

Dear shareholder,

RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

I am writing to you as the registered holder of shares in Bell Financial Group Limited (ASX:BFG) (**Bell Financial Group**) with a registered address outside of Australia and New Zealand (**Ineligible Shareholder**).

On 1 June 2018, Bell Financial Group announced that it is undertaking a renounceable 1 for 5 rights issue (**Entitlement Offer**) at an issue price of \$0.68 per share (**New Share**) to raise up to approximately \$36.4 million before costs of the Entitlement Offer. The Entitlement Offer will be made by way of an offer document pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) (**Offer Booklet**), meaning that Bell Financial Group will not issue a prospectus for the Entitlement Offer. Approximately 53,457,296 New Shares will be issued (subject to rounding).

The proceeds from the Entitlement Offer will be used by Bell Financial Group to acquire the 43.37% of Third Party Platform Pty Ltd it does not already own, increasing its ownership of Third Party Platform Pty Ltd to 100%, as approved by shareholders at the Annual General Meeting held on 30 May 2018.

The Entitlement Offer is open to all eligible shareholders (**Eligible Shareholders**) who:

- are registered as a holder of shares in Bell Financial Group as at 7:00pm (Melbourne time) on Wednesday, 6 June 2018 (**Record Date**);
- have a registered address in Australia or New Zealand;
- are not in the United States and are not a US person or acting for the account of or on behalf of a person in the United States or a US person; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The entitlements under the Entitlement Offer (**Entitlements**) are renounceable, which means that Eligible Shareholders who do not wish to exercise all or a portion of their Entitlements may choose to sell their Entitlements on ASX. New Shares will be fully paid and will rank equally with Bell Financial Group's existing issued shares.

If your registered address remains the same on Wednesday, 6 June 2018 at 7:00pm (Melbourne time) (**Record Date**), you will not be eligible to participate in the Entitlement Offer. A nominee arrangement has been put in place for Ineligible Shareholders, and you should read this letter carefully to understand what this means for you.

Eligibility criteria

The restrictions upon eligibility to participate in the Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to Bell Financial Group of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of shares they hold and the relatively low value of New Shares to which they would otherwise be entitled.

Bell Financial Group has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), that it would be unreasonable to make offers to shareholders in certain countries under the Entitlement Offer.

BELL FINANCIAL GROUP

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, Bell Financial Group wishes to advise you that it will not be able to extend the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

However, as the Entitlement Offer is renounceable, you may receive value for entitlements you would have received had you been eligible to participate in the Entitlement Offer.

Nominee

In order to comply with section 615 of the Corporations Act, Bell Financial Group has received approval from ASIC to appoint a nominee (**Nominee**) to acquire the Entitlements that Ineligible Shareholders would have been entitled to, and the Nominee will sell those Entitlements on their behalf.

The nominee sale procedure will be implemented in accordance with the Corporations Act as follows:

- Bell Financial Group will issue to the Nominee the Entitlements that Ineligible Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer (**Nominee Rights**);
- the Nominee will then sell the Nominee Rights at a price and otherwise in a manner determined by the Nominee in its absolute and sole discretion; and
- the net proceeds of the sale of the Nominee Rights (after deducting the costs of sale including brokerage and commission), if any, will be distributed to the Ineligible Shareholders for whose benefit the Entitlements are sold in proportion to their shareholdings as at the Record Date.

If the net proceeds of sale are less than the reasonable costs that would be incurred by Bell Financial Group for distributing those proceeds, the proceeds may be retained by Bell Financial Group. Accordingly, there is a possibility that Ineligible Shareholders may receive no net proceeds if the costs of the sale of the Nominee Rights are greater than the sale proceeds. Bell Financial Group and the Nominee will not be held liable for a failure to obtain any net proceeds, or for the sale of any of the Nominee Rights at any particular price or the timing of such sale.

For your information only, details regarding the Offer are set out in the Offer Booklet which Bell Financial Group lodged with the ASX on 1 June 2018. Copies of the Offer Booklet are available on Bell Financial Group's website at www.bellfg.com.au and on the ASX website.

If you have any queries regarding the Entitlement Offer, or if you believe you are an Eligible Shareholder, please contact Computershare Investor Services Pty Limited on 1300 850 505 (in Australia) or +61 3 9415 5000 (outside Australia).

On behalf of the Board of Bell Financial Group, we thank you for your continued support.

Yours faithfully,



Alastair Provan