



**Bentley  
Capital Limited**

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

**Time and:  
Date of Meeting** 12:00 noon  
on Friday, 16 November 2012

**Place of Meeting:** Sofitel Sydney Wentworth  
Edwin Flack Room  
Level 5  
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 12 October 2012.

THIS IS A BLANK PAGE

## 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 Company**) will be held at **Sofitel Sydney Wentworth, Edwin Flack Room, Level 5, 61 - 101 Phillip Street, Sydney**, New South Wales at **12:00 noon on Friday, 16 November 2012**.

### AGENDA

#### ORDINARY BUSINESS

**1. Chairman's Review**

**2. 2012 Annual Report**

To consider and receive the Directors' Report, Financial Report and Audit Report of the Company for the financial year ended 30 June 2012.

The 2012 Annual Report will be sent to those Shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2012 Annual Report may be viewed and downloaded from the Company's website: [www.bel.com.au](http://www.bel.com.au) or emailed to Shareholders upon request to [info@bel.com.au](mailto: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 - Reduction of Share Capital and Accumulated Losses**

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

*"That approval is given for the Company to reduce the value of its Share capital and accumulated losses by \$780,692 without cancelling any fully paid Shares and otherwise on the terms outlined in the Explanatory Statement to this Notice of AGM, pursuant to section 258F of the Corporations Act 2001 (Cth), clause 137 of the Company's Constitution and for all other purposes."*

**5. Resolution 3 - Re-election of William Johnson as Director**

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

*"That Mr William Matthew Johnson, 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."*

## 6. Resolution 4 - 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 2012 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 (in any capacity) on this resolution 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 (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 2012 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, and 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 for the Company.

Shareholders should note that if it appoints 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 4 then, on the poll for that item, the Chair intends to vote any undirected proxies in favour of Resolution 4.

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

**Dated: 12<sup>th</sup> day of October 2012**

**By order of the Board,**



**Victor Ho**  
Company Secretary

**NOTES:**

- Attached to and forming part of this Notice of AGM is an Explanatory Statement 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 resolution considered at this AGM.
- Capitalised terms and abbreviations in this Explanatory Statement have the meaning defined in the Glossary section.
- 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. 2012 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 2012 Annual Report.

A copy of the 2012 Annual Report will be sent to those Shareholders who have elected to receive a printed version. Otherwise, an electronic version of the 2012 Annual Report may be viewed and downloaded from the Company's website: [www.bel.com.au](http://www.bel.com.au) or the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX Code: BEL or emailed to Shareholders upon request to [info@bel.com.au](mailto:info@bel.com.au), when available.

Shareholders will be provided with a reasonable opportunity as a whole 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 31 August 2012, the Company announced its intention to undertake a one cent per Share 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 \$0.733 million based upon the Company's 73,350,541 Shares currently on issue.

Resolution 1 seeks Shareholder approval for the Company to effect the Return of Capital as required under the Corporations Act and ASX Listing Rules.

### 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 8:00 pm (Sydney time) on Monday, 26 November 2012.

#### 3.2.2. Payment details

If Resolution 1 is approved by Shareholders, payments are expected to be made on or about 30 November 2012.

Payments will be made by way of cheque; the Company is currently investigating whether it would be practicable to effect payment 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 Documentation 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 this payment method is available).

#### 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
Latest date for lodgement of proxies	12:00 noon, 14 November 2012
Date of AGM	12:00 noon, Friday, 16 November 2012
Trading in Shares on an 'ex Return of Capital basis' (Ex Date)	Tuesday, 20 November 2012
Record Date for determining entitlement to participate in the Return of Capital	8:00 pm, Monday, 26 November 2012
Implementation of the Return of Capital - anticipated date of distribution of funds and distribution statements to Shareholders	Friday, 30 November 2012

\* All dates and times are indicative only. The Company reserves the right to vary these dates and times. All dates and times in this Meeting Document refer to Sydney time. The Company will make an announcement to ASX of any changes if they occur.

### 3.3. Reasons For The Return Of Capital

Although the Company incurred a net loss for the 2011/2012 financial year, it is the Company's understanding that 2010 changes to the Corporations Act permits 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' (ie. 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.

The Company 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, which has not been redressed by further Treasury/legislative clarity to date, 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 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 trade without an entitlement to participate in the Return of Capital.

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

For Month Ending	High (cents)	Low (cents)	VWAP (cents)	NTA Backing (post tax) (cents)
October-2012 (to 12 October 2012)	16.5	15.5	15.924	Not yet available
30-Sep-2012	17.0	16.0	16.763	26.8
31-Aug-2012	17.5	15.5	16.628	26.0
31-Jul-2012	17.5	15.0	15.980	28.4
30-Jun-2012	16.5	15.0	15.260	27.0
31-May-2012	20.5	16.5	18.559	29.0

**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.

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

- The starting position is derived from the audited accounts of the Company for the financial year ending 30 June 2012 (as reported in the Company's [30 June 2012 Full Year Report](#) released on ASX on 31 August 2012 and 2012 Annual Report (to be released prior to the date of the AGM));
- Reflecting the position if the Return of Capital had been completed on 30 June 2012 – that is, \$733,506 will be returned to Shareholders based on 73,350,541 Shares on issue; and
- 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 2012 Annual Report).

## PRO FORMA ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 30 June 2012 \$	Return of Capital Adjustment \$	Pro-Forma 30 June 2012 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4,947,792	(733,505)	4,214,287
Financial assets held at fair value through profit and loss	15,171,413		15,171,413
Trade and other receivables	224,583		224,583
Other current assets	3,600		3,600
<b>TOTAL CURRENT ASSETS</b>	<b>20,347,388</b>	<b>(733,505)</b>	<b>19,613,883</b>
<b>NON CURRENT ASSETS</b>			
Resource project	64,863		64,863
Property, plant and equipment	10,765		10,765
Deferred tax assets	5,188		5,188
<b>TOTAL NON CURRENT ASSETS</b>	<b>80,816</b>	<b>-</b>	<b>80,816</b>
<b>TOTAL ASSETS</b>	<b>20,428,204</b>	<b>(733,505)</b>	<b>19,694,699</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	231,131		231,131
Provisions	120,046		120,046
<b>TOTAL CURRENT LIABILITIES</b>	<b>351,177</b>	<b>-</b>	<b>351,177</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	-		-
Deferred tax liabilities	5,188		5,188
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>5,188</b>	<b>-</b>	<b>5,188</b>
<b>TOTAL LIABILITIES</b>	<b>356,365</b>	<b>-</b>	<b>356,365</b>
<b>NET ASSETS</b>	<b>20,071,839</b>	<b>(733,505)</b>	<b>19,338,334</b>
<b>EQUITY</b>			
Issued capital	22,067,796	(733,505)	21,334,291
Accumulated losses	(1,995,957)		(1,995,957)
<b>TOTAL EQUITY</b>	<b>20,071,839</b>	<b>(733,505)</b>	<b>19,338,334</b>

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 an annual 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 2012 Full Year Report](#) (released on ASX on 31 August 2012), 2012 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](http://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 2012 Full Year Report](#) and 2012 Annual Report) post-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. Section 256 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' under the Corporations Act if:

- (i) it relates only to ordinary Shares; and
- (ii) 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 can 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 the proposed Return of Capital will not prejudice the Company's ability to pay creditors and to continue with the current on-market Buy-Back. 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 (eg. 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 (ie. 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 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 - REDUCTION OF SHARE CAPITAL AND ACCUMULATED LOSSES

Resolution 2 seeks Shareholder approval for the Company to reduce the value of its Share capital and accumulated losses by \$780,692.

Section 258F of the Corporations Act provides that a company may reduce its Share capital by cancelling any paid up Share capital that is lost or not represented by available assets, provided that the company does not cancel any Shares.

Clause 137 of the Company's Constitution also permits the Company to reduce its Share capital by any means allowed by the Corporations Act, subject to compliance with the ASX Listing Rules.

Under this proposed Share capital reduction, the Company will not be returning any capital to Shareholders nor cancelling any Shares.

This transaction will not affect the Company's investment activities or general operations.

It will essentially be an accounting entry that allows the Company to remove from its books historical accumulated accounting losses that affect the ability of the Company to retain current and future earnings from which, potentially, future dividends may be paid.

The reduction has no effect on the carried-forward tax losses of the Company nor does it change the number of Shares currently on issue or the net asset position of the Company.

The Directors propose to reduce the value of the Company's Share capital against the Company's accumulated losses by \$780,692, being an amount that is not represented by available assets. The impact of the accounting treatment of this Share capital reduction is as follows (using the audited financial statements for 30 June 2012):

30 June 2012 Company	Pre Share Capital Reduction	Post Share Capital Reduction	Changes
Equity:			
Issued Capital	\$22,067,796	\$21,287,104	(\$780,692)
Accumulated Losses	(\$1,995,957)	(\$1,215,265)	\$780,692
<b>Total Equity</b>	<b>\$20,071,839</b>	<b>\$20,071,839</b>	<b>No change</b>

## 5. ORDINARY RESOLUTION 3 - RE-ELECTION OF WILLIAM JOHNSON AS DIRECTOR

Resolution 3 seeks the re-election of Mr William Matthew Johnson 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 Johnson retires at the AGM under this rule. However, being eligible, he has offered himself for re-election as a Director of the Company. Mr Johnson has been an Executive Director of the Company since 13 March 2009 and was most recently re-elected a Director at the 2009 AGM. Mr Johnson's qualifications and experience are detailed in the Directors' Report in the Company's 2012 Annual Report.

## 6. ADVISORY NON BINDING RESOLUTION 4 - ADOPTION OF REMUNERATION REPORT

Resolution 4 seeks Shareholder approval to adopt the 30 June 2012 Remuneration Report as disclosed in the Company's 2012 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 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 and any service agreements and sets out the 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 4 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 AGM's 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 (2011) AGM, a resolution to adopt the prior year (2011) Remuneration Report was put to the vote and 76.4% of "yes" votes (and 23.6% 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 4 for the adoption of the Remuneration Report at this AGM, and then again at the next (2013) AGM, the Company will be required to immediately put a Spill Resolution to the 2013 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 (2013) AGM), the Company must convene the Board Re-election Meeting within 90 days of the 2013 AGM.

All of the Directors who were in office when the Board approved the 2013 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.

The Spill Resolution and the Board Re-election Meeting has the potential that the entire Board of Directors (other than the Managing Director (where applicable) is removed from office. However, as a public company is required to have a minimum of 3 directors, the Corporations Act includes a mechanism to ensure that the Company will have at least 3 directors (including the Managing Director, where applicable) after the Board Re-election Meeting.

That is, if at the Board Re-election Meeting, at least 3 Directors are not re-elected by ordinary resolution (ensuring the Board comprises a minimum of 3 Directors, as the Company does not currently have a Managing Director), up to 3 Relevant Directors with the highest percentage of votes favouring their re-election cast at the Board Re-election Meeting on the resolution for their re-election will be taken to be appointed as Directors of the Company (even if the resolution for their re-election as a Director did not pass at the Board Re-election Meeting).

## **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 4 to adopt the Remuneration Report.

## **Voting Exclusion**

A voting exclusion applies to Resolution 4 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 4.

The Company encourages Shareholders to indicate their voting direction FOR or AGAINST, or to ABSTAIN, against each resolution, including Resolution 4.



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 4 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 4, 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 4.

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

**7. GLOSSARY**

<b>AGM</b>	the annual general meeting convened by the Notice of AGM
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited ACN 008 624 691 operating as the Australian Securities Exchange
<b>ASX Listing Rules</b>	the Listing Rules of ASX
<b>ATO</b>	Australian Taxation Office
<b>Bentley or BEL</b>	Bentley Capital Limited ABN 87 008 108 218
<b>Board</b>	the current Board of Directors of the Company
<b>Business Day</b>	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
<b>Company</b>	Bentley
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i>
<b>Directors</b>	the current Directors of the Company
<b>Ex Date</b>	has the meaning given in Section 3.2.4 of this Explanatory Statement under the heading 'Indicative Timetable'
<b>Explanatory Statement</b>	the explanatory statement accompanying the Notice of AGM
<b>Listing Rules</b>	Listing Rules of the ASX
<b>Meeting Document</b>	the Notice of AGM, Explanatory Statement, Proxy Form and any accompanying documents despatched to Shareholders
<b>NTA</b>	net tangible assets
<b>Notice of AGM</b>	this Notice of AGM including the Explanatory Statement
<b>Record Date</b>	the date for determining entitlements to participate in the Return of Capital, being 8:00pm (Sydney time) on Monday, 26 November 2012
<b>Return of Capital</b>	the return of capital to be made pursuant to <u>Resolution 1</u> , as further described in the Explanatory Statement
<b>Share</b>	a fully paid ordinary Share in the capital of the Company
<b>Shareholder</b>	a holder of a Share
<b>Share Registry</b>	the Share registry of the Company, being Advanced Share Registry Limited ABN 14 127 175 946
<b>VWAP</b>	volume weighted average price

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

# 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:

Sofitel Sydney Wentworth	commencing	12:00 noon (Sydney time)
Edwin Flack Room		Friday, 16 November 2012
Level 5		
61 - 101 Phillip Street, Sydney, New South Wales		

## 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.

## Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the venue 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 12:00 noon Sydney time on Wednesday, 14 November 2012.**

## Online Voting

To vote online, please visit the Company's Share Registry website: [www.advancedShare.com.au](http://www.advancedShare.com.au) and enter the Investor Login section. Shareholders will need to enter their Shareholder Reference Number (SRN) or CHESS Holder Identification Number (HIN) pertaining to their Shareholding in the Company.

## 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 8:00pm Sydney time on Wednesday, 14 November 2012 (**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:**

Level 14, The Forrest Centre  
221 St Georges Terrace  
Perth, Western Australia 6000

**T** | (08) 9214 9757  
**F** | (08) 9322 1515  
**E** | [info@bel.com.au](mailto:info@bel.com.au)  
**W** | [www.bel.com.au](http://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

**T** | (08) 9389 8033  
**F** | (08) 9389 7871  
**E** | [admin@advancedShare.com.au](mailto:admin@advancedShare.com.au)  
**W** | [www.advancedShare.com.au](http://www.advancedShare.com.au)

Level 6, 225 Clarence Street  
Sydney, New South Wales 2000  
PO Box Q1736, Queen Victoria  
Building, NSW 1230  
**T** | (02) 8096 3502

**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**  
By Mail: Advanced Share Registry  
PO Box 1156  
Nedlands WA 6909  
By Facsimile: (08) 9389 7871  
By Online Voting: www.advancedShare.com.au  
ENQUIRIES: (08) 9389 8033 or admin@advancedShare.com.au

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

Our Reference: BEL / {REGISTER}  
Shareholding as at 12 October 2012: {UNITS}  
Current TFN Status: {TFN}  
Current Payment Method: {PAYMENT\_METHOD}  
Current Election to Receive Hard Copy Annual Report: {ANN\_REP [if  
"E"=Email; "1"=Hard-copy; "0"=No Election]}

## 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

OR

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

(mark with )

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 at the **Sofitel Sydney Wentworth, Edwin Flack Room, Level 5, 61-101 Phillip Street, Sydney, New South Wales, at 12:00 noon on Friday, 16 November 2012** 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.

### YOUR ACKNOWLEDGEMENTS ON REMUNERATION RELATED RESOLUTIONS

Chair to vote undirected proxies in favour of **Resolution 4**: I/We acknowledge that the Chair of the Meeting intends to vote undirected proxies in favour of Resolution 4.

**Direction to Chair for voting on Resolution 4**: 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 4** 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

	For	Against	Abstain*
1. Approve Return of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Reduction of Share Capital and Accumulated Losses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-Election of William Johnson as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 (see Note 2 overleaf)
- 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
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Email: {Email}

## 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 4** (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 4** as a proxy, for a person other than a Restricted Voter, and either:
  - (a) you directed the KMP the way they are to vote on **Resolution 4**; or
  - (b) if the Chair is your proxy, you expressly authorise him to vote as he sees fit on **Resolution 4** 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 opposite 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**:

- |                           |  |
|---------------------------|--|
| <b>Individual:</b>        | Where the holding is in one name, the holder must sign.  |
| <b>Joint Holding:</b>     | Where the holding is in more than one name, all of the Shareholders should sign.   |
| <b>Power of Attorney:</b> | 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.   |
| <b>Companies:</b>         | 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 <i>Corporations Act 2001</i> ) 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 below **not later than 12:00 noon (Sydney time) on Wednesday, 14 November 2012** (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

Facsimile: (08) 9389 7871

or

Level 6, 225 Clarence Street  
Sydney, New South Wales