



16 February 2015

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

LETTERS TO SHAREHOLDERS: PLACEMENT AND ENTITLEMENT OFFER

Please see attached.

Yours faithfully

A handwritten signature in blue ink that reads "Linda Ellis".

Linda Ellis
Group Company Secretary & General Counsel

Steadfast Group Limited

ABN: 98 073 659 677 ACN: 073 659 677
Level 3, 99 Bathurst Street, Sydney NSW 2000
t 02 9495 6500 f 02 9495 6565 www.steadfast.com.au

STRENGTH WHEN YOU NEED IT



16 February 2015

Dear Shareholder

STEADFAST GROUP LIMITED A\$300 MILLION INSTITUTIONAL PLACEMENT AND PRO RATA ACCELERATED NON-RENOUCEABLE ENTITLEMENT OFFER

On Monday 16 February 2015 Steadfast Group Limited (**Steadfast**) announced the launch of a fully underwritten institutional placement (**Institutional Placement**) and a 1 for 3 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) (the Entitlement Offer, together with the Institutional Placement, the **Offer**) of new fully paid ordinary shares in Steadfast (**New Shares**) at an offer price of A\$1.26 per New Share (**Offer Price**). The Offer will raise approximately \$300 million.

The Institutional Placement

The Institutional Placement involves the placement of approximately 70.3 million New Shares to institutional investors, to raise approximately \$89 million. The Institutional Placement is being made in accordance with section 708A of the Corporations Act 2001 (Cth) (**Act**), meaning that no prospectus needs to be prepared in relation to the Institutional Placement.

The Entitlement Offer

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to eligible retail shareholders (as described below, **Eligible Retail Shareholders**) to participate at the same Offer Price and offer ratio (**Retail Entitlement Offer**). The Entitlement Offer is being made in accordance with section 708AA of the Act (as modified by ASIC Class Order 08/35), meaning that no prospectus needs to be prepared in relation to the Entitlement Offer.

Offer proceeds

Steadfast will use the proceeds of the Offer to:

- Partly fund the acquisitions by Steadfast of Underwriting Agencies of Australia Pty Limited (ACN 003 565 302), CHU Underwriting Agencies Pty Limited (ACN 001 580 070) and Corporate Underwriting Agencies Pty Limited (ACN 002 809 298) (together, the Acquisitions) from QBE Insurance Group Limited;
- Fund the acquisition of the Australian and New Zealand insurance broking business of IC Frith; and
- Pay for the costs of the acquisitions and the Offer.

Further details regarding Entitlement Offer

If you are an eligible shareholder, you will be able to subscribe for 1 New Share for every 3 existing Steadfast shares held on the Record Date of 7.00pm (AEDT) on Thursday, 19 February 2015 (**Entitlement**). New Shares issued under the Offer will rank equally with existing Steadfast shares in all respects. New Shares will be allotted after the FY2015 interim dividend record date and will therefore not be eligible to receive the FY2015 interim dividend payment. Fractional Entitlements will be rounded up to the nearest whole number of shares.

Following completion of the Entitlement Offer, Steadfast will have issued approximately 238 million New Shares resulting in total Steadfast ordinary shares on issue of approximately 741 million.

The Entitlement Offer (and the Institutional Placement) is fully underwritten by J.P. Morgan Australia Limited and Macquarie Capital (Australia) Limited (**Underwriters**).

Eligible Retail Shareholders

Eligible Retail Shareholders are those persons who:

- are registered as a holder of existing Steadfast shares as at the Record Date of 7.00pm (AEDT) on Thursday, 19 February 2015;
- have a registered address on the Steadfast share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Steadfast shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders and are consequently unable to participate in the Retail Entitlement Offer.

Information Booklet

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Retail Entitlement Offer. Full details of the Retail Entitlement Offer are set out in an offer booklet (**Information Booklet**), which will be lodged with the Australian Securities Exchange on Wednesday, 18 February 2015 in advance of the despatch date (as detailed further below).

Eligible Retail Shareholders will be mailed an Information Booklet, together with a personalised Entitlement and Acceptance Form which contains details of your Entitlement, on or around Monday, 23 February 2015. You should read all of the Information Booklet carefully before deciding whether to participate in the Retail Entitlement Offer.

Action required by Eligible Retail Shareholders

Your Entitlement may have value and it is important you determine whether to (in whole or part) take up or do nothing in respect of your Entitlement.

If you choose to:

Take up all or part of your Entitlement: If you wish to take up all or part of your Entitlement, you will need to pay your Application Monies using BPAY, or alternatively, complete and return the personalised Entitlement and Acceptance Form together with the requisite application monies (**Application Monies**) in each case by following the instructions set out on the personalised Entitlement and Acceptance Form. Application Monies must be received by the Steadfast Share Registry by 5.00pm (AEDT) on Wednesday, 4 March 2015. Eligible Retail Shareholders may also apply for more New Shares than their entitlement up to a maximum of 50% of their entitlements (which is subject to scale-back at the absolute discretion of Steadfast).

Do nothing: If you take no action in respect of your Entitlements by the close of the Retail Entitlement Offer, then your Entitlements will lapse and you will not be allocated any New Shares. As the Entitlement Offer is non-renounceable, Entitlements under the Retail Entitlement Offer cannot be traded on the Australian Securities Exchange or on any other exchange, nor can they be privately transferred.

Before you either, take up your Entitlement, or choose to do nothing in respect of your Entitlement, you should seek your own tax advice (and you may wish to refer to the tax

disclosures contained in the Information Booklet which will provide information on potential implications for Australian shareholders).

Further information in relation to the Offer has been disclosed on ASX.

Key Dates for Eligible Retail Shareholders

Announcement of the Entitlement Offer	Monday, 16 February 2015
Information Booklet lodged with ASX	Wednesday, 18 February 2015
Entitlement Offer Record Date (7.00pm AEDT)	Wednesday, 19 February 2015
Retail Entitlement Offer opens	Monday, 23 February 2015
Information Booklet despatched	Monday, 23 February 2015
Retail Entitlement Offer closes (5.00pm AEDT)	Wednesday, 4 March 2015
Settlement of the Retail Entitlement Offer	Tuesday, 10 March 2015
Issue of the New Shares under the Retail Entitlement Offer	Wednesday, 11 March 2015
New Shares under the Retail Entitlement Offer commence trading on ASX	Thursday, 12 March 2015
Despatch of holding statements	Friday, 13 March 2015

The above timetable is indicative only and is subject to change. All times are references to AEDT. Steadfast reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

For further information on the Entitlement Offer you should call the Steadfast Offer Information Line on 1800 810 827 (within Australia) or +61v 1800 810 827 (outside Australia) from 8.30am to 5.30pm (AEDT) Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

The Steadfast Board is pleased to offer this opportunity to you.

Yours faithfully



Frank O'Halloran
Chairman

16 February 2015

Dear Shareholder

STEADFAST GROUP LIMITED A\$300 MILLION INSTITUTIONAL PLACEMENT AND PRO RATA ACCELERATED NON-RENOUCEABLE ENTITLEMENT OFFER

On Monday 16 February 2015, Steadfast Group Limited (**Steadfast**) announced the launch of a fully underwritten institutional placement (**Institutional Placement**) and a 1 for 3 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) (the Entitlement Offer, together with the Institutional Placement, the **Offer**) of new fully paid ordinary shares in Steadfast (**New Shares**) at an offer price of A\$1.26 per New Share (**Offer Price**). The Offer will raise approximately \$300 million.

Steadfast will use the proceeds of the Offer to:

- Partly fund the acquisitions by Steadfast of Underwriting Agencies of Australia Pty Limited (ACN 003 565 302), CHU Underwriting Agencies Pty Limited (ACN 001 580 070) and Corporate Underwriting Agencies Pty Limited (ACN 002 809 298) (together, the Acquisitions) from QBE Insurance Group Limited;
- Fund the acquisition of the Australian and New Zealand insurance broking business of IC Frith; and
- Pay for the costs of the acquisitions and the Offer.

This letter is to inform you about the Offer, and to explain why you will not be able to subscribe for New Shares under the Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. You are not required to do anything in response to this letter.

The Institutional Placement

The Institutional Placement involves the placement of approximately 70.3 million New Shares to institutional investors, to raise approximately \$89 million. The Institutional Placement is being made in accordance with section 708A of the Corporations Act 2001 (Cth) (**Act**), meaning that no prospectus is required to be prepared in relation to the Institutional Placement.

The Entitlement Offer

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to eligible retail shareholders (as described below, **Eligible Retail Shareholders**) to participate at the same Offer Price and offer ratio (**Retail Entitlement Offer**). The Entitlement Offer is being made in accordance with section 708AA of the Act (as modified by ASIC Class Order 08/35), meaning that no prospectus is required to be prepared in relation to the Entitlement Offer.

Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Shareholders on the basis of an entitlement to subscribe for 1 New Share for every 3 existing Steadfast shares held on the Record Date of 7.00pm (AEDT) on Thursday 19 February 2015. An offer booklet in relation to the Retail Entitlement Offer (**Information Booklet**) will be lodged with the ASX on Wednesday 18 February 2015 (in advance of the despatch date), and then despatched to Eligible Retail Shareholders on or around Monday 23 February 2015. Further information in relation to the Entitlement Offer has been disclosed on the Australian Securities Exchange.

Eligibility criteria

Eligible Retail Shareholders are those persons who:

- are registered as a holder of existing Steadfast shares as at the Record Date, being 7.00pm (AEDT) on Thursday 19 February 2015;
- have a registered address on the Steadfast share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Steadfast shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders and are consequently unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to Steadfast of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing Steadfast shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. Steadfast has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Act, that it would be unreasonable to make or extend offers to Steadfast shareholders in certain countries under the Retail Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, Steadfast wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer and you will not receive any value for the New Shares to which you would otherwise have been entitled.

You are not required to do anything in response to this letter.

For further information on the Offer or if you believe that you are an Eligible Retail Shareholder, you can call the Steadfast Offer Information Line on 1800 810 827 (within Australia) or +61 1800 810 827 (outside Australia) from 8.30am to 5.30pm (AEDT) Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of Steadfast, I thank you for your continued support.

Yours faithfully



Frank O'Halloran
Chairman