



Bentley
Capital Limited

**NOTICE OF
ANNUAL
GENERAL MEETING &
EXPLANATORY STATEMENT**

Time and:	11:30 am (Sydney time)
Date of Meeting	on Thursday, 28 November 2013
Place of Meeting:	Wentworth Room Sofitel Sydney Wentworth 61-101 Phillip Street Sydney, New South Wales

IMPORTANT NOTICE

This document is important and requires your immediate attention. If you are unsure what to do or have any questions in relation to the Annual General Meeting, you should contact your legal, financial or other professional adviser as soon as possible. If you have already sold all of your Bentley Shares, please ignore this document.

This Notice of Annual General Meeting and Explanatory Statement is dated 21 October 2013.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of Shareholders of Bentley Capital Limited A.B.N. 87 008 108 218 (**BEL** or the **Company**) will be held in the Wentworth Room, Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales at 11:30 am (Sydney time) on Thursday, 28 November 2013.

AGENDA

ORDINARY BUSINESS

1. Chairman's Review

2. 2013 Annual Report

To consider and receive the Directors' Report, Financial Report and Audit Report of the Company for the financial year ended 30 June 2013.

The 2013 Annual Report will be sent to those Shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2013 Annual Report may be viewed and downloaded from the Company's website: www.bel.com.au or emailed to Shareholders upon request to info@bel.com.au, when available.

3. Resolution 1 - Approve Return of Capital

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Part 2J.1 of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders approve the Company reducing its Share capital by returning one cent per Share to Shareholders registered as at the Record Date, and otherwise on the terms outlined in the Explanatory Statement to this Notice of AGM."

4. Resolution 2 - Re-election of Farooq Khan as Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Farooq Khan, having retired by rotation pursuant to clause 5 of the Company's constitution, being eligible, be and is hereby re-elected as a Director of the Company."

5. Resolution 3 - Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution as an advisory, non-binding resolution:

"That the Remuneration Report as detailed in the Directors' Report for the financial year ended 30 June 2013 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this resolution.

Voting Exclusion: The Company will disregard any votes cast on this resolution (in any capacity, except as specified below) by or on behalf of a member of "Key Management Personnel" (as defined in the Accounting Standards) and their "Closely Related Parties" (as defined in the *Corporations Act 2001 (Cth)*) (together, the **Restricted Voters**).

Key Management Personnel (**KMP**) are the Company's Directors and Executives identified in the Company's Remuneration Report (which is included in the 2013 Annual Report).

A Closely Related Party of a KMP means a spouse or child of the KMP, a child of the KMP's spouse, a dependant of the KMP or the KMP's spouse, anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company or a company the KMP controls.

However, a Restricted Voter may cast a vote on this resolution as a proxy, for a person other than a Restricted Voter, if either:

- (a) the Proxy Form specifies the way the proxy is to vote on the resolution; or
- (b) the proxy is the Chair of the meeting and the Proxy Form expressly authorises the Chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

Shareholders should note that if they appoint the Chair as a proxy, or the Chair is appointed by default under the Proxy Form, and the Chair is not directed as to how to vote on Resolution 3 then, on the poll for that item, the Chair intends to vote any undirected proxies in favour of Resolution 3.

Shareholders may also choose to direct the Chair to vote against the resolution or to abstain from voting on the resolution.

Dated: 21st day of October 2013

By order of the Board,



Victor Ho
Company Secretary

NOTES:

- Attached to and forming part of this Notice of AGM is an Explanatory Statement (being referred to together as the **Meeting Document**) that provides Shareholders with background information and further details of the resolutions to be considered at the meeting. The information provided is intended to assist Shareholders in understanding the reasons for and effect of the resolutions, if passed.
- Capitalised terms used in this Notice of AGM have the meaning defined in the Glossary section of the Explanatory Statement.
- A copy of this Meeting Document has been lodged with ASIC and ASX. Neither ASIC nor ASX nor any of their respective officers takes any responsibility for the contents of the Meeting Document.

EXPLANATORY STATEMENT

- This Explanatory Statement is provided to Bentley Shareholders pursuant to and in satisfaction of the Corporations Act and the ASX Listing Rules.
- This Explanatory Statement is intended to be read in conjunction with the Notice of AGM.
- Shareholders should read this Meeting Document in full to make an informed decision regarding the resolutions considered at this AGM.
- Capitalised terms and abbreviations in this Explanatory Statement have the meanings defined in the Glossary.
- A purpose of this Explanatory Statement is to:
 - (a) explain the effect of:
 - (i) Resolution 1 (Approve the Return of Capital); and
 - (ii) the Return of Capital which would be made to Shareholders if Resolution 1 is approved; and
 - (b) provide such information as prescribed in:
 - (i) the Corporations Act (including under section 256C of the Corporations Act); and
 - (ii) the Listing Rules (including Listing Rule 7.20),
- or as is otherwise, in the opinion of the Directors, material to the decision of Shareholders in deciding whether to approve Resolution 1.

1. CHAIRMAN'S REVIEW

The Chairman will present a Review of Operations. A copy of any formal presentations made in this regard will be lodged on ASX as a market announcement prior to the commencement of the AGM.

2. 2013 ANNUAL REPORT

Section 317 of the Corporations Act requires the Directors of the Company to lay before the AGM the Directors' Report, Financial Report and the Auditor's Report for the last financial year that ended before the AGM. These reports are contained within the Company's 2013 Annual Report.

A copy of the 2013 Annual Report will be sent to those Shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2013 Annual Report may be viewed and downloaded from the Company's website: www.bel.com.au or the ASX website (www.asx.com.au) under ASX Code: BEL or emailed to Shareholders upon request to info@bel.com.au, when available.

Shareholders as a whole will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports and on the business and operations of the Company but no resolution to adopt the reports will be put to Shareholders at the AGM.

Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report.

3. ORDINARY RESOLUTION 1 - APPROVE RETURN OF CAPITAL

3.1. Background

On 30 August 2013, the Company announced its intention to undertake a one cent per Share return of capital (**Return of Capital**). The Return of Capital is to be effected by the Company seeking Shareholder approval for a reduction in the Share capital of the Company by returning one cent per Share to Shareholders – this equates to an aggregate reduction of Share capital by approximately \$0.734 million based upon the Company's 73,350,541 Shares currently on issue.

Resolution 1 seeks Shareholders' approval for the Company to effect the Return of Capital as required under the Corporations Act.

3.2. Terms of Proposed Return of Capital

3.2.1. Return of Capital

The Company proposes to make a cash payment to Shareholders of one cent per Share as a return of capital. This equates to a reduction of Share capital by approximately \$733,506 based upon the Company's 73,350,541 Shares currently on issue.

The Record Date for determining entitlements to receive the Return of Capital is 4:00pm (Perth time) / 7:00pm (Sydney time) on Friday, 6 December 2013.

3.2.2. Payment Details

If Resolution 1 is approved by Shareholders, payments are expected to be made on or about Thursday, 12 December 2013.

Payments will be made by way of cheque or via direct bank transfer (if a Shareholder has lodged their Australian bank account details with the Company's Share Registry).

The Company advises Shareholders to complete the [Tax File Number \(TFN\) and Bank Account Notification Form](#) enclosed with the Meeting Document to provide their Australian bank account details to the Share Registry if they wish to receive their Return of Capital distribution by direct bank transfer (if they have not previously elected to received distributions by direct bank transfer).

3.2.3. Tax Treatment

Please refer to Section 3.6 below for information about the tax implications of the Return of Capital for Shareholders.

3.2.4. Indicative Timetable

Set out below is an indicative timetable for the Return of Capital (if Resolution 1 is approved by Shareholders):

Event	Date and Time
Latest time and date for lodgement of proxies	11:30 am (Sydney time) / 8:30 am (Perth time) Tuesday, 26 November 2013
Date of AGM	11:30 am (Sydney time) Thursday, 28 November 2013
Trading in Shares on an 'ex Return of Capital basis' (Ex Date)	Monday, 2 December 2013
Record Date for determining entitlement to participate in the Return of Capital	7:00 pm (Sydney time) / 4:00pm (Perth time), Friday, 6 December 2013
Implementation of the Return of Capital - anticipated date of distribution of funds and distribution statements to Shareholders	Thursday, 12 December 2013

* Dates and times are indicative only. The Company reserves the right to vary these dates and times. The Company will announce any changes to ASX if they occur.

3.3. Reasons for the Return of Capital

It is the Company's understanding that 2010 changes to the Corporations Act permit the payment of dividends based on a company 'balance sheet'/solvency test and not based on whether a company has a net profit. However, subsequent pronouncements from the Australian Taxation Office (ATO) and Commonwealth Treasury have raised issues with a company's ability to pay a dividend where they do not have a profit (i.e. either a current year net profit, unrealised 'capital profit' or retained earnings) notwithstanding the Company's understanding of the intended effect of the Corporations Act changes. Draft legislation released by Parliament late in 2012 (yet to be enacted) appears to confirm the ATO and Treasury position.

Based upon the pronouncements issued by the ATO and Commonwealth Treasury, the Company is unable to pay a fully franked dividend. The Company, however, currently holds uninvested capital in the form of cash and is therefore in a position to return capital to shareholders. Given the ongoing uncertainty in relation to the Company's ability to pay a dividend, the Directors have determined that it is appropriate for the Company to undertake the Return of Capital.

In determining the amount of capital to be returned to Shareholders, the Directors have allowed for the Company's planned capital commitments.

3.4. Financial Effects and Capital Structure

3.4.1. Amount and Source of Return of Capital

The Return of Capital is to be effected by the Company reducing its Share capital by returning one cent per Share to Shareholders – this equates to an aggregate reduction of Share capital by approximately \$733,506, based upon the Company's 73,350,541 Shares currently on issue.

The funds required to effect the one cent per Share Return of Capital will be sourced from the Company's existing cash reserves and liquid investments. If required, the Company will realise part of its liquid investments to fund the Return of Capital.

3.4.2. Effect on Capital Structure

The Company has 73,350,541 fully paid, ordinary Shares on issue as at the date of this Meeting Document. The Company does not have any other securities on issue.

No Shares will be cancelled as a result of the Return of Capital. Accordingly, the number of Shares held by each Shareholder will not change as a consequence of the Return of Capital. The Return of Capital will have no effect on the number of Shares on issue.

3.4.3. Effect on Shareholders

If Resolution 1 is approved, the Return of Capital will:

- (a) result in an equal return of capital being made on a pro-rata basis to all Shareholders - all Shareholders will participate equally in the Return of Capital in proportion with their Shareholding in the Company as at the Record Date;
- (b) enable a cash amount equal to one cent per Share to be paid to Shareholders holding Shares on the Record Date, with payment expected to be made in accordance with the Indicative Timetable set out above; and
- (c) not affect the number of Shares held by each Shareholder.

3.4.4. Effect on Creditors

Having regard to the Company's current, anticipated and contingent financial requirements, the Directors have assessed that the Return of Capital will not adversely impact the rights of the Company's creditors or the ability of the Company to pay its debts as and when they fall due.

3.4.5. Impact on Company's Investment Activities, Business and Growth Opportunities

In light of the Company's current financial position and the outflow of funds under the Return of Capital, in the opinion of the Board, notwithstanding the reduction in its capital base, the Return of Capital is not likely to have a material impact on the Company's ability to undertake its investment activities and fund investment opportunities.

3.4.6. Share Price Impact

If the Return of Capital is approved by Shareholders and implemented, Bentley Shares may trade at a lower Share price than they would have done had the Return of Capital not been implemented, reflecting the outflow of funds (represented by the Return of Capital amount per Share) from the Company. This is likely to occur from the "Ex Date", being the day that Shares commence trading without an entitlement to participate in the Return of Capital.

Bentley's recent post-tax NTA backings, VWAP and high and low ASX trading prices are as follows:

Month ending	High (cents)	Low (cents)	VWAP (cents)	NTA backing per share (post tax) (cents)
To 18 October 2013	16	15.5	15.6224	Not yet available
30 Sept. 2013	16.5	15.5	15.9254	26.3
31 Aug 2013	16	15.5	15.8243	26.4
31 July 2013	16	15.5	15.8947	25.8
30 June 2013	16	14.5	15.4144	24.5
31 May 2013	16.5	15.5	16.0037	25.2
30 April 2013	16	14.5	15.3691	26.4

3.4.7. Impact on Consolidated Financial Position

A post-Return of Capital Pro Forma Abridged Consolidated Statement of Financial Position is set out below to demonstrate the financial position of the Company after payment of the Return of Capital.

PRO FORMA ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
	Audited 30 June 2013	Return of Capital Adjustment	Pro-Forma 30 June 2013
	\$	\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	4,892,458	-	4,158,953
Financial Assets at Fair Value through Profit or Loss	13,057,774		13,057,774
Trade and Other Receivables	167,467		167,467
Other Current Assets	3,644		3,644
TOTAL CURRENT ASSETS	18,121,343	(733,505)	17,387,838
NON-CURRENT ASSETS			
Trade and Other Receivables	30,000		30,000
Resource Projects	-		-
Intangible Assets	312,026		312,026
Property, Plant and Equipment	15,123		15,123
Deferred Tax Asset	107,950		107,950
TOTAL NON-CURRENT ASSETS	465,099	-	465,099
TOTAL ASSETS	18,586,442	(733,505)	17,852,937
CURRENT LIABILITIES			
Trade and Other Payables	67,776		67,776
Provisions	142,600		142,600
TOTAL CURRENT LIABILITIES	210,376	-	210,376
NON-CURRENT LIABILITIES			
Deferred Tax Liability	107,950		107,950
TOTAL NON-CURRENT LIABILITIES	107,950	-	107,950
TOTAL LIABILITIES	318,326	-	318,326
NET ASSETS	18,268,116	(733,505)	17,534,611
EQUITY			
Issued Capital	19,820,093	(733,505)	19,086,588
Accumulated Losses	(1,551,977)		(1,551,977)
TOTAL EQUITY	18,268,116	(733,505)	17,534,611

The Pro Forma Abridged Consolidated Statement of Financial Position has been prepared on the following basis:

- (a) The starting position is derived from the audited accounts of the Company for the financial year ending 30 June 2013 (as reported in the Company's [30 June 2013 Full Year Report](#) released on ASX on 2 September 2013 and 2013 Annual Report (to be released prior to the date of the AGM));
- (b) Reflecting the position if the Return of Capital had been completed on 30 June 2013 – that is, \$733,506 will be returned to Shareholders based on 73,350,541 Shares on issue; and
- (c) In accordance with the measurement and recognition requirements of applicable Australian Accounting Standards and the Company's accounting policies (as reported in the Company's 2013 Annual Report).

The Pro Forma Abridged Consolidated Statement of Financial Position is presented in abbreviated form as a guide and does not contain all the disclosures that are usually provided in a financial report prepared in accordance with Australian Accounting Standards and the Corporations Act. The Pro Forma Abridged Consolidated Statement of Financial Position does not constitute a representation of the future financial position or prospects of the Bentley group.

Further information about the Company's business, financial position and prospects is contained in the [30 June 2013 Full Year Report](#) (released on ASX on 2 September 2013), 2013 Annual Report (to be released prior to the date of the AGM) and other Company announcements and reports which can be accessed on the Company's website at www.bel.com.au.

3.4.8. Impact on Dividend Policy

It is the intention of the Board to maintain its current dividend policy (as reported in the Company's [30 June 2013 Full Year Report](#) and 2013 Annual Report) after the Return of Capital.

3.4.9. Tax Implications for the Company

No taxation consequences are expected to arise for the Company as a result of effecting the Return of Capital.

3.5. Requirements for the Return of Capital, Financial Effects and Capital Structure

3.5.1. Part 2J.1 of the Corporations Act

(a) An Equal Reduction of Capital

Section 256B(2) of the Corporations Act provides that a capital reduction is an 'equal reduction' if:

- (i) it relates only to ordinary Shares;
- (ii) it applies to each holder of ordinary Shares in proportion to the number of ordinary Shares they hold; and
- (iii) the terms of the reduction are the same for each holder of ordinary Shares.

The proposed Return of Capital satisfies the criteria in section 256B(2) and, as such, is treated as an equal reduction of capital for the purposes of the Corporations Act.

(b) Statutory Requirements

Under section 256B(1) of the Corporations Act, a company may reduce its Share capital if the reduction satisfies three key requirements. The three requirements and how they are being met by the Company are:

(i) The reduction must be fair and reasonable to the Company's Shareholders as a whole

The Directors of the Company consider that the Return of Capital is fair and reasonable to all Shareholders of the Company, as it applies to all Shareholders equally having regard to the number of Shares in the Company held by each of them.

(ii) **The reduction does not prejudice the Company's ability to pay its creditors**

The Directors have reviewed the financial position of the Company, including its assets, liabilities, expected cashflow and capital requirements, and believe that the proposed Return of Capital will not prejudice the Company's ability to pay creditors. The Directors have also satisfied themselves as to the solvency of the Company following the implementation of the Return of Capital. Refer also to the Pro-Forma Abridged Consolidated Statement of Financial Position in Section 3.4.7 above.

(iii) **The reduction is approved by ordinary resolution at a general meeting of Shareholders under section 256C of the Corporations Act**

This requirement is being met through the holding of this AGM in which the Company is seeking Shareholder approval for the Return of Capital. As an ordinary resolution, Resolution 1 will be passed if at least 50% of the votes cast in person or by proxy by Shareholders at the meeting who are entitled to vote on Resolution 1 are cast in favour of Resolution 1.

The Directors are of the view that, subject to Shareholders approving Resolution 1, the Return of Capital meets the requirements of section 256B(1) of the Corporations Act and, as such, that the Company is permitted to undertake the Return of Capital for the purposes of that section.

3.5.2. ASX Listing Rule 7.20

The Return of Capital does not require approval of Shareholders under the Listing Rules. The following information is provided for the purposes of ASX Listing Rule 7.20:

- (a) The proposed Return of Capital will not change the number of Shares held by each Shareholder in the Company (or the amount, if any, unpaid on their Shares).
- (b) There are no options or other convertible securities on issue by the Company as at the date of this Meeting Document.

3.6. Taxation Considerations

The following is a general description of the Australian capital gains tax (CGT) consequences of Shareholders receiving the Return of Capital. The information applies only to Shareholders who hold their Shares on capital account and therefore may be assessed for tax under the CGT provisions in respect of all or a portion of the amount received under the Return of Capital. It does not apply to Shareholders who hold their Shares as trading stock in the course of carrying on a business of trading in Shares (e.g. in general, Shareholders who are professional share traders) or who hold their Shares for the purpose of sale at a profit. The tax consequences for those Shareholders may differ significantly from those discussed below. Such Shareholders should obtain their own tax advice.

The information below is based on current income tax legislation and administrative practices, but it is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of all Shareholders. These laws, the interpretation of them by the courts, and administrative practice may change at any time, and sometimes with retrospective effect. Bentley has not received a class ruling from the ATO for Shareholders who participate in the Return of Capital, nor does it intend to seek such a ruling.

The information in this document is not intended to be advice and should not be relied upon on that basis. **Shareholders should seek independent professional advice in relation to their own particular circumstances.**

(a) Tax considerations for Australian resident Shareholders

Reduction in cost base of a Share if cost base is more than Return of Capital amount

The Shareholder's cost base (and reduced cost base) in each Share held by them will be reduced by the amount of the Return of Capital per Share (i.e. one cent). This is likely to have the effect of increasing any capital gain the Shareholder later makes when it later disposes of its Shares, as the cost base of the Shares will be reduced pursuant to the Return of Capital.

Capital gain if Return of Capital amount exceeds cost base of a Share

If the amount of the Return of Capital per Share exceeds the Shareholder's cost base in a Share, a capital gain will arise to the extent to which the Return of Capital amount exceeds the cost base and the cost base will be reduced to nil.

Discounted capital gain

If a capital gain arises in the hands of a Shareholder, the Shareholder may qualify for the general CGT discount.

The CGT discount may apply if the Shareholder is an individual, a trust, a complying superannuation fund or a life insurance company to reduce the capital gain, by 50% for individuals and trusts and by 33 1/3% for complying superannuation funds and life insurance companies, where a Shareholder has held the Shares for a period of more than 12 months prior to receiving the Return of Capital amount.

CGT cost base of a Share

The CGT cost base of a Share will include the money the Shareholder paid to purchase the Share plus any incidental costs of purchase and sale of the Share. The CGT cost base of a Share acquired before 1 July 1999 may be indexed for inflation up to 30 September 1999 unless the CGT discount is applied (see above). The CGT cost base of a Share acquired on or after 1 July 1999 cannot be indexed for inflation.

Shareholders who acquired their Shares pursuant to the scheme of arrangement with Scarborough Equities Limited in March 2009 should refer to section 12 of the scheme booklet to Scarborough Shareholders (that was provided to ASX on 22 January 2009) for information in relation to the CGT cost base of their Shares. A copy of this scheme booklet may be provided upon request to the Company Secretary (cosec@bel.com.au).

(c) Tax considerations for foreign (non-Australian resident) Shareholders

A foreign resident Shareholder can disregard a capital gain from a CGT event if the CGT asset is not 'taxable Australian property'. Shares in Bentley should not be considered to be 'taxable Australian property' as Bentley does not hold (directly or indirectly) any interests in real property located in Australia. Consequently, any capital gain made directly by a non-resident Shareholder (described above) should be disregarded.

(d) Dividend substitution tax provisions

Shareholders should also be aware that there are a number of tax anti-avoidance provisions which can apply where a company distributes Share capital in preference to dividends. Bentley considers that the Return of Capital should not attract the application of any of those provisions. However, if those provisions applied to the Return of Capital then some or all of the amount returned may be taken to be an unfranked dividend (instead of the treatment outlined above) and the relevant part of the Return of Capital payment may be included in the Shareholder's assessable income or be liable to withholding tax.

(e) TFN notification

The Company advises Shareholders to complete the [Tax File Number \(TFN\) Notification Form](#) enclosed with the Meeting Documentation to ensure that no TFN withholding tax is required to be deducted from their share of the Return of Capital (if such withholding is required under the taxation laws).

3.7. Directors' Interests

The Company's Directors do not have a relevant interest (as defined under the Corporations Act) in Shares in the Company as at the date of this Meeting Document.

3.8. Directors' Recommendations

The Board believes that the Return of Capital is in the Company's best interests for the reasons set out in this Explanatory Statement.

All of the Directors recommend that Shareholders approve the proposed Return of Capital/Resolution 1, for the reasons outlined in this Explanatory Statement.

Shareholders may wish to vote against Resolution 1 for various reasons, for example if they believe that the Company should retain these surplus funds or use them in a different way.

3.9. No Other Material Information

This Explanatory Statement provides Shareholders with all information known to the Company which has not previously been disclosed to Shareholders that is material to the decision whether or not to vote in favour of Resolution 1.

Other than as set out in this Meeting Document, the Directors are not aware of any other information which may reasonably be expected to be material to the making of a decision by Shareholders on whether or not to vote in favour of Resolution 1.

3.10. Lodgement of Meeting Document with ASIC and ASX

In accordance with section 256C(5) of the Corporations Act, copies of the Meeting Document have been lodged with ASIC.

A copy of the Meeting Document has also been provided to ASX in accordance with Listing Rule 3.17.

Neither ASIC nor ASX nor any of their respective officers takes any responsibility for the contents of the Meeting Document.

4. ORDINARY RESOLUTION 2 - RE-ELECTION OF FAROOQ KHAN AS DIRECTOR

Resolution 2 seeks the re-election of Mr Farooq Khan as a Director of the Company.

Clause 5 of the Company's constitution requires one third of the Directors (or if that is not a whole number, the whole number nearest to one third) to retire at each AGM. The Director(s) who retire under this rule are those who have held office the longest since last being elected or appointed. If two or more Directors have been in office for the same period, those Directors may agree which of them will retire.

Mr Khan retires at the AGM under this rule. However, being eligible, he has offered himself for re-election as a Director of the Company. Mr Khan has been an Executive Director of the Company since 2 December 2003 and was most recently re-elected a Director at the 2010 AGM. Mr Khan's qualifications and experience are detailed in the Directors' Report in the Company's 2013 Annual Report.

5. ADVISORY NON BINDING RESOLUTION 3 - ADOPTION OF REMUNERATION REPORT

5.1. Remuneration Report

Resolution 3 seeks Shareholders' approval to adopt the 30 June 2013 Remuneration Report as disclosed in the Company's 2013 Annual Report (refer above for information on accessing the report).

Section 250R(2) of the Corporations Act requires the Company to present to its Shareholders for adoption the Remuneration Report.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to "Key Management Personnel" (being the Company's Directors and Executives identified in the Remuneration Report) (**KMP**), sets out remuneration details for each KMP, any service agreements and details of any performance-based and equity-based benefits provided to KMP (where applicable).

Shareholders attending the AGM will be given a reasonable opportunity as a whole to ask questions about, or make comments on, the Remuneration Report.

The vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

However, the Company notes that the Corporations Act was amended in June 2011 to introduce the so-called "two-strikes" rule - if at least 25% of the votes cast on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, Shareholders will have the opportunity to immediately vote on an ordinary "Board spill resolution" (**Spill Resolution**) at the second AGM.

At last year's (2012) AGM, a resolution to adopt the prior year (2012) Remuneration Report was put to the vote and 88.58% of "yes" votes (and 11.42% of "no" votes) were cast by Shareholders. This did not constitute a "first strike" for the Company.

If at least 25% of "no" votes are cast against Resolution 3 for the adoption of the Remuneration Report at this AGM, and then again at the next (2014) AGM, the Company will be required to immediately put a Spill Resolution to the 2014 AGM to approve calling another general meeting (the **Board Re-election Meeting**).

If the Spill Resolution is passed (by a simple majority at the next (2014) AGM), the Company must convene the Board Re-election Meeting within 90 days of the 2014 AGM.

All of the Directors who were in office when the Board approved the 2014 Remuneration Report, other than the Managing Director (where applicable), will be put up for re-election at the Board Re-election Meeting and will cease to hold office after the Board Re-election Meeting, unless re-elected at that meeting.

5.2. Directors' Recommendations

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM) that each Director (or any Closely Related Party of a Director) is excluded from voting their Shares on this resolution, the Directors recommend that Shareholders vote in favour of Resolution 3 to adopt the Remuneration Report.

5.3. Voting Exclusion

A voting exclusion applies to Resolution 3 in the terms set out in the Notice of AGM. In particular, the Restricted Voters may not vote on this resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP. The Chair will use any undirected/open proxies to vote in favour of Resolution 3.

The Company encourages Shareholders to indicate their voting direction FOR or AGAINST, or to ABSTAIN, opposite each resolution, including Resolution 3.

If Shareholders have appointed the Chair of the Meeting as their proxy (or the Chair of the Meeting becomes their proxy by default) under the Proxy Form, Shareholders can direct the Chair of the Meeting to vote FOR or AGAINST, or to ABSTAIN from voting on Resolution 3 by marking the appropriate Voting Direction box opposite that resolution.

However, if the Chair of the Meeting is proxy under the Proxy Form and Shareholders do not mark any of the Voting Direction boxes opposite Resolution 3, Shareholders are, in effect, directing the Chair to vote "FOR" the resolution as the Chair of the Meeting intends to vote undirected proxies in favour of Resolution 3.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this resolution.

6. GLOSSARY

AGM	the annual general meeting convened by the Notice of AGM
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 operating as the Australian Securities Exchange
ASX Listing Rules	the Listing Rules of ASX
ATO	Australian Taxation Office
Bentley or BEL	Bentley Capital Limited ABN 87 008 108 218
Board	the current Board of Directors of the Company
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day
Company	Bentley
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Directors	the current Directors of the Company
Ex Date	has the meaning given in Section 3.2.4 of this Explanatory Statement under the heading 'Indicative Timetable'
Explanatory Statement	the explanatory statement accompanying the Notice of AGM
Listing Rules	Listing Rules of the ASX
Meeting Document	the Notice of AGM, Explanatory Statement, Proxy Form and any accompanying documents despatched to Shareholders
NTA	net tangible assets
Notice of AGM	this Notice of AGM including the Explanatory Statement
Record Date	the date for determining entitlements to participate in the Return of Capital, being 7:00pm (Sydney time) on Friday, 6 December 2013
Return of Capital	the return of capital to be made pursuant to <u>Resolution 1</u> , as further described in the Explanatory Statement
Share	a fully paid ordinary Share in the capital of the Company
Shareholder	a holder of a Share
Share Registry	the Share registry of the Company, being Advanced Share Registry Limited ABN 14 127 175 946
VWAP	volume weighted average price

Unless otherwise stated, all references to sums of money, \$ and dollars are to Australian currency.

TIME AND PLACE OF AGM AND HOW TO VOTE

Venue

The Annual General Meeting of the Shareholders of Bentley Capital Limited will be held at:

Wentworth Room Sofitel Sydney Wentworth 61-101 Phillip Street, Sydney, New South Wales	commencing	11:30 am (Sydney time) Thursday, 28 November 2013
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Voting Rights

- At any meeting of the Shareholders, each Shareholder entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a Shareholder which is a corporation, by representative.
- Every person who is present in the capacity of Shareholder or the representative of a corporate Shareholder shall, on a show of hands, have one vote.
- Every Shareholder who is present in person, by proxy, by power of attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid Share held by him or her.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the venue set out above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of AGM as soon as possible and return it to the Company's Share Registry, either:

- by facsimile to (08) 9389 7871;
- by mail to Advanced Share Registry, PO Box 1156, Nedlands WA 6909; or
- by hand delivery to Advanced Share Registry, Suite 2, 150 Stirling Highway, Nedlands, Western Australia or Level 6, 225 Clarence Street, Sydney, New South Wales,

so that it is received **not later than 8:30am (Perth time) / 11:30am (Sydney time) on Tuesday, 26 November 2013.**

Bodies Corporate

A body corporate may appoint an individual as its authorised corporate representative to exercise any of the powers the body may exercise at meetings of a company's Shareholders. A properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Annual General Meeting. Previously-lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.

Voting by Attorney

A Shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the Annual General Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed above for the receipt of proxy appointments at least 48 hours before the Annual General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

Voting Entitlement

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations*, the Company has determined that for the purposes of the Annual General Meeting all Shares in the Company will be taken to be held by the persons who held them as registered Shareholders at 4:00pm (Perth time) / 7:00pm (Sydney time) on Tuesday, 26 November 2013 (**Voting Entitlement Time**). Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting. Subject to the voting exclusions noted earlier in the Notice of AGM, each Shareholder present has one vote on a show of hands, and one vote for every fully paid ordinary Share held on a poll.



ASX Code: BEL

Bentley Capital Limited
A.B.N. 87 008 108 218

CORPORATE OFFICE:

Suite 1, 346 Barker Road
Subiaco, Western Australia 6008

T | (08) 9214 9757
F | (08) 9214 9701
E | info@bel.com.au
W | www.bel.com.au

SHARE REGISTRY:

Advanced Share Registry Limited

Suite 2, 150 Stirling Highway
Nedlands, Western Australia 6009
PO Box 1156, Nedlands, WA 6909

Level 6, 225 Clarence Street
Sydney, New South Wales 2000
PO Box Q1736, Queen Victoria
Building, NSW 1230

T | (08) 9389 8033
F | (08) 9389 7871
E | admin@advancedShare.com.au
W | www.advancedShare.com.au

REGISTERED OFFICE:

Suite 202, Angela House
30-36 Bay Street
Double Bay, New South
Wales 2028

T | (02) 9363 5088
F | (02) 9363 5488

PROXY FORM

Bentley Capital Limited
A.B.N. 87 008 108 218

Website: www.bel.com.au

LODGE YOUR VOTE - PLEASE RETURN TO:

By mail:

PO Box 1156

Nedlands WA 6909

By facsimile: (08) 9389 7871

ENQUIRIES: (08) 9389 8033

or admin@advancedshare.com.au

{Name1}
{Name2}
{Name3}
{Name4}
{Name5}
{Name6} {POSTCODE}

Our Reference: BEL / {SUBREG} / {HINSRN}

Shareholding as at 23 October 2013: {BALANCE}

Current TFN Status: {TFN}

Current Payment Method: {PAY_MODE}

Current Election to Receive Hard Copy Annual Report: {ANNUAL}

A. Appointment of Proxy

I/we being a Shareholder/s of Bentley Capital Limited and entitled to attend and vote hereby appoint

The Chair of the
Meeting
(mark with)

OR

Write here the name of the
person you are appointing if
this person is someone other
than the Chair of the Meeting.

or failing the person named attending the Meeting, or if no person is named, the Chairman of the Annual General Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Annual General Meeting of Bentley Capital Limited to be held in the **Wentworth Room, Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, New South Wales, at 11:30am (Sydney time) on Thursday, 28 November 2013** and at any adjournment of such Annual General Meeting.

IMPORTANT:

The Company encourages Shareholders to indicate their voting direction FOR or AGAINST, or to ABSTAIN, against each resolution in Section B.

If you leave Section A blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy by default.

If you have appointed the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default) you can direct the Chair of the Meeting to vote FOR or AGAINST, or to ABSTAIN from voting on the Resolutions by marking the appropriate Voting Direction boxes in Section B below. However, note that under Section A, if the Chair of the Meeting is your proxy and you do not mark any of the Voting Direction boxes in Section B below you are, in effect, directing the Chair to vote "FOR" each resolution as the Chair of the Meeting intends to vote undirected proxies in favour of each resolution.

If you mark the ABSTAIN box for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll on that resolution.

YOUR ACKNOWLEDGEMENTS ON THE REMUNERATION-RELATED RESOLUTION

Chair to vote undirected proxies in favour of Resolution 3: I/We acknowledge that the Chair of the Meeting intends to vote undirected proxies in favour of Resolution 3.

Direction to Chair for voting on Resolution 3: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair of the Meeting becomes my/our proxy by default) but I/we have not marked any of the boxes opposite that resolution in Section B below, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolution 3 even though the Chair is, and those items are connected directly or indirectly with the remuneration of, a member of Key Management Personnel for the Company.

B. Voting Directions to Your Proxy - Please Mark to Indicate Your Directions

RESOLUTIONS

1. Approve Return of Capital

For

Against

Abstain

2. Re-Election of Farooq Khan as Director

For

Against

Abstain

3. Adoption of Remuneration Report

For

Against

Abstain

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

* If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

C. Change of Address and Annual Report Elections (see notes 1 and 2 overleaf)

- mark if you want to make any changes to your address details
- mark if you wish to receive a printed Annual Report by post
- mark if you wish to receive an electronic Annual Report by email and specify your email address below

D. Please Sign Here

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name

{TELEPHONE}

Email:

{Email}

Date

NOTES AND INSTRUCTIONS FOR COMPLETING PROXY FORM

1. **Change of Address:** Your pre-printed name and address is as it appears on the Share register of the Company. If this information is incorrect, please mark the box at **Section C** of the proxy form and make the correction at the top of the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your Shares using this form.

2. **Annual Report Elections:** Companies are no longer required to mail out printed annual reports to Shareholders. Instead, Shareholders can now make an election as follows:

- (a) make a written request for a hard copy annual report to be mailed to you; or
- (b) make a written request for an electronic copy of the annual report to be emailed to you.

If you wish to update your annual report elections, please complete **Section C** of the Proxy Form.

3. **Voting on Remuneration Matters:** The Company will disregard any votes cast on Resolution 3 (Adoption of Remuneration Report) by or on behalf of a "Key Management Personnel" (as defined in the Accounting Standards) and their "Closely Related Parties" (as defined in the *Corporations Act 2001*) (**Restricted Voter**). Key Management Personnel (**KMP**) are the Company's Directors and Executives identified in the Company's Remuneration Report. A Closely Related Party of a KMP means a spouse or child of the KMP, a child of the KMP's spouse, a dependant of the KMP or the KMP's spouse, anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company or a company the KMP controls. The Company need not disregard a vote if a vote is cast by a KMP on Resolution 3 as a proxy, for a person other than a Restricted Voter, and either:

- (a) you direct the KMP the way they are to vote on Resolution 3; or
- (b) if the Chair is your proxy, you expressly authorise him to vote as he sees fit on Resolution 3 under the Proxy Form even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Shareholders may also choose to direct the Chair to vote against this resolution or to abstain from voting.

4. You may direct your proxy how to vote by marking one of the voting direction boxes opposition each resolution. If you do not mark a voting direction box your proxy may, to the extent permitted by law, vote as they choose. If you mark more than one voting direction box on a resolution your vote will be invalid on that resolution.

5. Completion of a proxy form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.

6. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.

7. A proxy need not be a Shareholder of the Company.

8. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

9. If a representative of a company Shareholder is to attend the meeting, a properly executed original (or certified copy) of the appropriate 'Appointment of Corporate Representative' should be produced for admission to the meeting. Previously lodged Appointments of Corporate Representative will be disregarded by the Company.

10. **Signing Instructions :** You must sign this form as follows in the spaces provided at **Section D**:

Individual: Where the holding is in one name, the Shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: If you are signing under a Power of Attorney, you must lodge an original or certified copy of the appropriate Power of Attorney with your completed Proxy Form and produce a properly executed original (or certified copy) of that Power of Attorney at the Annual General Meeting.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

11. **Lodgment of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address/fax number below **not later than 8:30am (Perth time / 11:30am (Sydney time) on Tuesday, 26 November 2013** (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting. **Proxy Forms may be lodged** by posting, delivery or facsimile to the Company's Share Registry below:

Advanced Share Registry
PO Box 1156
Nedlands WA 6909

Advanced Share Registry
Suite 2, 150 Stirling Highway
Nedlands, Western Australia
or
Level 6, 225 Clarence Street
Sydney, New South Wales

By Facsimile: (08) 9389 7871