

6 July 2018

## Update on proposed convertible note transaction

Benjamin Hornigold Ltd (ASX: BHD) (**Benjamin Hornigold** or **BHD**) refers to its previous announcements regarding the proposed Convertible Note transaction with JB Trading House Pty Ltd.<sup>1</sup>

By way of update, Benjamin Hornigold advises that:

- formal convertible note documentation has been signed reflecting the terms of the proposed transaction;
- the Company is currently liaising with ASX regarding any requirements for shareholder or other approvals, and the documentation is still subject to such approvals being obtained (if required); and
- Hanrick Curran, the independent expert, are finalising their independent expert's report in respect of the proposed transaction.

As previously advised to the market:

- Under the proposed transaction, BHD will trade exclusively through JB Trading House subsidiaries (JB Markets Pty Ltd, JB Alpha Ltd and Genesis Proprietary Trading Pty Ltd) in consideration for the Convertible Notes with a total face value of \$13.5 million;
- Benjamin Hornigold will not provide cash to JB Trading House in return for the Convertible Notes;
- there are no minimum trading requirements imposed on Benjamin Hornigold, and the transaction documents set out minimum service levels to be met by JB Trading House;
- the Convertible Notes have a term of four (4) years, unless converted early (see below);
- BHD will be paid a coupon of 4.1% per annum on the Convertible Note, and hold security over JB Trading House;
- BHD may elect to either:
  - at any time within four (4) years of the date of issue of the Convertible Note, convert all or part of the Convertible Note into stock in JB Trading House at a price which represents a 40% discount to the valuation of JB Trading House; or
  - after four (4) years from the date of issue of the Convertible Note, be paid \$13.5 million by JB Trading House in cash.

Further details will be provided as they become available.

ENDS

**Kevin Mischewski**  
Company Secretary  
**Benjamin Hornigold Ltd**  
cosec@benjaminhornigold.com.au

<sup>1</sup> Refer announcements dated 6 June 2018 and 13 June 2018.