



JOHN BRIDGEMAN LIMITED
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JOHN.BRIDGEMAN

29 April 2019

Mr Ron Kaushik
Senior Manager, Market Surveillance
National Stock Exchange of Australia Limited
1 Bligh Street
Sydney NSW 2000

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Dear Mr Kaushik

John Bridgeman Limited: Disclosure query

Thank you for your letter of 26 April 2019.

While the Company's responses to your questions are set out below, the Company again queries why NSX considers that these questions are of a nature that the suspension of the Company's securities has not been lifted, particularly having regard to previous disclosures made.

The Company, accordingly, requests the immediate reinstatement of its securities.

- 1. Noting the Guidelines for dealing with conflicts of interest policy provided on 17 April 2019, does the Company have a process or policy in place to ensure that any related party transactions, actual or perceived, are in compliance with Listing Rule 6.43 and the requirement for shareholder approval under s208 of Corporations Act 2001?**

Response:

As a public company listed on the NSX, the Company is fully cognisant of its obligations to comply with the NSX Listing Rules, including Listing Rule 6.43, as well as the requirements of the Corporations Act, including section 208. The Company's *Conflicts of Interest and Related Party Transactions Policy* also notes that the Company is committed to complying with its obligations under the Corporations Act, including ASIC Regulatory Guide 76 Related Party Transactions.

When considering a proposed transaction, it is the Company's customary process to have reference to its legal obligations under the Corporations Act and the NSX listing Rules, as well as the requirements and guidance provided by relevant regulatory and internal policies. It will also have reference to any relevant accounting and audit requirements. It is in the context of this overall compliance framework (which includes NSX Listing Rule 6.43 and section 208 Corporations Act) that the Company ensures that any actual or perceived related party

transactions are managed appropriately and in compliance with NSX Listing Rule 6.43 and section 208 of Corporations Act.

2. ***Noting that the Company controls 40.5% of the voting power in JB Financial Group, 7.64% through the direct investment and 32.86% exercised via the Company's control of Bartholomew Roberts Pty Ltd and that it gives the Company the power to direct activities that affects JB Financial Group's returns please respond to the following:***

Note 30. Equity - Issued capital

	2018 Shares	Consolidated 2017 Shares	2018 \$	2017 \$
Ordinary shares - fully paid	26,920,863	25,303,788	78,845,186	68,750,440
Consolidated			2018 \$	2017 \$
Movements in shares on issue				
Balance at the beginning of the year			68,750,440	-
1,200 ordinary shares issued at \$1.00 on 11 July 2016			-	1,200
235 ordinary shares issued at \$26,595.74 on 9 December 2016			-	6,250,000
72 ordinary shares issued at \$26,805.56 on 30 December 2016			-	1,930,000
3,119,384 ordinary shares issued at \$5.86 on 27 April 2017			-	17,187,806
256,080 ordinary shares issued at \$5.86 on 27 April 2017			-	1,500,000
362,976 ordinary shares issued at \$5.51 on 25 May 2017			-	1,999,998
6,495,348 shares issued at \$6.14 on 5 June 2017			-	39,881,436
69,620 ordinary shares issued at \$7.90 on 11 September 2017			549,999	-
895,765 ordinary shares issued at \$6.14 on 13 September 2017			5,499,998	-
25,316 ordinary shares issued at \$7.90 on 20 September 2017			199,997	-
28,000 ordinary shares issued at \$7.90 on 9 October 2017			221,200	-
35,291 ordinary shares issued at \$7.90 on 31 October 2017			278,799	-
20 ordinary shares issued at \$7.90 on 17 November 2017			158	-
563,063 ordinary shares issued at \$5.94 on 28 June 2018			3,344,595	-
			<u>78,845,186</u>	<u>68,750,440</u>

- a) ***Does the Company have any control or influence in determining the share value of JB Financial Group at the time of issuance?***

Response:

No. The price of shares issued by JB Financial Group Pty Ltd from time to time were determined by JB Financial Group Pty Ltd on the basis of its internal management valuations.

3. ***The following screenshots from the Company's response on 24 April 2019 confirm the investments in JB Financial Group by Bartholomew Roberts Pty Ltd and Henry Morgan Limited.***

- a) ***Did the Company influence/control the investment and management decision for the following transactions on behalf of Bartholomew Roberts Pty Ltd?***

11/07/2016	Bartholomew Roberts Pty Ltd	JB Financial Group Pty Ltd	720	\$1.00	JB Financial Group Pty Ltd
31/12/2016	Bartholomew Roberts Pty Ltd	JB Financial Group Pty Ltd	72	\$26,805.56	JB Financial Group Pty Ltd
3/03/2017	Bartholomew Roberts Pty Ltd	JB Financial Group Pty Ltd	-372	Share Split	JB Financial Group Pty Ltd
3/03/2017	Bartholomew Roberts Pty Ltd	JB Financial Group Pty Ltd	3,720,000	Share Split	JB Financial Group Pty Ltd

Response:

John Bridgeman Limited was appointed investment manager for Bartholomew Roberts Pty Ltd in June 2016. John Bridgeman Limited has acted in accordance with its investment management agreement to identify appropriate investment opportunities for Bartholomew Roberts Pty Ltd.

These investment opportunities have included participation in share issues by JB Financial Group in July and December 2016.

It is important to understand that the transactions noted above as occurring in March 2017 were not fresh share issues, but rather a share split undertaken by JB Financial Group in respect of all shares on issue at the time. This was not a further investment by Bartholomew Roberts Pty Ltd.

b) Did the Company influence/control the investment and management decision for the following transactions on behalf of Henry Morgan Limited?

8/08/2016	Henry Morgan Limited	JB Financial Group Pty Ltd	300	\$167.02	Bartholomew Roberts Pty Ltd
9/12/2016	Henry Morgan Limited	JB Financial Group Pty Ltd	235	\$26,595.74	JB Financial Group Pty Ltd
3/03/2017	Henry Morgan Limited	JB Financial Group Pty Ltd	-535	Share Split	JB Financial Group Pty Ltd
3/03/2017	Henry Morgan Limited	JB Financial Group Pty Ltd	5,350,000	Share Split	JB Financial Group Pty Ltd

Response:

John Bridgeman Limited was appointed investment manager for Henry Morgan Limited in March 2015. John Bridgeman Limited has acted in accordance with its investment management agreement to identify appropriate investment opportunities for Henry Morgan Limited. These investment opportunities have included participation in share issues by JB Financial Group in August and December 2016.

As noted above, it is important to understand that the transactions noted as occurring in March 2017 were not fresh share issues, but rather a share split undertaken by JB Financial Group in respect of all shares on issue at the time. This was not a further investment by Henry Morgan Limited.

4. Given the complex structure of the group, please complete the following table confirming the Company's view of its relationships with Henry Morgan Limited, Benjamin Hornigold Limited and all entities within the consolidated group as at the date of this letter.

Company Name	Child Entity	Related Party	Subsidiary (per Corporations Act)	Subsidiary (per Accounting Standards)	Management Services provided to:	Associate
Henry Morgan Limited	No	No	No	Yes ¹	Yes	No
Benjamin Hornigold Limited	No	No	No	No	Yes	No
Bartholomew Roberts Pty Ltd	Yes	No	No	Yes	Yes	Yes
JB High Alpha Fund	No	No	No	No	Yes	No
JB Financial Group Pty Ltd	No	No	No	Yes	No	No

¹ Following close of the Company's takeover bid for Henry Morgan Limited, HML will be consolidated to the Company's accounts for the period ending 30 June 2019.

Company Name	Child Entity	Related Party	Subsidiary (per Corporations Act)	Subsidiary (per Accounting Standards)	Management Services provided to:	Associate
Risk & Security Management Pty Ltd	No	No	No	Yes	No	No
IDS Group Pty Ltd	No	No	No	Yes	No	No
Trademark Investigation Services	No	No	No	Yes	No	No
Trademark Investigation Services (NZ) Limited	No	No	No	Yes	No	No
Yates PI Pty Ltd	No	No	No	Yes	No	No
Ashdale Integrity Solutions Pty Ltd	No	No	No	Yes	No	No
JB Markets Pty Ltd	No	No	No	Yes	No	No
HPH Holdings Pty Ltd	No	No	No	Yes	No	No
King's Currency Exchange Pty Ltd	No	No	No	Yes	No	No
Harnewei Pty Ltd	No	No	No	Yes	No	No
JB Fintech Services Pty Ltd	No	No	No	Yes	No	No
JB International Payments Pty Ltd	No	No	No	Yes	No	No
JB Trading Services Pty Ltd	No	No	No	Yes	No	No
Piggybk Holdings Pty Ltd	No	No	No	Yes	No	No
Funz Holdings Pty Ltd	No	No	No	Yes	No	No
JBFX Wholesale Pty Ltd	No	No	No	Yes	No	No
JBFX Retail Pty Ltd	No	No	No	Yes	No	No
JR Restaurants Australia Pty Ltd	No	No	No	Yes	No	No
Birdzz Pty Ltd	No	No	No	Yes	No	No
Advance Group Holdings Pty Ltd	No	No	No	Yes	No	No
Capital Credit Pty Ltd (formerly Growth Point	No	No	No	Yes	No	No

Company Name	Child Entity	Related Party	Subsidiary (per Corporations Act)	Subsidiary (per Accounting Standards)	Management Services provided to:	Associate
Capital Pty Ltd)						
Australian Legal Support Group Pty Ltd	No	No	No	Yes	No	No
Genesis Proprietary Trading Pty Ltd	No	No	No	Yes	No	No
Growth Point Capital Pty Ltd (formerly Schuh Group Finance Pty Ltd)	No	No	No	Yes	No	No
Great Rate Finance Pty Ltd	No	No	No	Yes	No	No
Risk & Security Management (NZ) Limited	No	No	No	Yes	No	No
JB Credit Pty Ltd	No	No	No	Yes	No	No
JB Trading House Pty Ltd	No	No	No	Yes	No	No
JB Macro Funds Management Limited	Yes	No	Yes	Yes	No	Yes

As noted, and based on the above responses, the Company requests the immediate reinstatement of its securities.

Yours faithfully



Kevin Mischewski
Company Secretary
John Bridgeman Limited