

# ASX RELEASE.

## BELL FINANCIAL GROUP

### CLEANSING NOTICE UNDER SECTION 708AA(2)(F) OF THE *CORPORATIONS ACT 2001* (CTH)

Bell Financial Group Limited (**Bell Financial Group**) today announced a pro rata renounceable entitlement offer of 1 fully paid ordinary share (**New Share**) for every 5 shares in Bell Financial Group held as at 7.00pm on Wednesday, 6 June 2018 by eligible shareholders (**Entitlement Offer**) at \$0.68 per share to raise approximately \$36.4 million.

Further details regarding the Entitlement Offer are set out in the ASX announcement accompanying this notice.

This notice is given by Bell Financial Group under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by Corporations (Non-Traditional Rights Issues) Instrument 2016/84 of the Australian Securities and Investments Commission.

Bell Financial Group confirms that:

- (a) Bell Financial Group will offer the New Shares under the Entitlement Offer without disclosure under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this notice, Bell Financial Group has complied with:
  - (i) the provisions of Chapter 2M of the Corporations Act as they apply to Bell Financial Group; and
  - (ii) section 674 of the Corporations Act;
- (d) as at the date of this notice, there is no “excluded information” of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7)(d) of the Corporations Act; and
- (e) the potential effect that the Entitlement Offer will have on the control of Bell Financial Group, and the consequences of that effect will depend on a number of factors including investor demand and the underwriting of the Entitlement Offer by an existing shareholder Bell Group Holdings Pty Limited (**Bell Group Holdings**). However, given the size of the Entitlement Offer and the structure of the Entitlement Offer as a renounceable pro rata offer, Bell Financial Group does not expect the Entitlement Offer to have any material effect or consequence on the control of Bell Financial Group. The potential effect that the Entitlement Offer will have on the control of the Company is as follows:
  - (i) if all entitlements under the Entitlement Offer (**Entitlements**) are fully exercised by the relevant shareholders, there will be no effect on the control of Bell Financial Group (subject to paragraph (e)(iii) below);
  - (ii) to the extent that any shareholder does not exercise their Entitlements that shareholder’s percentage holding in Bell Financial Group will be diluted by the exercise of Entitlements by other persons and the underwriting arrangement described below;
  - (iii) to the extent that no persons other than Bell Group Holdings exercise their Entitlements and Bell Group Holdings accordingly takes up all of the New Shares under the Entitlement Offer and the underwriting arrangement, Bell Group Holdings’ voting power of 44.83% will increase to a maximum of approximately 54.03%. In this case, Bell Group Holdings will have effective control of Bell Financial Group through the ability to pass ordinary resolutions (and potentially special resolutions depending on shareholder turnout at general meetings) of Bell Financial Group. In particular, this will (among other things) enable Bell Group Holdings to control the appointment and removal of directors of Bell Financial Group, and consequently, the financial and operating policies and the strategic direction of Bell Financial Group. In those circumstances, Bell Group Holdings would also solely be able to control the approval of certain

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transactions involving Bell Financial Group including the issue of shares beyond the limits set under the ASX Listing Rules. However, it is unlikely that no other Entitlements will be exercised and Bell Financial Group expects that a significant percentage of shareholders will support the Entitlement Offer; and

- (iv) the proportional interests of shareholders who are not eligible shareholders (who are estimated to hold less than approximately 0.3% of Bell Financial Group's issued shares) will be diluted because those shareholders are not entitled to participate in the Entitlement Offer.



Alastair Provan  
Managing Director