



JOHN.BRIDGEMAN

Announcement

John Bridgeman Limited

ACN 603 477 185

4 July 2019

JOHN BRIDGEMAN LIMITED (NSX:JBL) RESPONSE TO BHD PROGRESS REPORT

John Bridgeman Limited (NSX: JBL, **John Bridgeman**) refers to previous announcements regarding its takeover offers (**JBL Offers**) for all of the shares and options in Benjamin Hornigold Limited (ASX: BHD), and the announcement dated 28 June 2019 made by BHD and titled 'Progress Report to Shareholders' (**BHD Announcement**).

John Bridgeman considers that a number of matters raised in the BHD Announcement are inaccurate, and, in response, wishes to note the following.

Financial position of BHD

John Bridgeman has sought to assist the new board of BHD to facilitate an orderly transition, in accordance with the services John Bridgeman provides to BHD under the management services agreement. John Bridgeman confirms that it has continued to comply with its obligations under the management services agreement with BHD, including preparing NTA calculations and draft announcements. These have been provided to BHD, together with other relevant information requested by BHD. At no time has John Bridgeman been requested to provide the specific workbooks or accounting calculations that support the calculation of the NTA announcement for BHD which was provided for release to the market on 14 June 2019. If requested, John Bridgeman would make this information available to BHD to enable BHD to comply with its obligations under the ASX Listing Rules.

Management Services Agreement

John Bridgeman notes the comments of the BHD directors that they are considering whether the continuation of the management services agreement between JBL and BHD is in the best interests of BHD shareholders. John Bridgeman considers that this statement gives rise to the misconception that BHD has a discretion to elect to terminate the management services agreement at any time. This is not the case.

The management services agreement is an agreement with a term of five years, after which time, there are strict obligations to follow to terminate the agreement (including obtaining BHD shareholder approval at the appropriate time).



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John Bridgeman also notes that termination fees are payable to John Bridgeman in the event of early termination, equivalent to 5% of the NTA multiplied by the number of shares on issue as at the termination date (and reduced on a pro rata basis in accordance with the length of the agreement).

Guidance

The BHD Announcement states that BHD provided John Bridgeman with 'guidance' as to acceptable investments and claims that John Bridgeman maintains it is not obliged to follow guidance by BHD.

The correspondence between BHD and John Bridgeman (to which the BHD Announcement refers) does not contain any statement by John Bridgeman that it is not obliged to follow guidance provided by BHD. BHD purported to provide John Bridgeman with a unilateral direction as to the composition of BHD's investments which was inconsistent with the terms of the management services agreement. In response, John Bridgeman noted that the terms of the management services agreement do not provide BHD with the ability to provide a direction, nor require John Bridgeman to comply with a direction. Any amendment to the agreement would require the consent of both parties.

John Bridgeman also considers that the reference by BHD to 'non-compliance' with the terms of the management services agreement has not been based on any facts or circumstances that have been articulated to John Bridgeman by BHD (and so are currently misleading and made without basis). John Bridgeman has confirmed to BHD that it will continue to act in accordance with the terms of the management services agreement.

Access to books and records

As at the date of the BHD Announcement, John Bridgeman is aware that the directors of BHD had been provided with the financial records of BHD (and that such information has also subsequently been provided to the Independent Expert upon request). John Bridgeman accordingly considers that the information is available to BHD and awaits the release of BHD's supplementary target's statement (and, if required, supplementary independent expert's report) without further delay.

ENDS

Jody Wright

Company Secretary

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