

26 August 2015

Ms Isabella Wong
Adviser, Listings Compliance (Sydney)
ASX Compliance
20 Bridge Street
Sydney NSW 2000

By Email: Isabella.Wong@asx.com.au

Dear Ms Wong

IMF Bentham Limited ('the Company')
Response to ASX letter in relation to Appendix 3Y dated 25 August 2015

I refer to your letter dated 25 August 2015 regarding the Appendix 3Y lodged by the Company with ASX on 19 August 2015 for Mr Michael Bowen ("the Director") and below respond to your questions.

1. Please explain why the Appendix 3Y was lodged late.

On 24 March 2014, the Company received advice that the Director had elected to participate in the Company's dividend reinvestment plan ("DRP") following the Company's dividend declaration which was lodged with the ASX on 10 February 2014. The relevant payment date for this dividend was 4 April 2014. On 7 April 2014 an Appendix 3Y relating to the issue of shares to the Director under the Company's DRP in relation to that dividend was lodged with the ASX.

During the Company's audit procedures in FY2015 it was noted that the Director had elected to receive all future eligible dividends through the Company's DRP when the original DRP election was made. Two subsequent dividends declared by the Company were eligible to participate in the Company's DRP, being those dividends announced to the ASX on 21 August 2014 and 10 February 2015. The payment dates for these two dividends were 3 October 2014 and 10 April 2015 respectively.

The Company had not appreciated that the Director had made a standing election to participate in all future DRP's and that shares had been issued to the Director under the DRP on 3 October 2014 and 10 April 2015.

As soon as the Company became aware, an Appendix 3Y was prepared and lodged on 19 August 2015 which advised the shares issued to the Director as a result of his standing election to participate in the Company's DRP.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company lodged its revised Securities Trading Policy with the ASX on 14 October 2013, which has been available on the Company's web site since that date. The Company's Securities Trading Policy complies with the ASX Listing Rules and was adopted by the Board of Directors on 13 October 2013.

IMF#2185321

For personal use only

In section 5.4(a) of the Securities Dealing Policy, it notes that a Restricted Person (a defined term meaning all Directors their spouses or any other related parties...) must notify the Risk Officer where that Restricted Person Deals in the Company's Securities within 2 Business Days of such dealing having taken place.

As stated above, the Director did in fact comply with these requirements in his notice to the Company concerning his election to participate in the Company's DRP received on 24 March 2014. It was an oversight by the Company's not to check the DRP elections at the time of each dividend payment.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

The Company has enhanced its internal compliance procedures to ensure that all director's elections are checked following a dividend payment if the dividend is an eligible DRP dividend.

Simultaneously, at the Board meeting held on 19 August 2015, the Company has requested that all directors advise the Company's Risk Officer when dividends are declared whether they have elected to participate in the DRP.

The Company is of the view that its revised arrangements are adequate to ensure future compliance with Listing Rule 3.19B.

If you have any further queries regarding this matter please do not hesitate to contact me on 8223 3545.

Yours sincerely



Diane Jones
Chief Operating Officer

For personal use only



25 August 2015

Ms Diane Jones
Chief Operating Officer/Chief Finance Officer/Company Secretary
IMF Bentham Limited
Level 10,
39 Martin Place Sydney
Sydney NSW 2000

By Email: djones@imf.com.au

Dear Ms Jones,

IMF Bentham Limited (the "Company") Appendix 3Y – Change of Director's Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on Wednesday, 19 August 2015 for Michael Bowen (the "Director Notice");
2. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3Y indicates that a change in Director's notifiable interest occurred on Friday, 3 October 2014. It appears that the Director's Notice should have been lodged with ASX by Friday, 10 October 2014. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail. It should not be sent to ASX Market Announcements.

A response is requested as soon as possible and, in any event, **not later than 5.00 p.m. A.E.S.T on Friday, 28 August 2015.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked.

If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Isabella Wong
Adviser, Listings Compliance (Sydney)