML Shares, and the terms on which the Interested Directors' HML Shares would be acquired by JBL, are the same as for all other HML Shareholders.

102 The terms of the HML Offer are described in this Explanatory Memorandum and are set out in full in the HML Bidder's Statement, available by referring to HML at [www.asx.com.au](http://www.asx.com.au).

103 Section 208(1)(a) of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party without the approval of shareholders passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the Related Party, or by an Associate of the Related Party.

104 For the purposes of the Corporations Act, the Interested Directors are each a Related Party.

105 Section 229(3)(e) of the Corporations Act provides that the issue of securities (such as the JBL Shares) to a Related Party is an example of giving a financial benefit to a Related Party. Chapter

2E of the Corporations Act provides a number of exceptions to the requirement to obtain member approval, including where the financial benefit is given to a Related Party on terms that would be reasonable in the circumstances if the entity and the Related Party were dealing at arm's length as set out in section 210 of the Corporations Act (**Arm's Length Exemption**).

- 106 JBL has formed the view that the JBL Shares to be issued to the Interested Directors under the HML Offer (if successful) fall within the Arm's Length Exemption as the JBL Shares will be issued on the same terms as the other JBL Shares.
- 107 JBL therefore does not consider it necessary to seek JBL Shareholder approval for the issue of the JBL Shares to the Interested Directors under Chapter 2E of the Corporations Act.
- 108 JBL Shares issued to the Interested Directors (upon the successful completion of the HML Offer) are also exempt from the requirement to obtain Shareholder approval for the issue of securities to a 'related party' under NSX Listing Rule 6.44.
- 109 Other than the approval of JBL Shareholders contemplated by this Notice of Meeting, JBL is not aware of any other regulatory approvals or waivers required, in order to satisfy the applicable Defeating Condition under the HML Offer.

#### **Approval requirements**

- 110 Resolution 1 must be approved by at least 50% of the votes validly cast at the meeting.
- 111 Resolutions 1 and 2 are not interdependent. JBL may proceed with the HML Offer if resolution 1 is passed but resolution 2 is not passed.

#### **Directors' recommendation**

- 112 The Directors abstain, in the interests of good governance, from making a recommendation.



## Resolution 2: Approval of the BHD Takeover Bid

### Why is JBL Shareholder approval required?

- 113 Resolution 2 seeks approval from JBL Shareholders under:
- (a) NSX Listing Rule 6.41 (and for all other purposes) in relation to a change to the nature and scale of activities of JBL arising as a result of the acquisition of all of the BHD Shares and/or BHD Options; and
  - (b) NSX Listing Rule 6.43 (and for all other purposes) in relation to the acquisition of any BHD Shares and/or BHD Options which are held by the Interested Directors (either directly or indirectly through their Associates), under the BHD Offers.
- 114 If JBL Shareholder approval is not obtained, a Defeating Condition of the BHD Share Offer will become incapable of being satisfied and the bid will lapse.

### NSX Listing Rule 6.41

- 115 NSX Listing Rule 6.41 provides that an issuer shall provide full details to NSX as soon as practicable of any proposed significant change to the nature or scale of its activities. If required by NSX, the issuer must do any of the following:
- (a) provide additional information to NSX;
  - (b) obtain the approval of the issuer's members for the change; and
  - (c) re-comply with the requirements for admission.
- 116 NSX considers that Listing Rule 6.41 applies in the circumstances and requires JBL to obtain the approval of JBL Shareholders in relation to the change.
- 117 The JBL Shares to be issued under the BHD Share Offer are an exception to the restriction on JBL's ability to issue more than 15% of its issued capital under NSX Listing Rule 6.25(2)(vi).

### NSX Listing Rule 6.43

- 118 NSX Listing Rule 6.43 provides that JBL cannot acquire a substantial asset from, or dispose of a substantial asset to, a person in a position of influence with JBL, including a 'related party' without the approval of JBL Shareholders.
- 119 Each director of JBL, being Stuart McAuliffe, Ross Patane and John McAuliffe, is a 'related party' to JBL for the purposes of NSX Listing Rule 6.43(i).
- 120 NSX considers that NSX Listing Rule 6.43 applies in the circumstances, and has determined that the BHD Shares and/or BHD Options held by the Directors are a 'substantial asset' for the purpose of NSX Listing Rule 6.43. The interests which the Directors hold (directly and indirectly via their Associates) in BHD Shares are set out in the table below:

	Number held	Voting Power
<b>Stuart McAuliffe</b>	1,000	0.00%
<b>John McAuliffe</b>	-	-
<b>Ross Patane</b>	5,000	0.02%



- 121 The interests which the Directors hold (directly and indirectly via their Associates) in BHD Options are set out in the table below:

	Option Class	Number
<b>Stuart McAuliffe</b>	BHDO	-
<b>John McAuliffe</b>	BHDO	-
<b>Ross Patane</b>	BHDO	5,000

- 122 Because the Interested Directors hold BHD Shares and/or BHD Options, the successful completion of the BHD Offers would involve JBL acquiring those BHD Shares and/or BHD Options held by the Interested Directors (and issuing to the Interested Directors 0.65 JBL Shares for each of its BHD Shares as consideration under the BHD Share Offer and/or 0.5 JBL Options for each of its BHD Options).

### Terms of the acquisition

- 123 The consideration which the Interested Directors would receive for each of their BHD Shares and/or BHD Options, and the terms on which the Interested Directors' BHD Shares and/or BHD Options would be acquired by JBL, are the same as for all other BHD Shareholders and/or BHD Optionholders.
- 124 The terms of the BHD Offers are described in this Explanatory Memorandum and are set out in full in the BHD Bidder's Statement, available by referring to BHD at [www.asx.com.au](http://www.asx.com.au).
- 125 Section 208(1)(a) of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party without the approval of shareholders passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the Related Party, or by an Associate of the Related Party.
- 126 For the purposes of the Corporations Act, the Interested Directors are each a Related Party.
- 127 Section 229(3)(e) of the Corporations Act provides that the issue of securities (such as the JBL Shares and/or JBL Options) to a Related Party is an example of giving a financial benefit to a Related Party. Chapter 2E of the Corporations Act provides a number of exceptions to the requirement to obtain member approval, including where the financial benefit is given to a Related Party on terms that would be reasonable in the circumstances if the entity and the Related Party were dealing at arm's length as set out in section 210 of the Corporations Act (**Arm's Length Exemption**).
- 128 JBL has formed the view that the JBL Shares and/or JBL Options to be issued to the Interested Directors under the BHD Offers (if successful) fall within the Arm's Length Exemption as the JBL Shares and/or JBL Options will be issued on the same terms as the other JBL Shares and/or JBL Options.
- 129 JBL therefore does not consider it necessary to seek JBL Shareholder approval for the issue of the JBL Shares to the Interested Directors under Chapter 2E of the Corporations Act.
- 130 JBL Shares and/or JBL Options issued to the Interested Directors (upon the successful completion of the BHD Offers) are also exempt from the requirement to obtain JBL Shareholder approval for the issue of securities to a 'related party' under NSX Listing Rule 6.44.

- 131 Other than the approval of JBL Shareholders contemplated by this Notice of Meeting, JBL is not aware of any other regulatory approvals or waivers required, in order to satisfy the applicable Defeating Condition under the BHD Offers.

**Approval requirements**

- 132 Resolution 2 must be approved by at least 50% of the votes validly cast at the meeting.
- 133 Resolutions 1 and 2 are not interdependent. JBL may proceed with the BHD Offers if resolution 2 is passed but resolution 1 is not passed.

**Directors' recommendation**

- 134 The Directors abstain, in the interests of good governance, from making a recommendation.

## Glossary

Capitalised terms in this Notice of Meeting and Explanatory Memorandum have the meaning set out below:

Term	Definition
<b>Announcement Date</b>	means 10 September 2018, being the date of announcement of the Offers.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Associate</b>	has the meaning given to that term in the Corporations Act.
<b>ASX Listing Rules</b>	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.
<b>BHD</b>	means Benjamin Hornigold Limited ACN 614 854 045.
<b>BHD Bidder's Statement</b>	means the bidder's statement dated 31 October 2018, being the statement of JBL under part 6.5 division 2 Corporations Act relating to the BHD Offers.
<b>BHD Board</b>	means the board of directors of BHD.
<b>BHD Offers</b>	means the: <ul style="list-style-type: none"> <li>(a) BHD Share Offer; and</li> <li>(b) BHD Option Offer.</li> </ul>
<b>BHD Optionholder</b>	means a registered holder of BHD Options.
<b>BHD Option Offer</b>	means JBL's offer to acquire all BHD Options.
<b>BHD Options</b>	means options over unissued BHD Shares.
<b>BHD Securityholder</b>	means: <ul style="list-style-type: none"> <li>(c) a BHD Shareholder; or</li> <li>(d) a BHD Optionholder,</li> </ul> or both of them, as the context requires.
<b>BHD Shareholder</b>	means a registered holder of BHD Shares.
<b>BHD Shares</b>	means fully paid ordinary shares in the capital of BHD.
<b>BHD Share Offer</b>	means JBL's offer to acquire all BHD Shares.
<b>Bidder's Statements</b>	means: <ul style="list-style-type: none"> <li>(a) the BHD Bidder's Statement; and</li> <li>(b) the HML Bidder's Statement.</li> </ul>
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Defeating Condition</b>	means each of the conditions of the applicable Offer set out in the relevant Bidder's Statement.

<b>Term</b>	<b>Definition</b>
<b>Directors</b>	means the directors of JBL.
<b>HML</b>	means Henry Morgan Limited ACN 602 041 770.
<b>HML Bidder's Statement</b>	means the bidder's statement dated 31 October 2018, being the statement of JBL under part 6.5 divisiion 2
<b>HML Offer</b>	means JBL's offer to acquire all HML Shares.
<b>HML Shares</b>	means fully paid ordinary shares in the capital of HML.
<b>Interested Directors</b>	means: <ul style="list-style-type: none"> <li>(a) in respect of resolution 1, Stuart McAuliffe, John McAuliffe and Ross Patane; and</li> <li>(b) in respect of resolution 2, Stuart McAuliffe and Ross Patane.</li> </ul>
<b>JB Financial Group</b>	means JB Financial Group Pty Ltd ACN 613 592 135.
<b>JBL</b>	means John Bridgeman Limited ACN 603 477 185.
<b>JBL Group</b>	means JBL and each of its Subsidiaries.
<b>JBL Optionholder</b>	means a registered holder of JBL Options.
<b>JBL Options</b>	means options over unissued JBL Shares.
<b>JBL Share</b>	means a fully paid ordinary share in the capital of JBL.
<b>JBL Shareholder</b>	means a registered holder of JBL Shares.
<b>Merged Group</b>	means JBL and each of its Subsidiaries (including BHD and HML) which will exist as a result of the takeover bid as constituted by the Offers, should the Takeovers proceed to conclusion.
<b>NSX</b>	means the National Stock Exchange of Australia ABN 11 000 902 063.
<b>NSX Listing Rules</b>	means the Listing Rules of NSX and any other rules of NSX which are applicable, each as amended or replaced from time to time, except to the extent of any express written waiver by NSX.
<b>Offers</b>	means: <ul style="list-style-type: none"> <li>(a) the HML Offer; and</li> <li>(b) the BHD Offers.</li> </ul>
<b>Offer Period</b>	means the period commencing on 6 November 2018 and ending at 7.00pm (Sydney time) on 14 January 2019, or any later date to which the Offer is extended.
<b>Pro Forma Balance Sheets</b>	means the pro forma combined balance sheets of the Merged Group contained in this Notice of Meeting.
<b>Related Party</b>	has the meaning given to that term by section 228 of the Corporations Act.
<b>Subsidiaries</b>	has the meaning given to that term by section 9 Corporations Act.

# Annexure A

## Directors and Key Management Personnel - HML

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### **Mr John McAuliffe – Non-executive Chairman**

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:

- (a) Life Fellow of the Australian Institute of Valuers and Land Economists;
- (b) Fellow of the Australian Institute of Building - Chartered Builder;
- (c) Associate Papua New Guinea Institute of Valuers and Land Administrators;
- (d) Registered Valuer, Queensland and New South Wales;
- (e) Registered Valuer, Papua New Guinea;
- (f) Associate Central Technical College Brisbane - Diploma in Building and Diploma in Quantity Surveying;
- (g) Member Real Estate Institute of Queensland; and
- (h) Fellow, Real Estate Institute of Queensland.

### **Mr Stuart McAuliffe – Managing Director**

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.

### **Mr Ross Patane – Non-Executive Director**

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:

- (a) Bachelor of Business (Accounting);
- (b) Fellow of the Institute of Chartered Accountants Australia and New Zealand;
- (c) Fellow of the Financial Services Institute of Australasia; and

- (d) Graduate Member - Australian Institute of Company Directors.

**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**

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:

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

**Ms Jody Wright – Co-Company Secretary**

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.



## Annexure B

### Directors and Key Management Personnel - BHD

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#### **Mr Stuart McAuliffe – Managing Director and Executive Chairman**

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.

#### **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**

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:

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

### **Ms Jody Wright – Co-Company Secretary**

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.

## Annexure C

### Pro Forma Balance Sheets

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- 1 The information included in this section is pro forma financial information for the Merged Group comprising JBL, HML and BHD as at 30 June 2018 and assuming two scenarios, being:
  - (a) that JBL acquires 100 percent of BHD and 100 percent of HML; and
  - (b) that JBL acquires 50.1 percent of BHD and 50.1% of HML.
- 2 The HML Offer and the BHD Share Offer are conditional on obtaining 50.1 percent acceptances, and the BHD Option Offer is conditional on the BHD 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 as at 30 June 2018, adjusted to account for subsequent events deemed material to the Merged Group.
- 3 The financial information reflects the latest publicly available information for BHD and HML that is capable of being compared.
- 4 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, and other adjustments required as a result of the Offers.
- 5 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. 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.
- 6 Financial information relating to BHD and HML 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 to prepare the financial information for BHD and HML contained in this document.
- 7 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.
- 8 JBL has had limited access to the independent directors and executive team of BHD and HML 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 used in this document, for providing pro forma financial information.
- 9 The pro forma financial information presented in this section should also be read in conjunction with the risks set out in this Notice and the accounting policies of JBL, BHD and HML as disclosed in their most recent financial reports.

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

<b>Assets</b>	<b>Pre acquisition balance sheet as at 30 June 2018</b>	<b>HML 100%</b>	<b>BHD 100%</b>	<b>Post acquisition balance sheet: JBL</b>
<b>Current assets</b>				
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
<b>Total current assets</b>	<b>14,401,791</b>			<b>14,401,791</b>
<b>Non-current assets</b>				
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
<b>Total non-current assets</b>	<b>27,033,955</b>			<b>75,687,731</b>
<b>Total assets</b>	<b>41,435,746</b>			<b>90,089,522</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	5,465,933			5,465,933
Borrowings	506,500			506,500
Provisions	247,786			247,786
<b>Total current liabilities</b>	<b>6,220,219</b>			<b>6,220,219</b>
<b>Non-current liabilities</b>				
Borrowings	5,082,334			5,082,334
Deferred tax	2,337,268			2,337,268
Provisions	87,952			87,952
<b>Total non-current liabilities</b>	<b>7,507,554</b>			<b>7,507,554</b>
<b>Total liabilities</b>	<b>13,727,773</b>			<b>13,727,773</b>
<b>Net assets</b>	<b>27,707,973</b>			<b>76,361,749</b>
<b>Equity</b>				
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
<b>Total equity/(deficiency)</b>	<b>27,707,973</b>			<b>76,361,749</b>

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

<b>Assets</b>	<b>Pre acquisition balance sheet as at 30 June 2018</b>	<b>HML 50.1%</b>	<b>BHD 50.1%</b>	<b>Post acquisition balance sheet: JBL</b>
<b>Current assets</b>				
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
<b>Total current assets</b>	<b>14,401,791</b>			<b>14,401,791</b>
<b>Non-current assets</b>				
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
<b>Total non-current assets</b>	<b>27,033,955</b>			<b>49,617,196</b>
<b>Total assets</b>	<b>41,435,746</b>			<b>64,018,987</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	5,465,933			5,465,933
Borrowings	506,500			506,500
Provisions	247,786			247,786
<b>Total current liabilities</b>	<b>6,220,219</b>			<b>6,220,219</b>
<b>Non-current liabilities</b>				
Borrowings	5,082,334			5,082,334
Deferred tax	2,337,268			2,337,268
Provisions	87,952			87,952
<b>Total non-current liabilities</b>	<b>7,507,554</b>			<b>7,507,554</b>
<b>Total liabilities</b>	<b>13,727,773</b>			<b>13,727,773</b>
<b>Net assets</b>	<b>27,707,973</b>			<b>50,291,214</b>
<b>Equity</b>				
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
<b>Total equity/(deficiency)</b>	<b>27,707,973</b>			<b>50,291,214</b>

## Annexure D

### Assumptions in preparing Pro Forma Balance Sheets

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

#### **General**

- 1 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.
- 2 The pro forma information has been prepared by aggregating the balance sheets of JBL, BHD and HML (if applicable) as at 30 June 2018.
- 3 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**

- 4 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.
- 5 The Pro Forma Balance Sheets assume the acquisition of BHD and HML 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 on completion of the acquisition.
- 6 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 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.
- 7 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 and HML, it is not possible for JBL to identify all of the intangible assets and consequent amortisation charges at this stage.
- 8 For fair value accounting purposes, each JBL Share issued under either Offer 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 Offers is determined by the market price of JBL Shares at the actual date of acquisition of BHD and HML.
- 9 The accounting policies of JBL, BHD and HML (if applicable) are similar and consistent in all material aspects.

- 10 Deferred tax assets and deferred tax liabilities have been calculated by assuming that:
- (a) JBL will acquire 100% of BHD and HML, and BHD and HML 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 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) and 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 BHD or HML, 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.

**Prospective financial information of the Merged Group**

- 11 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.



JOHN BRIDGEMAN  
LIMITED

ACN 603 477 185

## LODGE YOUR VOTE



### BY EMAIL

vote@linkmarketservices.com.au



### BY MAIL

John Bridgeman Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138



### ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

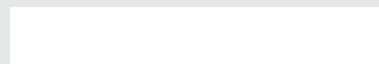
I/We being a member(s) of John Bridgeman Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



the Chairman of the  
Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting  
as your proxy, please write the name of the person or  
body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (Brisbane time) on Monday, 24 December 2018 at Level 11, 66 Eagle Street, Brisbane Queensland 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolutions

For Against Abstain\*

1 Approval of HML Takeover Bid

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Approval of BHD Takeover Bid

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

JBL PRX1802A



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Saturday, 22 December 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### BY EMAIL

[vote@linkmarketservices.com.au](mailto:vote@linkmarketservices.com.au)



#### BY MAIL

John Bridgeman Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**