

# LONG TERM INCENTIVE PLAN RULES.

Bell Financial Group Ltd (ACN 083 194 763) (the “Company”)

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## 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

The following words and expressions have the following meanings unless the contrary intention appears:

**Applicable Laws** means any one or more or all, as the context requires of:

- a. the Corporations Act;
- b. the Listing Rules;
- c. the constitution of the Company;
- d. the Tax Act;
- e. any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend a, b, c, and d above; and
- f. any other legal requirement that applies to the Plan.

**Application** means an application for Options and/or Performance Rights made by an Eligible Person under the terms of an Invitation.

**Application Form** means an application form attached to an Invitation.

**ASX** means ASX Limited trading as the Australian Securities Exchange.

**Board** means all or some of the Directors acting as a board and includes a committee of the Board and a delegate of the Board.

**Business Day** means a day other than a Saturday, Sunday or public holiday in Melbourne.

**Company** means Bell Financial Group Ltd ACN 083 194 763.

**Corporations Act** means the *Corporations Act* 2001 (Cwlth) as amended from time to time.

**Director** means a director of the Company.

**Eligible Person** means:

- a. a full-time or part-time employee of a Group Company;
- b. any director of any Group Company who holds a salaried employment or office in a Group Company;  
or
- c. any other person as determined or selected by the Board from time to time.

**Employer** means any Group Company, and in relation to any particular Participant means the Group Company by which that Participant is for the time being employed.

**Exercise Condition** means, in relation to an Option or Performance Right, a condition (other than a Vesting Condition), which must be satisfied or waived before that Option or Performance Right may be exercised.

**Exercise Period** means, in relation to an Option or Performance Right, the latest period at the end of which that Option or Performance Right will lapse.

**Exercise Price** means in relation to an Option, the amount payable on exercise of that Option, as specified in the Invitation and adjusted in accordance with rule 10.

**Exit Date** means:

- a. in relation to an Option granted prior to 1 July 2009, the date which is ten years after the Grant Date; and
- b. in relation to an Option or Performance Right granted on or after 1 July 2009, the date which is seven years after the Grant Date.

**Grant Date** means, in relation to an Option or Performance Right, the date on which that Option or Performance Right is granted.

**Group** means the Company and each body corporate that is a subsidiary under Division 6 of Part 1.2 of the Corporations Act.

**Group Company** means a company in the Group to which the Board resolves that the Plan extends.

**Holding Lock** has the same meaning as in Section 2 of the ASTC Settlement Rules issued by ASX Settlement and Transfer Corporation Pty Ltd.

**Invitation** means an invitation to an Eligible Person to apply for Options and/or Performance Rights under the Plan made in accordance with rule 3.

**Listing Rules** means the listing rules of ASX, except to the extent of any express waiver by ASX.

**Option** means a right to acquire a Share (by transfer, allotment or issue at the election of the Company) on the payment of the Exercise Price, granted under this Plan on the Terms and Conditions of Grant.

**Participant** means an Eligible Person to whom an Option or Performance Right has been granted and who has not ceased to be a Participant under the Terms and Conditions of Grant and includes a legal personal representative of the Participant.

**Performance Right** means a right to acquire a Share (by transfer, allotment or issue at the election of the Company) for zero consideration, granted under this Plan on the Terms and Conditions of Grant.

**Plan** means the Company's Long Term Incentive Plan, the rules of which are set out in this document.

**Redundancy** means termination of employment of a Participant by a Group Company due to economic, technological, structural or other organisational change where through no act or default of the Participant the Group Company no longer requires:

- a. the duties and responsibilities carried out by the Participant to be carried out by anyone;
- b. the position held by the Participant to be held by anyone; or
- c. the employment of the Participant for some other similar reason as determined by the Board in its discretion.

**Retirement** means termination of the employment of a Participant with a Group Company because:

- a. the Participant attains the age that the Board accepts as the retirement age for that individual; or
- b. the Participant is unable, in the opinion of the Board, to perform his or her duties because of illness or incapacity.

**Security Interest** means a mortgage, charge, pledge, lien or other encumbrance.

**Separation** means the termination of a Participant's employment with a Group Company by the volition of the Participant and with the written consent of the Board expressly given for the purposes of the Plan.

**Share** means a fully paid ordinary share in the capital of the Company.

**Supplementary Condition** means, in relation to an Option or Performance Right, any term or condition (other than the rules, the Exercise Conditions or Vesting Conditions) to which that Option or Performance Right is subject, or to which any Shares acquired pursuant to the exercise of that Option or Performance Right will be subject.

**Tax Act** means the *Income Tax Assessment Act* 1936 (Cwlth) and the *Income Tax Assessment Act* 1997 (Cwlth), as the context requires, and each as amended from time to time.

**Terms and Conditions of Grant** means, in relation to an Option or Performance Right, all of:

- a. these rules;
- b. any Vesting Condition;
- c. any Exercise Condition; and
- d. any Supplementary Condition.

**Total and Permanent Disablement** means, in relation to a Participant, that the Participant has, in the opinion of the Board, after having regard to such medical and other evidence as the Board considers appropriate, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation for which they are reasonably qualified by education, training or experience.

**Tranche** means a number of Options and/or Performance Rights, which upon satisfaction of any relevant Vesting Condition have the same Vesting Date.

**Trust** means the "Bell Financial Group Employee Share Trust", being an employee share trust established by the Company for the sole purpose of subscribing for or acquiring, delivering, allocating and holding Shares in the Company for the benefit of the Participants and participants in other employee equity incentives schemes established by the Company from time to time.

**Trust Deed** means the trust deed executed by the Company and the Trustee on 20 July 2010.

**Trustee** means Bell Potter Nominees Limited ACN 088 899 601, who has agreed to act as the initial trustee of the Trust on the terms and conditions set out in the Trust Deed.

**Vesting Condition** means, in relation to an Option or Performance Right, a condition, which must be satisfied or waived before that Option or Performance Right becomes vested in its holder and exercisable.

**Vested Option** means an Option in respect of which Vesting Conditions have been satisfied or waived.

**Vested Performance Right** means a Performance Right in respect of which Vesting Conditions have been satisfied or waived.

**Vesting Date** means, in relation to an Option or Performance Right, the date on which that Option or Performance Right vests and becomes exercisable, subject to the Terms and Conditions of Grant for that Option or Performance Right.

**Withdrawal Notice** means a written notice given by a Participant to the Company requesting that some or all of the Participant's Shares held by the Trustee on behalf of the Participant be sold or transferred to the Participant or as that Participant directs, which notice must:

- a. be signed by the relevant Participant;
- b. specify the number of Shares to be sold or transferred; and
- c. be in the form set out in the Schedule.

## 1.2 Interpretation

In these rules, unless the contrary intention appears:

- a. the singular includes the plural and vice versa;
- b. a reference to a particular person includes a reference to the person's legal personal representatives, executors, administrators and successors
- c. a reference to the Trustee includes any substituted or additional trustee;
- d. the word "person" includes an individual, body corporate and an authority;
- e. a reference to legislation includes regulations and other instruments made under it and a reference to a Rule or legislation includes any variation or replacement of any of them;
- f. a reference to the exercise of a power or discretion include a decision not to exercise the power or discretion;
- g. the meaning of general words is not limited by specific examples introduced by "including", "for example" or "such as" or similar expressions;
- h. "dollars", "A\$" or "\$" is a reference to the lawful currency of Australia;
- i. references to the rules includes a reference to any Vesting Condition, any Exercise Condition and any Supplementary Condition; and
- j. the reference to Share in the definition of an Option in rule 1 includes a reference to a Share resulting from an adjustment.

Headings are for convenience only and do not affect the interpretation of these rules.

## 2 PURPOSE AND COMMENCEMENT

### 2.1 Purpose

The Plan provides Eligible Persons with an opportunity to acquire an ownership interest or exposure to an ownership interest in the Company.

### 2.2 Commencement

The Plan commences on the date that the Company determines.

### 2.3 Rules are binding

The Company, each Group Company and each Participant are bound by these rules.

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### **3 INVITATION**

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#### **3.1 Eligibility**

The Board may determine the Eligible Persons who are eligible to participate in the Plan from time to time.

#### **3.2 Invitations**

From time to time the Board may make an Invitation to an Eligible Person who is eligible to participate in the Plan in accordance with rule 3.1.

#### **3.3 Form of Invitation**

An Invitation may be made on such terms and conditions as the Board decides, including:

- a. the number of Options and/or Performance Rights for which that Eligible Person may apply;
- b. the amount payable (if any) for the grant of an Option or how it is calculated;
- c. the Exercise Price or how it is calculated;
- d. that Performance Rights have a zero Exercise Price;
- e. the Vesting Date or when Options or Performance Rights are exercisable;
- f. whether Performance Rights are automatically exercised on their Vesting Date;
- g. any Vesting Condition;
- h. any Exercise Condition;
- i. any Supplementary Condition; and
- j. the Exercise Period or how it is calculated.

Each Invitation must be accompanied by an Application Form.

#### **3.4 Participant agrees to be bound**

Each Participant, by submitting a completed Application Form, agrees to be bound by:

- a. the terms of the Invitation and Application Form;
- b. this Plan, as amended from time to time; and
- c. the constitution of the Company, as amended from time to time.

#### **3.5 Acceptance of Application**

The Application must be in the form included with the Invitation, and may not be made on the basis that it is subject to any terms and conditions other than those specified in the Invitation.

The method of acceptance of an Application must be set out in the Application Form, including:

- a. the name or title of the person to whom the Application must be sent; and
- b. the date and time by which the Application must be received by or on behalf of the Company.

#### **3.6 When the Company must receive the Application**

For an Application to be effective, it must be received by or on behalf of the Company by the time and date specified in the Invitation, unless otherwise determined by the Board.



## 4 APPLICATION AND ACCEPTANCE

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### 4.1 Application

To participate in the Plan, an Eligible Person must make an offer specified for the Options and/or Performance Rights in the Invitation by completing, signing and returning the Application Form to the person and by the time and date specified in the Application Form.

### 4.2 Acceptance

The offer made by an Eligible Person is accepted by the Company at the discretion of the Board granting Options and/or Performance Rights to the Eligible Person as specified in the Invitation, subject to the Terms and Conditions of Grant.

### 4.3 When Applications will not be accepted

An Application will not be accepted if, at the date the Application would otherwise be accepted, the applicant:

- a. is not an Eligible Person;
- b. has given their Employer notice of their resignation as an Eligible Person; or
- c. has been given notice of termination of employment as an Eligible Person or if, in the opinion of the Board, they have tendered their resignation to avoid dismissal.

### 4.4 Board's discretion

The Board may determine that an Application by an Eligible Person who would otherwise be eligible to participate under these rules will not be accepted.

### 4.5 Ceasing to be a Participant

A person ceases to be a Participant when all property or moneys to which the Participant is entitled under the Plan have been transferred or paid in accordance with these rules and the Trust Deed.

## 5 GRANT OF OPTIONS

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### 5.1 Company to grant Options and Performance Rights

On receipt of an application for Options and/or Performance Rights, the Company at the discretion of the Board may grant Options and/or Performance Rights to the Eligible Person specified in the Invitation, subject to the Terms and Conditions of Grant.

### 5.2 Certificate

Following the grant of Options and/or Performance Rights under rule 5.1, the Company will issue to the Participant a certificate or other document which states:

- a. the number of Options and/or Performance Rights granted;
- b. the Exercise Price;
- c. the Grant Date;
- d. where the Options and/or Performance Rights are comprised in two or more Tranches, the number of Options and/or Performance Rights in each Tranche;
- e. the Vesting Date;

- f. the Vesting Conditions, Exercise Conditions and/or Supplementary Conditions;
- g. the Exercise Period; and
- h. any other terms and conditions as determined by the Board.

### **5.3 Register of Options and Performance Rights**

Unless the Board determines otherwise, Options and Performance Rights granted under this Plan will be registered in the registers of the Company.

### **5.4 Restriction on dealing**

A Participant may not sell, assign, transfer or otherwise deal with, or grant a Security Interest over, an Option or Performance Right granted to the Participant. The Option or Performance Right lapses immediately on purported sale, assignment, transfer, dealing or grant of Security Interest, unless the Board in its absolute discretion approves (subject to such conditions as the Board sees fit) the dealing, or the transfer or transmission is effected by force of law on death or legal incapacity to the Participant's legal personal representative.

## **6 VESTING OF OPTIONS AND PERFORMANCE RIGHTS**

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### **6.1 Life of Option and Performance Right**

The latest date on which an Option or Performance Right lapses is the date of expiry of the Exercise Period.

### **6.2 Vesting**

An Option or Performance Right of a Participant vests on, and the Participant may exercise the Option or Performance Right only on or after:

- a. the Vesting Date for the Option or Performance Right provided that the Participant remains employed by a Group Company as at the Vesting Date; or
- b. any earlier date on which the Option or Performance Right vests and becomes exercisable under this rule 6.

### **6.3 Automatic vesting of Performance Rights**

Unless otherwise specified in an Invitation or in the certificate issued in accordance with clause 5.2, Performance Rights automatically become Vested Performance Rights on the Vesting Date.

### **6.4 Automatic vesting of Options and Performance Rights on occurrence of certain events**

All the unvested Options or Performance Rights of a Participant automatically become Vested Options or Vested Performance Rights if any of the following occurs:

- a. any person acquires or together with their associates acquire Shares, which when aggregated with Shares already held by that person and their associates, comprise more than 50% of the issued Shares;
- b. under section 413 of the Corporations Act, the court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company; or
- c. the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

**6.5 Accelerated vesting at Board's discretion**

Subject to the Terms and Conditions of Grant, the Board may determine that all or a portion of unvested Options or unvested Performance Rights of a Participant are to become Vested Options or Vested Performance Rights in any of the following circumstances:

- a. the Participant dies; or
- b. the Participant ceases to be employed by a Group Company for any other reason (including Total and Permanent Disablement, Redundancy, Retirement or Separation).

**6.6 Individual not treated as ceasing to be an employee**

For the purposes of rules 6 and 7, a Participant:

- a. is not treated as ceasing to be an employee of a Group Company unless and until the individual is no longer an employee of any Group Company, whether or not in the same capacity as at the time the Option or Performance Right was granted; and
- b. is treated as ceasing to be an employee of a Group Company if the individual is no longer an employee of any Group Company because:
  - I. the individual's employer ceases to be a Group Company, whether or not, after the cessation, the individual remains an employee of that employer; or
  - II. the individual is an employee of a business that is transferred to a person that is not a Group Company.

**7 LAPSE OF OPTIONS AND PERFORMANCE RIGHTS****7.1 Lapse of Options and Performance Rights**

Unless an Option or Performance Right vests at an earlier date, a Participant's unvested Option or unvested Performance Right lapses on the earliest of:

- a. the date of expiry of the Exercise Period;
- b. the Board making a determination that the Vesting Conditions, Exercise Conditions and/or Supplementary Conditions applicable to the Option or Performance Right are not satisfied and not capable of being satisfied in accordance with the Terms and Conditions of Grant and that the Option or Performance Right has lapsed;
- c. the Board making a determination under rule 7.2 that the Option or Performance Right has lapsed;
- d. 45 days after the Participant's death or Total and Permanent Disablement, if death or Total and Permanent Disablement occurs and the Board not making a determination during that period that the Option or Performance Right will become a Vested Option or Vested Performance Right;
- e. 45 days after the Participant ceasing to be employed by a Group Company by reason of Retirement or Redundancy and the Board not making a determination during that period that the Option or Performance Right will become a Vested Option or Vested Performance Right;
- f. immediately on the Participant ceasing to be employed by or a director of a Group Company for any other reason and the Board not making a determination that the Option or Performance Right will become a Vested Option or Vested Performance Right; or
- g. if the Board extends the time during which the Option may be exercised under rule 7.4, the expiry of that time.

**7.2 Option or Performance Right may lapse in the case of fraud or dishonesty**

If, in the opinion of the Board, a Participant:

- a. has committed (or it is evident the Participant intends to commit), any act (whether by omission or commission) which amounts or would amount to any of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the Participant's duties; or
- b. is convicted of a criminal offence (other than a minor motor traffic offence or other trivial offence which does not impact on the Participant's good fame and character or ability to perform his/her duties) or is guilty of any other wilful or recklessly indifferent conduct which, in the opinion of the Board, may injure or tend to injure the reputation and/or the business or operations of a Group Company,

the Board may declare that any unvested Option or Performance Right has lapsed, and the unvested Option or Performance Right lapses accordingly.

**7.3 Restrictions on exercise of Vested Options**

Unless the Exercise Period expires at an earlier date, a Vested Option and a Vested Performance Right (where there is no automatic vesting and exercise in accordance with rule 6.3) of a Participant lapses on the earliest of:

- a. the expiry of 12 months after the Participant's death or Total and Permanent Disablement;
- b. 6 months after the Participant ceases to be employed by a Group Company by reason of Retirement or Redundancy;
- c. 3 months after the Participant ceases to be employed by a Group Company for any other reason (other than termination with cause);
- d. the date (excluding any notice period) on which the Participant's employment with a Group Company is terminated with cause;
- e. 30 days after the Board makes a determination that an event in rule a or b has occurred; or
- f. if the Board extends the time during which the Option may be exercised under rule 7.4, the expiry of that time.

**7.4 Board may extend time for exercise by Participant**

Subject to the Listing Rules, the Board may, in its discretion, extend a period during which a Participant may exercise an Option or Performance Right under these rules, provided that the Board may not extend the Exercise Period. If the Board exercises its discretion under this rule 7.4 to extend a period during which a Participant may exercise an Option or Performance Right under these rules, the Board will give written notice of such extension to the Participant as soon as reasonably practicable.

**8 EXERCISE OF OPTIONS**

A Participant may exercise a Participant's Vested Option and a Vested Performance Right (where there is no automatic vesting and exercise in accordance with rule 6.3) that has not lapsed:

- a. in accordance with the Terms and Conditions of Grant; and
- b. in the case of an Option, by paying the Exercise Price to or as directed by the Company.

The total Exercise Price payable by a Participant on exercise of Options is the Exercise Price of an Option (expressed in cents to one decimal place) multiplied by the number of Options being exercised by that Participant, rounded up to the nearest cent.

Where in accordance with clause 6.3 Performance Rights automatically become Vested Performance Rights on the Vesting Date, those Performance Rights will be automatically exercised on that date.

## **9 DELIVERY OF SHARES ON EXERCISE OF OPTIONS AND PERFORMANCE RIGHTS**

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### **9.1 Issue or transfer**

As soon as reasonably practicable after the exercise of a Participant's Options or Performance Rights, the Board will instruct the Trustee to subscribe for, acquire and/or allocate the number of Shares comprised in each Option or Performance Right (expressed to four decimal places) multiplied by the number of Options or Performance Rights exercised by that Participant rounded down to the nearest whole number of Shares. Those Shares are to be held by the Trustee in the Trust on trust for the benefit of the Participant subject to the terms and conditions of the Trust Deed.

### **9.2 Shares to rank pari passu**

All Shares issued, acquired or allocated on the exercise of a Participant's Options or Performance Rights will rank pari passu in all respects with the Shares of the same class for the time being on issue, acquired or allocated (as the case may be) except for any rights attaching to the Shares by reference to a record date prior to the date of their allotment, acquisition or allocation.

### **9.3 Shares to be quoted on ASX**

If Shares of the same class as those issued, acquired or allocated (as the case may be) on the exercise of a Participant's Options or Performance Rights are quoted on the ASX, the Company will apply to the ASX as required by the Listing Rules for those Shares to be quoted.

## **10 VOTING RIGHTS AND NOTICES OF MEETINGS**

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### **10.1 Voting rights**

Where Shares are held by the Trustee on behalf of a Participant, the Participant may direct the Trustee by notice in writing as to how to exercise the voting rights attaching to those Shares held on their behalf by the Trustee, either generally or in respect of a particular resolution. The Trustee is only able to vote those Shares by proxy and may not vote those Shares by a show of hands. In the absence of any such direction, the Trustee must not exercise the voting rights attaching to the Shares held on behalf of the Participant by the Trustee.

### **10.2 Notice of meetings**

Where Shares are held by the Trustee on behalf of a Participant, the Company must, or by direction of the Board the Trustee must, forward to a Participant a copy of any notices of meetings of any Group Company received by the Trustee unless the Participant has notified the Trustee in writing that they do not wish to receive such notices.

## 11 WITHDRAWAL OF SHARES AND TRANSFER OF SHARES TO THE PARTICIPANTS

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### 11.1 Withdrawal of Shares generally

Any Shares held by the Trustee in the Trust for the benefit of a Participant pursuant to this Plan, will remain held in the Trust for the benefit of the relevant Participant and subject to this rule 11, until the Shares are withdrawn from the Trust:

- a. following the removal of any disposal restrictions on the Shares (including any Holding Lock) pursuant to rule 13;
- b. by the relevant Participant submitting (or being deemed to have submitted) to the Company a Withdrawal Notice;
- c. by the Board approving that Withdrawal Notice under this rule 11; and
- d. by the Trustee acting in accordance with any such approval by the Board by transferring the legal title in those Shares, or by selling those Shares, in accordance with the direction of the Participant.

### 11.2 Withdrawal Notice

A Participant may submit a Withdrawal Notice to the Company in respect of some or all of the Shares held by the Trustee on behalf of the Participant.

### 11.3 Board approval

The Board may approve the withdrawal from the Trust of all or a specified number of Shares held by the Trustee on behalf of a Participant if any of the following applies:

- a. the Participant has submitted a Withdrawal Notice to the Company in respect of the relevant number of Shares;
- b. the Participant ceases to be an Eligible Person (in which case the Participant will be deemed to have submitted a Withdrawal Notice in respect of all of the Shares held by the Trustee on behalf of that Participant and to have directed the Trustee to transfer the legal title in those Shares to the Participant); or
- c. the Exit Date has been reached (in which case, the Participant will be deemed to have submitted a Withdrawal Notice in respect of all of the Shares held by the Trustee on behalf of that Participant and to have directed the Trustee to transfer the legal title in those Shares to the Participant).

### 11.4 Specified time, interval or periods for approval

The Board may adopt procedures for the consideration of a Withdrawal Notice, which may (amongst other things) specify times, intervals or periods at or during which the Board will consider whether or not to approve a Withdrawal Notice submitted by a Participant from time to time.

### 11.5 Approval must not be unreasonably withheld

The Board must not unreasonably withhold their approval of the withdrawal of Shares from the Trust that are the subject of a Withdrawal Notice validly submitted by a Participant under this rule 11. For the avoidance of doubt, nothing in this rule 11 requires the Board to:

- a. deal with a Withdrawal Notice at an earlier time than the next time specified under any procedure adopted by the Board under rule 11.4; or

- b. approve a Withdrawal Notice where the Board is permitted by rule 11.6 to decline to act on that Withdrawal Notice.

### **11.6 Board may decline approval**

If a Participant owes money to any Group Company, the Board may decline to act on a Withdrawal Notice submitted, or deemed to have been submitted, by the Participant until arrangements (which are satisfactory to the Board) have been made for the payment of the money.

## **12 TRUSTEE**

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### **12.1 Rights and obligations**

The Board may determine and conclude agreements with the Trustee, and enforce or prosecute any rights and obligations under such agreements, without reference or recourse to the Participants under this Plan. Without limiting the Company's rights in this regard, the Company may, pursuant to and in accordance with any such agreements:

- a. provide funds to the Trustee in order to allow the Trustee to subscribe for and/or acquire Shares to be held on behalf of Participants under this Plan;
- b. pay the Trustee for services provided in connection with this Plan and the Trust;
- c. remove the Trustee and appoint a new trustee (and make any necessary arrangements or provisions for the transfer of Shares held by the Trustee for Participants to a new trustee); and
- d. otherwise exercise any rights, responsibilities or powers afforded to it under the Trust Deed.

### **12.2 Costs**

The Board may determine the manner in which any costs associated with the Trust and the costs incurred in the course of the performance by the Trustee of its role and duties under this Plan and the Trust Deed are to be borne.

### **12.3 Administration and holding of Shares**

The Trustee must administer the Trust and hold Shares under the Plan in accordance with this Plan, the Trust Deed and any procedures determined by the Company and as agreed to between the Board and the Trustee.

### **12.4 Register of Shares**

Unless the Board determines otherwise, Shares held by the Trustee on behalf of a Participant will be registered in the name of the Trustee, and Shares issued or transferred to the relevant Participant on withdrawal from the Trust will be appropriately registered in the Company's register.

## **13 RESTRICTIONS ON DEALINGS**

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### **13.1 Prohibition on hedging**

A Participant must not enter into an arrangement or deal in financial products which operate to limit economic risk of their Options or Performance Rights prior to the Vesting Date without prior written approval of the Board.

**13.2 Notification in relation to hedging of Vested Options**

Subject to rule 13.1, and all Applicable Laws, a Participant may enter into arrangements or deal in financial products which operate to limit the economic risk of their Vested Options or Performance Rights provided they give prior written notice to the Board.

**13.3 Restriction as to dealing with Shares**

The Board may impose any restriction as to disposal or other dealing by the Participant for any period in respect of the Shares referred to in rule 13.1:

- a. as part of the Terms and Conditions of Grant; or
- b. at anytime after the Grant Date but prior to the exercise of the Participant's Options or Performance Rights, subject to the agreement of the Participant.

**13.4 Enforcement of disposal restriction**

The Board may implement any procedure it deems appropriate that complies with the Listing Rules (or the terms of any waiver given under them by the ASX) to ensure compliance by the Participant with the restriction on disposal under rule 13.3.

**13.5 Holding Locks**

Without limiting rule 13.4, and subject to the Listing Rules, the Company may procure that a Holding Lock be put on those Shares while the Shares are subject to the restriction on disposal under rule 13.3.

**13.6 Participant's agreement**

By applying for and being granted Options or Performance Rights under these rules, each Participant undertakes that while the Shares acquired by or on behalf of the Participant as a result of the exercise of Options or Performance Rights are subject to any restriction procedure prescribed under rule 13.3, the Participant will not take any action or permit another person to take any action to remove the restriction procedure.

**13.7 Release of Shares from the Plan**

After the expiration of the restriction on disposal under rule 13.3, a Participant may submit an application to the Company or as directed by the Company for the removal of any transfer restriction (including any Holding Lock) imposed in accordance with rule 13.4 (in addition to lodging a Withdrawal Notice). The Board may determine whether to approve such application, which approval may not be unreasonably withheld.

**13.8 Expiry of restriction**

Upon the expiry of any restriction over a Share, the Company will take all actions reasonably necessary to ensure that the Participant can deal with the Share.

**14 ADJUSTMENT OF OPTIONS AND PERFORMANCE RIGHTS**

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**14.1 Bonus issue**

If the Company makes a bonus issue of Shares pro rata to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted in respect of an Option or Performance Right before the record date for determining entitlements to the bonus issue then the number of Shares over which the Option or Performance Right is exercisable will be increased by the



number of Shares which the Participant would have received if the Option or Performance Right had been exercised before the record date for the bonus issue.

## 14.2 Rights issue

If:

- Shares are offered pro rata for subscription by the Company's shareholders generally by way of a rights issue; and
- the price at which each Share is so offered is less than the Market Value on the day of public announcement of the rights issue, the Exercise Price of each Option is reduced according to the following formula unless the Exercise Price of the Option is nil:

$$O' = O - \frac{E [P - (S + D)]}{N + 1}$$

where:

O' = the new Exercise Price of the Option

O = the old Exercise Price of the Option

E = the number of Shares to which a Participant is entitled under one Option

P = the average market price per Share (weighted by reference to volume) sold in the ordinary course of trading on the ASX during the 5 trading days ending on the day before the ex rights date or ex entitlements date

S = the subscription price for a Share under the pro rata issue

D = the dividend due but not yet paid on the existing Shares (except those to be issued under the pro rata issue)

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

## 14.3 Sub-division, consolidation, reduction or return

If, on and from the Listing Date, there is any reorganisation, including any subdivision, consolidation, reduction or return of the issued capital of the Company, the number of Options or Performance Rights to which each Participant is entitled or the Exercise Price (in the case of an Option), or both, will be adjusted in the way specified by the Listing Rules from time to time.

## 14.4 Limited right to participate in new issues

Subject to the preceding paragraphs, during the currency of a Participant's Option or Performance Right and before its exercise, the Participant is not entitled to participate in any new issue of securities of the Company as a result of holding the Option or Performance Right.

## 14.5 Accumulation of adjustments

Full effect must be given to these rules 14.1, 14.2 and 14.3 as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect must be such as to reflect in relation to the Shares comprised in an Option or Performance Right the adjustments which on the occasions in question are progressively effective in relation to Shares already on issue. All adjustment calculations are to be to four decimal places and in the case of the Exercise Price (if any), to four decimal places expressed in cents.

Unless otherwise provided in these rules, a Participant has no right to:

- a. change the Exercise Price of the Option; and/or
- b. change the number of Shares over which the Option or Performance Right can be exercised.

## 15 ADMINISTRATION OF PLAN

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### 15.1 Board to administer Plan

The Plan is to be administered by the Board in accordance with these rules. The Board may make further provisions for the operation of the Plan which are consistent with these rules.

### 15.2 Board powers and discretions

Any power or discretion which is conferred on the Board by these rules must be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any power or discretion, under any fiduciary or other obligation to any other person.

### 15.3 Delegation of Board powers and discretions

Any power or discretion which is conferred on the Board by these rules including the power to invite Eligible Persons to participate in the Plan and to determine the terms and conditions of a Participant's Option or Performance Right may be delegated by the Board to:

- a. a committee consisting of such directors, other officers or employees of the Company, or any combination of such persons as the Board thinks fit;
- b. a related body corporate of the Company; or
- c. a third party, for such periods and on such conditions as the Board thinks fit.

### 15.4 Documents

The Company may from time to time require a person invited to participate in the Plan or a Participant to complete and return such other documents as may be required by law to be completed by that person or Participant, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that person or Participant.

### 15.5 Board decision - final and conclusive

The decision of the Board as to the interpretation, effect or application of these rules and all calculations and determination made by the Board under these rules are final, conclusive and binding in the absence of manifest error.

### 15.6 Suspension of Plan

The Board may from time to time suspend the operation of the Plan and may at any time cancel the Plan. The suspension or cancellation of the Plan must not prejudice any existing rights of Participants.

### 15.7 Compliance with Applicable Laws

Despite any other provision of these rules or any term or condition of the participation of any Participant in the Plan, no Option or Performance Right may be granted or exercised, if to do so would contravene any of the Applicable Laws.

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## 16 AMENDMENT OF THE PLAN

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### 16.1 Board may amend

Subject to rules 16.2 and 16.3, the Board may at any time by written instrument, amend all or any of the provisions of these rules, including this rule 16.

### 16.2 No reduction of existing rights

Any amendment to the provisions of these rules must not materially reduce the rights of any Participant as they existed before the date of the amendment, unless the amendment is introduced primarily:

- a. for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- b. to correct any manifest error or mistake;
- c. to enable contributions or other amounts paid by a member of the Group to the Plan to qualify as income tax deductions for that member or another member of the Group;
- d. to enable any Employer to reduce the amount of fringe benefits tax under the *Fringe Benefits Tax Assessment Act* 1986 (Cwlth), the amount of tax under the Tax Acts, or the amount of any other tax or impost that would otherwise be payable by the Employer in relation to the Plan;
- e. for the purpose of enabling the Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the Plan; or
- f. to enable the Plan or any Group Company to comply with the Applicable Laws.

### 16.3 Retrospective amendment possible

Subject to rule 16.2, any amendment made under rule 16.1 may be given retrospective effect as specified in the written instrument by which the amendment is made.

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## 17 TERMINATION OF THE PLAN

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The Plan terminates and is to be wound up (as provided below) on the occurrence of any of the following events:

- a. if an order is made or an effective resolution is passed for the winding up of the Company other than for the purpose of amalgamation or reconstruction; or
- b. if the Board determines that the Plan is to be wound up.

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## 18 MISCELLANEOUS PROVISIONS

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### 18.1 Rights of Participants

Nothing in these rules:

- a. confers on any person any expectation to become a Participant;
- b. confers on any Eligible Person or other person the right to be invited to apply for, to be offered or to receive any Option or Performance Right;
- c. confers on any Participant the right to continue as an employee of any Employer;
- d. affects any rights which any Employer may have to terminate the employment of any Eligible Person; or

- e. may be used to increase damages in any action brought against any Employer in respect of any termination of employment.

No person, whether a Participant or otherwise, has any claim, right or interest in respect of the Plan or other property of the Plan, whether against the Company or any other person, as a consequence of termination of the Eligible Person's employment or appointment or otherwise, except under and in accordance with these rules.

## **18.2 Instructions by Participants**

For the purposes of these rules, the Company, the Board and any Employer is entitled to regard any notice, direction or other communication given or purported to be given by or on behalf of a Participant (or a legal personal representative of a Participant) as valid, whether given orally or in writing. Any notice, direction or other communication given or purported to be given by or on behalf of a Participant (or a legal personal representative of a Participant) or any other person under these rules to the Company or the Employer is duly given only if actually received by the Company or Employer (as the case may be).

## **18.3 Notices**

Any notice, certificate, consent, approval, waiver or other communications given by the Board, the Company or the Employer is taken to have been duly given if:

- a. sent by electronic mail or delivered by hand;
- b. sent by ordinary prepaid mail, and is taken to have been served;
- c. if sent by electronic mail or delivered by hand, at the time of sending or delivery; or
- d. if posted, three Business Days (or, if posted to a Participant's address outside Australia, seven Business Days) after the date of posting.

Delivery, transmission and postage is to the address of any Participant as indicated on the Application Form, any other address as the Board or any Participant may notify to the other or in the case of a Participant who is an Eligible Person, the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of his or her office or employment.

## **18.4 Governing law**

These rules are governed by the laws in force in Victoria and are construed and take effect in accordance with those laws.

## **18.5 Payments net of tax**

If, when the Board makes or is deemed to make a payment to a Participant under these rules, the Board is obliged to deduct or withhold any amount of tax or other government levy or impost, the payment to the Participant is to be made net of the deduction or withholding.

## **18.6 Rounding**

Any calculation of a number of Shares under the Plan is to be rounded down to the nearest whole number.

Schedule – Notice of Withdrawal of Shares from the Trust

To the Trustee of the “Bell Financial Group Employee Share Trust”

Where Bell Financial Group Ltd (ACN 083 194 763) (“**Company**”) has instructed the Trustee of the “Bell Financial Group Employee Share Trust” (“**Trust**”) to subscribe for, acquire or allocate Shares and hold those Shares on my behalf, in accordance with rule 11 of the Bell Financial Group Ltd Long Term Incentive Plan (“**Plan**”) rules, I request that the Trustee of the Trust release from the Trust the following number of Shares held by the Trustee on my behalf:

Number of shares
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and provide the Trustee with the following instructions:

PLEASE TICK ONE BOX ONLY

Please transfer the legal title in the shares to me [    ]

Please transfer the legal title in the shares to my nominee, [    ]

Insert full name
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Please arrange for the sale of the shares on my behalf and provide [    ]  
me with the proceeds from the sale of those Shares (less any  
brokerage fees or other costs incurred by the Trustee resulting from that sale)

I acknowledge that this request is subject to, and must be read in conjunction with, the Plan rules, and I agree to be bound by the constitution of the Company.

Full name	Date
Signature	