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17 October 2019

Dear Shareholder

IMF BENTHAM LIMITED ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 15 October 2019, IMF Bentham Limited (**IMF** or the **Company**) announced a fully underwritten institutional placement and an accelerated non-renounceable entitlement offer to raise up to approximately A\$139 million (before costs).

The accelerated non-renounceable pro rata entitlement offer will be on the basis of one new fully paid ordinary share (**New Share**) for every 5.8 fully paid ordinary shares in the Company (**Share**) held by eligible shareholders as at 7.00pm (Sydney time) on 17 October 2019 (**Record Date**) at an issue price of A\$3.40 per New Share to raise up to approximately A\$120 million (before costs) (**Entitlement Offer**).

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. You should read this letter carefully to understand what this means for you.

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

The Entitlement Offer

The Entitlement Offer is fully underwritten and comprises of an offer to eligible institutional shareholders which was conducted on an accelerated basis (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) (**Retail Entitlement Offer**). The Institutional Entitlement Offer raised approximately A\$81.2 million (including the Institutional Entitlement Offer shortfall), and the Retail Entitlement Offer is expected to raise approximately A\$39 million. A total of approximately 35,000,000 New Shares will be issued (subject to rounding) under the institutional and retail components of the Entitlement Offer.

The Entitlement Offer is being underwritten by Citigroup Global Markets Australia Pty Limited (**Citi**).

An institutional bookbuild process was conducted by Citi on behalf of the Company during the offer period for the Institutional Entitlement Offer under which New Shares not taken up through the Institutional Entitlement Offer, and New Shares that would have been offered to ineligible shareholders, if they had been eligible to participate in the Entitlement Offer, were offered to institutional investors (**Institutional Shortfall Bookbuild**).

The Company intends to use the proceeds raised from the placement and Entitlement Offer (after costs) to partially fund the acquisition of Omni Bridgeway Holding B.V., fund the Company's obligations to contribute capital to funds managed or advised by the Company's group, to fund working capital and to increase balance sheet flexibility in support of the Company's future growth.

The Retail Entitlement Offer is being made by way of an offer document in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) (**Offer Document**), meaning that no prospectus needs to be prepared.

The Institutional Entitlement Offer and Institutional Shortfall Bookbuild was conducted between 15 October 2019 and 17 October 2019.

The Entitlement Offer is non-renounceable which means that entitlements to participate in the Entitlement Offer cannot be sold or transferred.

The Offer Document in relation to the Retail Entitlement Offer was lodged with ASX on 17 October 2019 and is expected to be despatched to eligible retail shareholders on or around 22 October 2019.

Eligibility criteria

Institutional Entitlement Offer

The Institutional Entitlement Offer has already closed and the results were announced on ASX on 17 October 2019.

Retail Entitlement Offer

A person will be eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholder**) if they are a registered holder of ordinary shares in the Company as at 7.00pm (Sydney time) on the Record Date and:

- (a) have a registered address on the IMF share register in Australia or New Zealand;
- (b) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- (c) were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- (d) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

The restrictions upon eligibility under the Entitlement Offer arise because of the legal and regulatory requirements in countries where the Entitlement Offer is not extended, and the potential costs to IMF of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing ordinary shares in the Company they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled.

IMF has determined, pursuant to section 9A(3)(a) of the Corporations Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders with a registered address in certain countries under the Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria set out above, accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, IMF wishes to advise that it is unable to extend to you the opportunity to participate in the Entitlement Offer. If our records are incorrect on this matter, please contact the Company Secretary of IMF, Jeremy Sambrook, on +61 8 9225 2300. You will not be sent the documents relating to the Entitlement Offer or be able to subscribe for New Shares under the Entitlement Offer.

Ineligible Shares

New Shares (**Ineligible Institutional Shares**) that would have been offered under the Entitlement Offer to those institutional IMF shareholders determined by IMF to be ineligible to participate in the Institutional Entitlement Offer (**Ineligible Institutional Shareholders**), had they been entitled to participate in the Institutional Entitlement Offer, were offered for issue under the Institutional Shortfall Bookbuild.

The price at which Ineligible Institutional Shares will be issued under the Institutional Shortfall Bookbuild and/or the underwriting arrangements will be the same as the issue price under the Entitlement Offer (A\$3.40 per Share). Accordingly, there will be no net proceeds of that issue in excess of the issue price under the Entitlement Offer and Ineligible Institutional Shareholders will not receive any payment or value in connection with the Ineligible Institutional Shares.

New Shares (**Ineligible Retail Shares**) that would have been offered under the Entitlement Offer to those retail IMF shareholders determined by IMF to be ineligible to participate in the Retail Entitlement Offer (**Ineligible Retail Shareholders**), had they been entitled to participate in the Retail Entitlement Offer, will be issued pursuant to the underwriting arrangements between IMF and Citi. The price at which the Ineligible Retail Shares will be issued under the underwriting arrangements between IMF and Citi will be the same as the issue price under the Entitlement Offer (A\$3.40 per Share). Accordingly, there will be no net proceeds of that issue in excess of the issue price under the Entitlement Offer and Ineligible Retail Shareholders will not receive any payment or value in connection with the Ineligible Retail Shares.

Offer Document

The Company will lodge the Offer Document with ASX on 17 October 2019, and it is available on the ASX website at www.asx.com.au and also on the Company's website at www.imf.com.au. The Company expects to dispatch the Offer Document to shareholders of the Company on or about 22 October 2019. The Offer Document will provide further details of the Entitlement Offer in detail.

If you have any queries in relation to the Entitlement Offer or the Shortfall Offer, please do not hesitate to contact the Company Secretary of IMF, Jeremy Sambrook, on +61 8 9225 2300.

On behalf of the Board, we thank you for your continued support of the Company.

Yours faithfully

Jeremy Sambrook
Company Secretary

Important Notices

This notice is issued by IMF. This notice is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in IMF in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of IMF ordinary shares.

Because of legal restrictions, you must not send copies of this letter or any material in relation to the Entitlement Offer to any person outside Australia or New Zealand. Failure to comply with these restrictions may result in violations of applicable securities law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand.

The provision of this document is not, and should not be considered as, a securities recommendation or financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your stockbroker, accountant, taxation adviser, financial adviser or other professional adviser.

Important Notice to Nominees

Because of legal restrictions, you must not send copies of this letter nor any material relating to the Retail Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand except to: (i) beneficial shareholders who are professional or institutional shareholders in other countries listed in, and to the extent permitted under, the "International Offer Restrictions" section of the Investor Presentation included in the Retail Entitlement Offer Booklet and (ii) beneficial shareholders in other countries where IMF may determine it is lawful and practical to make the Retail Entitlement Offer, in each case, only with IMF's prior consent.

United States

This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction outside Australia or New Zealand. Any securities described in this notice have not been, and will not be registered, under the US Securities Act of 1933, as amended (**US Securities Act**) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.