

2 April 2013

**Scheme of Arrangement related to  
Keybridge's Loan to PR Finance Group Limited**

Keybridge holds a mezzanine loan to an Australian non-conforming vehicle leasing company, which has a current net exposure of \$12.1 million. To date, the borrower has been unable to meet the repayment of this loan at scheduled maturities and has not met interest obligations since January 31, 2013.

Keybridge previously advised the ASX that the owners of Keybridge's borrower, now disclosed to be PR Finance Group Limited (PRFG), have signed a non-binding Heads of Agreement to sell its vehicle leasing business to a major international corporation.

The proposed non-binding sale process remains in place, however is yet to complete.

This notwithstanding, Keybridge today executed a Scheme Implementation Agreement in relation to a Scheme of Arrangement (Scheme) to acquire 100% of the issued capital in PRFG. A copy of the Scheme Implementation Agreement (including the terms of the Scheme) is attached.

Keybridge believes that this transaction provides the necessary stability to allow the underlying businesses to perform at their potential, and in the interests of Keybridge's mezzanine loan.

Under the proposed Scheme, the Keybridge mezzanine loan will remain in place and its maturity extended.

The consideration payable by Keybridge for PRFG equity is \$1.5 million cash and up to 2.5 million Keybridge shares (being 1.5% of the Keybridge shares currently on issue) on the closing date, currently expected to occur by the end of June 2013. A further \$1 million in cash or Keybridge shares is payable within 12 months should a successful sale of the vehicle leasing business be consummated at a level currently satisfactory to Keybridge.

The Scheme is conditional, and is required, inter alia, to be approved by PRFG's senior banker, a statutory majority (75%) of the PRFG shareholders, and ratified by ASIC and the Court. The two major PRFG shareholders, representing approximately 62% of the shares on issue in PRFG, are supportive of the Scheme.

The Scheme contains provisions for completion of the proposed sale of the vehicle leasing business to the corporation mentioned above, or to any other party, should such circumstances arise.

Keybridge is not intending to seek the approval of shareholders for this transaction. Keybridge has determined that this transaction, if implemented, will not change the nature or scale of its activities. Keybridge will be applying to the ASX for a determination as to whether shareholder approval is required under the Listing rules.

Shareholders and the ASX will be advised as appropriate as the transaction progresses.

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PRFG is the owner and operator of two Australian consumer finance companies. Motor Finance Wizard, a provider of over 5,000 non-conforming vehicle leases, and AMX, a provider of short term consumer funding.

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Keybridge Capital is a financial services company that has invested in, or lent to, transactions which are predominantly in the asset classes of property, aviation, shipping and infrastructure.

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For further information, please contact:

**Nicholas Bolton**  
Executive Director

**Adrian Martin**  
Chief Financial Officer

**SCHEME IMPLEMENTATION  
AGREEMENT**

**PR FINANCE GROUP LIMITED  
(ABN 46 109 299 390)**

**KEYBRIDGE CAPITAL LIMITED  
(ABN 16 088 267 190)**

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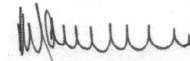
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SCHEME IMPLEMENTATION AGREEMENT dated 30 MARCH 2013

  
K. B. Wike

## PARTIES

1. **PR FINANCE GROUP LIMITED** (ABN 46 109 299 390) of Suite 10, 10 Cloyne Road, Southport, Queensland 4215 (**PR Finance**)
2. **KEYBRIDGE CAPITAL LIMITED** of Level 26, 259 George Street, Sydney NSW 2000 (**Keybridge**)

## INTRODUCTION

- A. Keybridge and PR Finance have agreed to combine by means of a scheme of arrangement under Part 5.1 of the Corporations Act. The Scheme will involve PR Finance and its ordinary shareholders. Pursuant to the Scheme, Keybridge or a member of the Keybridge Group will acquire all of the Scheme Shares.
- B. Keybridge and PR Finance have agreed in good faith to implement the Scheme on the terms set out in this agreement.

The parties agree as set out in the Operative Part of this agreement, in consideration of, among other things, the mutual promises contained in this agreement.

## OPERATIVE PART

### 1. Implementation of the Scheme

PR Finance agrees to propose, and the parties agree to implement, the scheme on the terms set out in this agreement.

### 2. Conditions

#### Conditions

- 2.1. The Scheme will not become Effective and the obligations of Keybridge under clause 3.2 will not be binding unless and until each of the conditions in schedule 2 (**Conditions**) are satisfied or are waived in accordance with this clause.

#### Benefit and waiver

- 2.2. If a Condition is expressed to be for the benefit of a party then it can only be waived with the consent of that party.
- 2.3. If a Condition is expressed to be for the benefit of both parties then it can only be waived with the consent of both parties.

- 2.4. The Conditions not expressed to be for the benefit of any party cannot be waived.
- 2.5. A party entitled to waive a Condition may do so in its absolute discretion.
- 2.6. If a waiver by a party of a Condition is itself conditional and the other party accepts the condition, the terms of that condition apply accordingly. If the other party does not accept a conditional waiver of the Condition, the Condition has not been waived.
- 2.7. If a party waives the breach or non-fulfilment of any of the Conditions, that waiver will not preclude it from suing the other party for any breach of this agreement, including a breach that resulted in the non-fulfilment of the Condition that was waived.
- 2.8. Unless specified in the waiver, a waiver of the breach or non-fulfilment of any Condition will not constitute:
  - 2.8.1. a waiver of breach or non-fulfilment of any other Condition resulting from events or circumstances giving rise to the breach or non-fulfilment of the first Condition; or
  - 2.8.2. a waiver of breach or non-fulfilment of that Condition resulting from any other event or circumstance.

#### **Best endeavours**

- 2.9. Without prejudice to the obligations of the parties under clause 4 or any other provision of this agreement, to the extent it is within its power to do so, each of PR Finance and Keybridge must use its best endeavours to procure that:
  - 2.9.1. each of the Conditions for which it is responsible is satisfied as soon as practicable after the date of this agreement, or continues to be satisfied at all times until the last time it is to be satisfied (as the case may require), with a view to the Effective Date for the Scheme occurring on or before the Quit Date; and
  - 2.9.2. there is no event or circumstance within the reasonable control or influence of PR Finance or Keybridge respectively that would prevent the Conditions being satisfied.

Nothing in this clause 2.9 requires any party to agree to any condition or term of any approval or consent that would or could reasonably be expected to adversely impact on the value of the business or asset of PR Finance or PR Finance Shares to that party.

#### **Notification of certain events**

- 2.10. Each party must:
  - 2.10.1. keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;

- 2.10.2. promptly notify the other in writing if it becomes aware that any Condition has been satisfied;
- 2.10.3. promptly notify the other in writing if it becomes aware that any Condition has failed to be satisfied or has become incapable of being satisfied or is not reasonably capable of being satisfied or of any circumstances which may reasonably be expected to lead to such a state of affairs; and
- 2.10.4. after having given or received a notice in accordance with clause 2.10.3 in relation to a Condition that it is entitled under clause 2.2 or 2.3 to waive, give notice to the other party as soon as possible (and in any event no later than five Business Days after having given or received the initial notice or such shorter time to ensure that notice is given before 8.00am on the Second Court Date) as to whether or not it waives the breach or non-fulfilment of the relevant Condition.

#### **Failure to satisfy a Condition**

2.11. If:

2.11.1. by 8.00am on the day before the date specified in the Timetable for the Scheme Meeting any Condition is not satisfied or waived (and the non-satisfaction of the Condition which would otherwise occur can be waived);  
or

2.11.2. any event, matter or circumstance occurs that prevents or is reasonably likely to prevent a condition from being satisfied or waived,

then the parties will consult:

2.11.3. with a view to determining whether to proceed with an alternative Scheme or a transaction which results in a member of the Keybridge Group acquiring beneficial ownership of substantially all of the assets of or all of the securities in PR Finance; or

2.11.4. with a view to determining whether to agree to extend the date for satisfaction of the relevant Condition or the Quit Date or change the date specified for the Scheme Meeting in the Timetable to a later date and if necessary apply to the Court to adjourn or change the date of an application to the Court to approve the Scheme.

2.12. If any Condition has not been satisfied or waived in accordance with clause 2.2 or 2.3 by the Quit Date or if any event, matter or circumstance occurs that prevents any Condition from being satisfied, either party may give notice to the other terminating this agreement and in that event, the provisions of clause 14 have effect.

2.13. A party may only terminate this agreement pursuant to clause 2.12 if:

2.13.1. the relevant Condition is for the benefit of that party:

2.13.2. that party has complied in all material respects with its obligations under this clause and clause 4; and

2.13.3. if clause 2.11 applies in respect to the relevant Condition, the parties have not agreed to take any of the steps referred to in that clause by the earlier of 8.00am on the Second Court Date and 8.00am on the date that is 15 Business Days after the date that both parties became aware that consultations under that clause were required.

2.14. Termination of this agreement under clause 2.12 does not affect any accrued rights of either party arising from any breach of this agreement prior to termination.

### **3. Scheme**

3.1. Subject to the terms and conditions of this agreement and of the Scheme, PR Finance must propose a scheme of arrangement under Part 5.1 of the Corporations Act between it and the PR Finance Shareholders in the form set out in annexure A or such other form as the parties agree in writing, under which, subject to the terms of the Scheme and the Scheme becoming Effective, all of the Scheme Shares will be transferred to Keybridge or a member of the Keybridge Group and the Scheme Participants will be entitled to receive the Scheme Consideration.

3.2. Subject to the terms of the Scheme, Keybridge covenants in favour of PR Finance (in its own right and separately as trustee or nominee for each of the Scheme Participants), in consideration for the transfer to Keybridge or a member of the Keybridge Group of the Scheme Shares held by a Scheme Participant under the terms of the Scheme, to provide or procure the provision of the Scheme Consideration to each Scheme Participant.

### **4. Steps for Implementation**

#### **Obligations of both parties**

4.1. Both parties must do the following:

#### **Regulatory Approvals**

4.1.1. Co-operate in relation to all applications to, and discussions with, any relevant Regulatory Authority for the purposes of seeking all Regulatory Approvals required by it or its Related Entities.

4.1.2. Promptly apply for all of the Regulatory Approvals required by it or its Related Entities and provide to the other party a copy of all such applications.

4.1.3. Take all steps for which it is responsible as part of obtaining any Regulatory Approval required by it or its Related Entities, including responding to requests for information at the earliest practicable time and attending meetings with any Regulatory Authority.

- 4.1.4. Provide the other party with all information reasonably requested in connection with the application for any Regulatory Approval required by it or its Related Entities.
- 4.1.5. Provide the other party with copies of all substantive correspondence with any Regulatory Authority in connection with the Regulatory Approvals required by it or its Related Entities.
- 4.1.6. Allow the other party, at its request, to attend meetings and discussions with a Regulatory Authority for the purposes of seeking a Regulatory Approval (provided that the Regulatory Authority expresses no objection to same).
- 4.1.7. Consult with the other party in relation to any proposed extension, renewal, replacement, revocation, amendment or surrender of any Regulatory Approval that is material to the business or operations of PR Finance or any of its Related Entities.

#### **Certificate**

- 4.1.8. At the hearing by the Court of the application for the Scheme Order provide to the court a certificate confirming that as at 8.00 am on the Second Court Date, all of the Conditions (other than Condition 7) have been satisfied or waived in accordance with the terms of this Agreement. A draft of such certificate shall be provided by each party to the other party by 5.00 pm on the Business Day prior to the Second Court Date.

#### **Timing**

- 4.1.9. Consult with each other regularly in relation to:
  - (a) the schedule for performing their respective obligations within the overall framework set by the Timetable;
  - (b) the need to adjust the timetable.
- 4.1.10. If the parties agree to adjust the Timetable to give them more time to perform their respective obligations, the Quit Date will be extended by the same period of time.

#### **PR Finance's obligations**

- 4.2. PR Finance must execute all documents and must do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme on a basis consistent with this agreement, substantially in accordance with the Timetable, and in particular PR Finance must do all things in schedule 4.
- 4.3. PR Finance will be taken to have fulfilled, in a timely manner, its obligations under clause 4.2 if such obligations are completed by the time scheduled for such events as set out in the Timetable, subject to any necessary adjustments



to the timetable which are required as a result of matters which are outside of PR Finance's control.

#### **Keybridge's obligations**

- 4.4. Keybridge must execute all documents and must do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme on a basis consistent with this agreement, substantially in accordance with the Timetable, and in particular Keybridge must do all things in schedule 5.
- 4.5. Keybridge will be taken to have fulfilled, in a timely manner, its obligations under clause 4.4 if such obligations are completed by the time scheduled for such events as set out in the Timetable, subject to any necessary adjustments to the timetable which are required as a result of matters which are outside of Keybridge's control.

#### **Appeal process**

- 4.6. If the Court refuses to make an order convening the Scheme Meeting for the Scheme or approving the Scheme, at Keybridge's request PR Finance must appeal the Court's decision to the fullest extent possible (except to the extent that the parties agree otherwise, or an independent Senior Counsel practising in New South Wales with experience in Schemes of Arrangements indicates that, in their view, an appeal would have a less than 50% prospect of success before the Quit Date).

### **5. Responsibility Statement**

- 5.1. The Scheme Booklet must contain responsibility statements, in a form to be agreed between the parties, containing words to the effect that:
  - 5.1.1. Keybridge has provided, and is responsible for, the Keybridge Information and that none of PR Finance or its Representatives assumes any responsibility for the accuracy or completeness of the Keybridge Information;
  - 5.1.2. PR Finance has provided, and is responsible for, the PR Finance Information, and that none of Keybridge or its Representatives assumes any responsibility for the accuracy or completeness of the information in the Scheme Booklet other than the Keybridge Information; and
  - 5.1.3. the Independent Expert has provided and is responsible for the Independent Expert's Report, and that none of Keybridge, PR Finance or their respective Representatives assumes any responsibility for the accuracy or completeness of the Independent Expert's Report.

### **6. Board Changes**

- 6.1. On the Implementation Date PR Finance must:

- 6.1.1. subject to receiving consents to appointment as director from the relevant persons, take all actions necessary to cause the appointment to the PR Finance Board of that number of nominees of Keybridge that gives those nominees, acting together, Control of the PR Finance Board; and
- 6.1.2. ensure that, unless otherwise agreed by Keybridge in writing, each member of the PR Finance Board, other than the directors of PR Finance nominated by Keybridge and appointed in accordance with clause 6.1.1, resigns from the PR Finance Board and individually acknowledges that they have no claim against the PR Finance Group in their capacity as a director of PR Finance other than for accrued but unpaid director's fees and expenses as at the date of resignation and amounts of unpaid salary, employee entitlements and contractor payments owing by PR Finance or a subsidiary of PR Finance to Peter Llewellyn or Rod James or companies controlled by those persons to a total not exceeding A\$2,000,000.

## **7. Recommendation of Scheme**

### **PR Finance Board recommendation**

- 7.1. Subject to clause 7.2, PR Finance undertakes to Keybridge to ensure that the PR Finance Board (and each PR Finance director):
  - 7.1.1. will unanimously recommend in the Scheme Booklet that PR Finance Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal;
  - 7.1.2. states that he or she considers the Scheme to be in the best interests of PR Finance Shareholders in the absence of a Superior Proposal;
  - 7.1.3. will give reasons for that recommendation in the Scheme Booklet; and
  - 7.1.4. will not change or withdraw that recommendation and will not make any public statement which would suggest that the Scheme is no longer recommended.

### **Change to recommendation**

- 7.2. The PR Finance Board (and each PR Finance Board director) will not be obliged to make the recommendation and statements referred to in clause 7.1 and will be entitled to change or withdraw that recommendation in those statements once made if:
  - 7.2.1. the Independent Expert's Report (as may be amended or updated from time to time) concludes that the Scheme is not in the best interests of PR Finance Shareholders; or
  - 7.2.2. the PR Finance Board has received a Superior Proposal and Keybridge's rights under clause 10.7 (if any) have been exhausted.

## **8. Representations and warranties**

- 8.1. PR Finance warrants to Keybridge (in its own right and as trustee for the Keybridge indemnified Parties) in terms of each of the warranties set out in schedule 6.
- 8.2. Keybridge warrants to PR Finance (in its own right and as trustee for the PR Finance Indemnified Parties) in terms of each of the warranties set out in schedule 7.
- 8.3. Each warranty in this agreement that is expressed to be given on a particular date is given on that date and each other warranty is given on the date of this agreement and as at 8.00 am on each Business Day thereafter until the Second Court Date.
- 8.4. No warranty in this agreement is limited by any other warranty.
- 8.5. Each warranty in this agreement is also a representation.
- 8.6. Each party enters into this agreement in reliance on the warranties in this agreement.
- 8.7. Each warranty is severable and will survive termination of this agreement.
- 8.8. The warranties are not extinguished or affected by any investigation into the affairs or business of the PR Finance Group.

### **Notice**

- 8.9. If Keybridge or PR Finance becomes aware of a matter or circumstance which results in or is likely to result in any of the warranties given by that party being untrue, inaccurate or misleading, it must give notice to the other specifying that matter or circumstance in reasonable detail as soon as reasonably practicable after it becomes aware of that matter or circumstance. Any failure by Keybridge or PR Finance to give notice does not, for the avoidance of doubt, prevent it from making any claim arising from that matter or circumstance.

## **9. Indemnities**

### **PR Finance's Indemnity**

- 9.1. Without prejudice to any other remedy available to any Keybridge Indemnified Party or the ability of any Keybridge Indemnified Party to claim damages on any other basis that is available to it, PR Finance agrees with Keybridge (in its own right and as trustee for the Keybridge Indemnified Parties) to indemnify and keep indemnified the Keybridge Indemnified Parties from and against, and must pay to Keybridge on demand an amount that is equal to, all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising

which they may suffer or incur directly or indirectly by reason of or in relation to a breach by PR Finance of any of the representations and warranties in clause 8.1.

- 9.2. Clause 9.1 must be read down to the extent necessary to ensure that there is no breach of section 199A of the Corporations Act.

#### **Keybridge's indemnity**

- 9.3. Without prejudice to any other remedy available to any PR Finance Indemnified Party or the ability of any PR Finance Indemnified Party to claim damages on any other basis that is available to it, Keybridge agrees with PR Finance (in its own right and as trustee for the PR Finance Indemnified Parties) to indemnify and keep indemnified PR Finance indemnified Parties from and against and must pay to PR Finance on demand an amount that is equal to all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which they may suffer or incur directly or indirectly by reason of or in relation to a breach by Keybridge of any of the representations and warranties in clause 8.2.

- 9.4. Clause 9.3 must be read down to the extent necessary to ensure that there is no breach of section 199A of the Corporations Act.

#### **Survival of indemnities**

- 9.4. Each indemnity provided by each party under this clause 9 will:
- 9.4.1. be severable;
  - 9.4.2. be a continuing obligation
  - 9.4.3. constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this agreement; and
  - 9.4.4. survive the termination of this agreement.

#### **10. Exclusivity**

- 10.1. During the Exclusivity Period, PR Finance must ensure that (other than in relation to a Superior Proposal made on or prior to the end of the Negotiation Period) neither it nor its Representatives directly or indirectly:

- 10.1.1. solicit, invite, initiate or encourage the submission of, any enquiries, negotiations or discussions; or
- 10.1.2. communicate to any person an intention to do any of the things referred to in clause 10.1.1,

with a view to or which might lead to obtaining any expression of interest, offer or proposal from any other person in relation to or which could reasonably be expected to lead to a Third Party Proposal.

### **No due diligence**

- 10.2. Without limiting clause 10.3, during the Exclusivity Period, PR Finance must not and must ensure that its Representatives do not (other than in relation to a Superior Proposal made on or prior to the end of the Negotiation Period):
- 10.2.1. directly or indirectly solicit, facilitate or encourage any person to undertake any due diligence investigations regarding PR Finance or any of its subsidiaries or any of their operations; or
  - 10.2.2. make available to any person or permit any such person to receive any non-public information relating to any member of the PR Finance Group, in connection with such person formulating, developing or finalising or assisting in the formulation development or finalisation of a Third Party Proposal.

### **No talk**

- 10.3. During the Exclusivity Period, PR Finance must not and must ensure that its Representatives do not (other than in relation to a Superior Proposal made on or prior to end of the Negotiation Period):
- 10.3.1. directly or indirectly enter into, continue, facilitate or participate in any discussions or negotiations with any person regarding or which could reasonably be expected to lead to a Third Party Proposal; or
  - 10.3.2. enter into any agreement, arrangement or understanding in relation to, or which could reasonably be expected to lead to, a Third Party Proposal, even if
  - 10.3.3. the Third Party Proposal was not directly or indirectly initiated, solicited, facilitated or encouraged by PR Finance or any of its Representatives; or
  - 10.3.4. that person has publicly announced its Third Party Proposal.

### **Notifications of approaches**

- 10.4. During the Exclusivity Period, PR Finance must notify Keybridge in writing immediately if it or any of its Representatives:
- 10.4.1. receive any approach, attempted approach, inquiry or proposal (whether or not in writing) from any person or its Representatives (**Rival Bidder**) in connection with or in respect of any exploration of or which may reasonably be expected to lead to a Third Party Proposal; and
  - 10.4.2. provide any confidential material information relating to the PR Finance Group or any of its businesses or operations to any person or a request is made for such information, in connection with a current or future Third Party Proposal,

together with details of the material terms of the proposal and the identity of the bidder to the extent the provision of this information to Keybridge does not constitute a breach of its fiduciary or statutory duties.

### **PR Finance response to a Third Party Proposal**

10.5. During the Exclusivity Period, if any member of the PR Finance Group proposes or is considering entering into or any PR Finance director wishes to approve or publicly recommend entry into any agreement, commitment, arrangement or understanding relating to a Third Party Proposal, PR Finance must ensure that they do not do so:

10.5.1. unless the Third Party Proposal is bona fide and is made in writing; and

10.5.2. until each of the following events has happened:

(a) the PR Finance Board has determined in good faith that:

- (i) the Third Party Proposal is a Superior Proposal;
- (ii) failing to respond to the Third Party Proposal would be likely to constitute a breach of its fiduciary or statutory duties; and

(b) PR Finance has given Keybridge notice in writing of its intention to enter into an agreement, commitment, arrangement or understanding in relation to that Third Party Proposal, subject to Keybridge's rights under clause 10.7, full details of all material terms of the Third Party Proposal (including the identity of the Rival Bidder and details of the proposed consideration, conditions and break fee (if any)), together with any material information concerning PR Finance's operations provided to the Rival Bidder or any person associated with the Third Party Proposal not previously provided to Keybridge to the extent the provision of the relevant information to Keybridge does not, and is not likely to, constitute a breach of the fiduciary or statutory duties of the directors of PR Finance (such directors having first taken advice from PR Finance's legal advisers on the matter) ;

(c) Keybridge's rights under clause 10.7 have been exhausted; and

(d) the PR Finance Board has made the determination contemplated by clause 10.5.2(a) in respect of that Third Party Proposal after Keybridge's rights under clause 10.7 have been exhausted and after evaluation of any Counterproposal.

10.6. Until Keybridge's rights under clause 10.7 (if any) have been exhausted, during the Exclusivity Period the PR Finance Group must not enter into any legally binding agreement with respect to the Third Party Proposal or otherwise progress such Third Party Proposal, including by permitting the Rival Bidder to undertake due diligence investigations on the PR Finance Group.

### **Keybridge right to last offer**

10.7. If PR Finance gives notice to Keybridge under clause 10.5.2(b):

10.7.1. Keybridge will have the right, but not the obligation, at any time during the period of 3 Business Days following receipt of such notice, to offer to amend the terms of the Scheme, propose any other transaction or make an offer to PR Finance (**Counterproposal**);

10.7.2. if Keybridge makes a Counterproposal, PR Finance and the PR Finance Board must consider it in good faith; and

10.7.3. if the PR Finance Board, acting reasonably and after taking legal and financial advice considers that the Counterproposal would provide a benefit to PR Finance Shareholders that is at least equal to that of the Third Party Proposal, then:

(a) if the Counterproposal contemplates an amendment to the Scheme, the parties must use their best endeavours to negotiate in good faith the amendments to the Scheme documentation that are reasonably necessary to reflect the Counterproposal and to enter into one or more appropriate amended agreements to give effect to those amendments and to implement the Counterproposal, in each case as soon as practicable following the determination of the PR Finance Board;

(b) if the Counterproposal contemplates any other transaction, the parties must pursue negotiation of documentation and implementation of the Counterproposal in good faith;

(c) PR Finance must not, and must procure that the PR Finance Board does not, publically state that it intends to recommend, or enter into an agreement, commitment, arrangement or undertaking in relation to that Third Party Proposal; and

(d) PR Finance must use reasonable endeavours to agree to amendments to this agreement that are reasonably necessary to reflect the Counterproposal and to enter into one or more amended agreements to give effect to those amendments and to implement the Counterproposal, in each case as soon as reasonably practicable.

### **Exceptions**

10.8. Despite anything else in this agreement the restrictions in clause 10.2, 10.3 and clause 10.9 (in respect of a resumption of discussions or negotiations only and only insofar as such resumption is otherwise not solicited or initiated by PR Finance in contravention of clause 10.1) do not apply to restrict PR Finance taking any action with regard to a bona fide Third Party Proposal in respect of all the PR Finance Shares or substantially all of PR Finance's businesses or

Subsidiaries (which was not solicited or initiated by PR Finance in contravention of clause 10.1) if the PR Finance Board has determined in good faith, that:

10.8.1. the Third Party Proposal in respect of which those restrictions and notification obligations would otherwise apply is, or may reasonably be expected to lead to, a Superior Proposal; and

10.8.2. such action or inaction (as the case may be) is necessary to discharge the fiduciary or statutory duties of the directors of PR Finance,

after having first taken advice from its legal and financial advisers.

#### **Cease existing discussion**

10.9. PR Finance must:

10.9.1. cease and, (subject to clause 10.8 but only insofar as any such resumption is otherwise covered by clause 10.8), not resume any discussions or negotiations (including any Permitted Negotiations) existing as at the Exclusivity Date relating to any Third Party Proposal and which have not resulted in the making of a Superior Proposal or any transaction that is reasonably likely to reduce the likelihood of success of the Scheme (other than any Superior Proposal made on or prior to the end of the Negotiation Period); and

10.9.2. in respect of all non-public information concerning the PR Finance Group that has been provided by PR Finance or its Representatives to any persons (including those listed at schedule 8) in relation to any Third Party Proposal since 1 January 2013 and which have not resulted in the making of a Superior Proposal on or prior to the end of the Negotiation Period, promptly request the person that received the information destroy or return that information to PR Finance as soon as practicable in accordance with the requirements of the confidentiality agreements under which such information was provided.

#### **Standstill arrangements with other parties**

10.10. During the Exclusivity Period, except with the prior written consent of Keybridge, PR Finance must not amend or waive the terms of any standstill agreement or arrangement between PR Finance and any other person other than a member of the Keybridge Group.

#### **Equal access to information**

10.11. Where PR Finance or a Representative provides material confidential information concerning the PR Finance Group to any person in connection with a current or potential Third Party Proposal during the Exclusivity Period, it must as soon as reasonably practicable provide to Keybridge a complete copy of that information (unless such information is already available, or has been provided, to Keybridge). PR Finance must promptly request that such information is



returned to it or destroyed upon the person confirming that it does not intend to proceed with the Third Party Proposal.

### **Revisions to a Third Party Proposal**

10.12. Any material modification to any Third Party Proposal during the Exclusivity Period will be deemed to make that proposal a new Third Party Proposal in respect of which PR Finance must comply with its obligations under clauses 10.4, 10.5, 10.6, 10.7 in relation to such modified proposal.

## **11. Other obligations during Implementation Period**

### **Access and information**

11.1. During the Implementation Period, PR Finance must, subject to obligations of confidentiality and any legal professional privilege attaching to the information:

11.1.1. procure that Keybridge and its Representatives are given reasonable access at reasonable times and upon reasonable notice to books, records (excluding Sensitive Information) and management of the PR Finance Group for the purposes of:

- (a) implementing the Transaction;
- (b) enabling Keybridge to understand the operation of the PR Finance Group and its financial position, financial performance and prospects including its cash flow and working capital position;
- (c) enabling Keybridge to prepare for the transition of ownership of PR Finance to the Keybridge Group;
- (d) providing information to the Keybridge Group's financiers; and
- (e) any other purpose agreed between Keybridge and PR Finance in writing.

### **Conduct of Business**

11.2. During the Implementation Period, PR Finance must carry on its business in the ordinary and usual course and in substantially the same manner as conducted at the date of this agreement and must use its best endeavours to procure that:

11.2.1. no PR Finance Prescribed Occurrence occurs between the date of this agreement and the Second Court Date;

11.2.2. PR Finance:

- (a) preserves its relationships with all regulatory authorities, customers, suppliers, licensors, licensees, joint ventures and others with whom it has business dealings;

- (b) preserves intact its current business organisation (other than pursuant to a disposal in connection with a Superior Proposal) and maintains its assets in good working order;
- (c) procures that its key employees continue to conduct the business and affairs of PR Finance in the ordinary and usual course;
- (d) does not enter or agree to enter into any unusual or abnormal contract or Commitment (other than pursuant to a Superior Proposal);
- (e) does not permit any of its insurances to lapse or do anything that would make any policy of insurance void or voidable; and
- (f) no Commitments are entered into by any member of the PR Finance Group, the result of which will or could be expected to materially and adversely affect PR Finance or PR Finance financial position, except where Keybridge has given its prior written consent.

## **12. Break fees**

### **No break fee with Third Party**

- 12.1. From the date of this Agreement to the end of the Exclusivity Period, PR Finance must not agree to a break fee payable to any third party.

## **13. Public Announcements**

### **Announcement of Transaction**

- 13.1. As soon as practicable after execution of this Agreement, the parties will issue an announcement in a form and substance acceptable to both of them (acting reasonably).

### **Public announcements**

- 13.2. Subject to clause 13.3, no public announcement or disclosure of the Transaction or any other transaction the subject of this agreement or the Scheme may be made other than in a form approved by each party (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as practicable.

### **Required disclosure**

- 13.3. Where a party is required by law or the ASX Listing Rules or the Corporations Act to make any announcement or to make any disclosure in connection with the Transaction or any other transaction the subject of this agreement or the Scheme, it may do so only after it has given at least one Business Day's notice, or such lesser period as may be required or permitted to comply with its legal or regulatory responsibilities, but in any event prior notice, to the other party and has taken all reasonable steps to consult with the other party and its legal

advisers and to take account of all reasonable comments received from the other party.

#### **Statements on termination**

- 13.4. The parties must act in good faith and use all reasonable endeavours to issue an agreed statement or statements in respect of any termination of negotiations provided for in this agreement and will make no statements or disclosure in respect of the termination of this agreement except in accordance with clauses 13.2 and 13.3.

### **14. Termination**

#### **Termination rights by either party**

- 14.1. This agreement may be terminated with immediate effect by either party before the start of the Court hearing on the Second Court Date by giving written notice to the other if:
- 14.1.1. the Effective Date for the Scheme has not occurred on or before the Quit Date;
  - 14.1.2. the Independent Expert concludes that the Scheme is not in the best interests of PR Finance Shareholders;
  - 14.1.3. the other party is in material breach of its obligations under this agreement at any time before the start of the Court hearing on the Second Court Date (including any material breach of a representation or warranty provided under this agreement) and (if capable of remedy) has failed to remedy the breach within the earlier of:
    - (a) three Business Days of receipt by it of written notice from the first party notifying the other party (or parties) of the breach; and
    - (b) 8.00am on the Second Court Date.
  - 14.1.4. at the Scheme Meeting or any adjournment or postponement of it at which the Scheme is voted on, the Scheme is not approved by the necessary majorities of PR Finance Shareholders, as may be modified by the Court in accordance with section 411 (4) (a) (ii) (A) of the Corporations Act;
  - 14.1.5. any court or Regulatory Authority has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, or has refused to do anything necessary to permit the Scheme, and the parties fail to agree on conducting on appeal within 5 Business Days;
  - 14.1.6. any of the Conditions are not satisfied, have become incapable of being satisfied or are not reasonably capable of being satisfied, and: either (i) has not been waived by each party or parties who is or are entitled to waive it, before 8.00am on the Second Court Date; or (ii) that party has or

those parties have stated in writing to the other party that it or they (as applicable) will not waive that condition; or

14.1.7. PR Finance enters into a legally binding agreement implementing or agreeing to implement a Superior Proposal.

#### **Termination by Keybridge**

14.2. Keybridge may, by notice in writing to PR Finance, terminate this agreement with immediate effect before the start of the Court hearing on the Second Court Date if:

14.2.1. PR Finance is in breach of its obligations under clause 7.1 and/or clause 7.2 and/or has breached any of the warranties it has given in this agreement; or

14.2.2. except in the circumstances set out in clause 7.2, a director of PR Finance by whom or on whose behalf PR Finance Shares are held either (i) does not state in the announcement issued pursuant to clause 13.1 and the Scheme Booklet that he intends to vote in favour of the Scheme; or (ii) having stated in the announcement issued pursuant to clause 13.1 or Scheme Booklet or both that he intends to vote in favour of the Scheme, he changes that statement.

#### **Effect of termination**

14.3. If this agreement is terminated by a party under this clause 14:

14.3.1. each party will be released from its obligations under this agreement except its obligations under clauses 8, 9, 13, 15 and 17;

14.3.2. each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and

14.3.3. in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Scheme.

#### **15. GST**

15.1. This clause applies if a party makes a taxable supply (within the meaning of any law imposing GST) in connection with this agreement for consideration unless such consideration is expressly provided to be "GST inclusive".

15.2. Subject to this clause, the consideration payable by a party represents the value of the taxable supply.

15.3. Subject to clause 15.5, the party liable to pay for the taxable supply must also pay, at the same time and in the same manner as the value is otherwise payable, a further amount calculated by multiplying:

- 15.3.1. the amount otherwise payable; by
- 15.3.2. the GST rate for the time being.
- 15.4. If a payment to a party under this agreement is a reimbursement or indemnification, calculated by reference to a loss, cost or expense incurred by that party, then the payment will be reduced by the amount of any input tax credit to which that party is entitled on the acquisition of the supply for which that loss, cost or expense is incurred. The party is assumed to be entitled to full input tax credits unless it demonstrates that its entitlement is otherwise prior to the date on which payment must be made by the other party.
- 15.5. A party's right to payment under this clause is subject to a valid tax invoice being delivered to the party liable to pay for the taxable supply.
- 15.6. If a person is a member of a GST Group references to GST which the person must pay and to input tax credits to which the person is entitled include GST which the representative member of the GST Group must pay and input tax credits to which the representative member is entitled.

## 16. Consents and approvals

- 16.1. Unless otherwise provided, a party may give or withhold its determination, consent, agreement, authorisation or approval:
  - 16.1.1. in that party's absolute discretion;
  - 16.1.2. with or without conditions and without giving reasons;
  - 16.1.3. when that party chooses.
- 16.2. A party's determination, consent, agreement, authorisation or approval is valid only if it is in writing and signed by that party or its authorised representative.

## 17. Confidentiality

- 17.1. A party (**using party**) may only use Confidential Information of the other party:
  - 17.1.1. if necessary to perform the using party's obligations under this agreement; or
  - 17.1.2. if the other party consents to the use.
- 17.2. A party (disclosing party) may only disclose Confidential Information of the other party:
  - 17.2.1. to the disclosing party's professional advisers;
  - 17.2.2. if required by law;
  - 17.2.3. if necessary to perform the disclosing party's obligations or exercise the disclosing party's rights under this agreement;
  - 17.2.4. if the other party consents to the disclosure;

17.2.5. if and to the extent the information is publicly available other than by a breach of the disclosing party of this agreement, or any other agreement;  
or

17.2.6. if the information is already in the possession of the disclosing party or comes into the possession of the disclosing party other than by breach of this agreement, or any other agreement.

17.3. In this clause 17, the term “Confidential Information” means:

17.3.1. any term of this agreement;

17.3.2. trade secrets, know-how, financial data, accounting information, statistics, research, scientific, technical, product, market or pricing information of a party or relating to a party’s systems, business, employees or contractors;

17.3.3. any other information belonging to a party that is marked “confidential”;

17.3.4. any other information belonging to a party which is of a confidential nature; and

17.3.5. any information not set out in a notice given under clause 10.5.2(b) or clause 31.5.2(b).

## **18. Assignment**

A party may only assign its rights or obligations under this agreement with the written consent of the other party.

## **19. Amendment**

This agreement may only be amended in writing signed by the parties.

## **20. No waiver**

20.1. A party may only waive a breach of this agreement in writing signed by that party or its authorised representative.

20.2. A waiver is limited to the instance referred to in the writing (or, if no instance is referred to in the writing, to past breaches).

## **21. No merger**

The rights and obligations of the parties will not merge on completion of any transaction under this agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

## **22. Further action**

22.1. Each party must do all things necessary to carry out this agreement, including:

22.1.1. executing documents; and

22.1.2. ensuring its employees and agents perform their obligations.

22.2. A party must not do anything that will prevent this agreement from being carried out.

### **23. Entire agreement**

23.1. This document records the entire agreement between the parties about its subject matter.

23.2. The parties exclude all terms implied by law, where possible.

23.3. Neither party has given any warranty or made any representation to the other party about the subject matter of this agreement, other than those warranties and representations appearing in this document.

### **24. Contribution**

Damages for any breach of this agreement are reduced to the extent that the claimant caused or contributed to the damage.

### **25. Counterparts**

25.1. This agreement may be executed in any number of counterparts. A counterpart may be a facsimile (including by any means of electronic production).

25.2. Together all counterparts make up one document.

25.3. If this agreement is executed in counterparts, it takes effect when each party has received the counterpart executed by each other party, or would be deemed to have received it if a notice.

### **26. Notice**

26.1. Notice must be in writing and in English, and may be given by an authorised representative of the sender.

26.2. Notice may be given to a person:

26.2.1. personally;

26.2.2. by leaving it at the person's address last notified;

26.2.3. by sending it by pre-paid mail to the person's address last notified;

26.2.4. by sending it by facsimile to the person's facsimile number last notified;

26.2.5. by sending it by electronic mail to the person's email address last notified.

26.3. Notice is deemed to be received by a person:

26.3.1. when left at the person's address;

26.3.2. if sent by pre-paid mail, 3 Business Days after posting;

26.3.3. if sent by facsimile, at the time and on the day shown in the sender's transmission report, if it shows that the whole notice was sent to the person's facsimile number last notified;

26.3.4. if sent by electronic mail, on the day after the day the message is showing on the sender's electronic mail system as having been properly transferred or transmitted.

However, if the notice is deemed to be received on a day which is not a Business Day it is deemed to be received on the next Business Day.

26.4. If two or more people comprise a party, notice to one is effective notice to all.

## **27. Governing law**

27.1. This agreement is governed by the law of New South Wales.

27.2. The parties irrevocably submit to the exclusive jurisdiction of the courts of New South Wales and any courts which may hear appeals from those courts in respect of any proceedings in connection with this agreement.

27.3. No party may object to the jurisdiction of any of those courts on the ground that it is an inconvenient forum or that it does not have jurisdiction.

## **28. Duty**

28.1. Keybridge must attend to the stamping of this agreement and any document required by this agreement, within the time permitted by statute;

28.2. Keybridge must pay (within the time permitted by statute) any stamp, transaction or registration duty or similar charge that is imposed by any Regulatory Authority (including any interest, fine, penalty, charge or other amount that is imposed in relation to that duty or charge) in respect of this agreement and any document required by this agreement.

## **29. Costs**

Each party must pay their own costs of preparing this agreement.

## **30. Specific performance**

The parties acknowledge that, for Keybridge, damages will not be an adequate remedy for breaches by PR Finance of its obligations under this agreement and that it would be appropriate for a Court to grant specific performance of those obligations. The parties also acknowledge that, for PR Finance, damages will be an adequate remedy for breaches by Keybridge of its obligations under this agreement, until such time as the Scheme Resolution is passed by the requisite majority of PR Finance Shareholders.

## **31. Negotiation Period**

31.1. During the Negotiation Period, PR Finance must ensure that, other than in respect of a Permitted Negotiation, neither it nor its Representatives directly or indirectly:



- 31.1.1. solicit, invite, initiate or encourage the submission of, any enquiries, negotiations or discussions; or
- 31.1.2. communicate to any person an intention to do any of the things referred to in clause 31.1.1,  
  
with a view to or which might lead to obtaining any expression of interest, offer or proposal from any other person in relation to or which could reasonably be expected to lead to a Third Party Proposal.

**No due diligence**

- 31.2. Without limiting clause 31.3, during the Negotiation Period, PR Finance must not and must ensure that its Representatives do not (in each case other than in respect of a Permitted Negotiation):
  - 31.2.1. directly or indirectly solicit, facilitate or encourage any person to undertake any due diligence investigations regarding PR Finance or any of its subsidiaries or any of their operations; or
  - 31.2.2. make available to any person or permit any such person to receive any non-public information relating to any member of the PR Finance Group,  
  
in connection with such person formulating, developing or finalising or assisting in the formulation development or finalisation of a Third Party Proposal.

**No talk**

- 31.3. During the Negotiation Period, PR Finance must not and must ensure that its Representatives do not (other than in respect of a Permitted Negotiation):
  - 31.3.1. directly or indirectly enter into, continue, facilitate or participate in any discussions or negotiations with any person regarding or which could reasonably be expected to lead to a Third Party Proposal; or
  - 31.3.2. enter into any agreement, arrangement or understanding in relation to, or which could reasonably be expected to lead to, a Third Party Proposal,  
  
even if
  - 31.3.3. the Third Party Proposal was not directly or indirectly initiated, solicited, facilitated or encouraged by PR Finance or any of its Representatives; or
  - 31.3.4. that person has publicly announced its Third Party Proposal.
- 31.4. During the Negotiation Period, PR Finance must notify Keybridge in writing immediately if it or any of its Representatives:
  - 31.4.1 receive any approach, attempted approach, inquiry or proposal (whether or not in writing) from any person or its Representatives other than those persons listed at schedule 8 in connection with or in respect of any exploration of or which may reasonably be expected to lead to a Third Party Proposal; and

31.4.2 provide any confidential material information relating to the PR Finance Group or any of its businesses or operations to any person other than those persons listed at schedule 8 or a request is made for such information other than those persons listed at schedule 8, in connection with a current or future Third Party Proposal,

together with details of the material terms of the proposal and the identity of the bidder to the extent the provision of this information to Keybridge does not constitute a breach of its fiduciary or statutory duties.

### **PR Finance response to a Third Party Proposal**

31.5. During the Negotiation Period, if any member of the PR Finance Group proposes or is considering entering into or any PR Finance director wishes to approve or publicly recommend entry into any agreement, commitment, arrangement or understanding relating to a Third Party Proposal (including any Third Party Proposal arising out of a Permitted Negotiation), PR Finance must ensure that they do not do so:

31.5.1 unless the Third Party Proposal is bona fide and made in writing; and

31.5.2 until each of the following events has happened:

(a) the PR Finance Board has determined in good faith that:

(i) the Third Party Proposal is a Superior Proposal;

(ii) failing to respond to the Third Party Proposal would be likely to constitute a breach of its fiduciary or statutory duties;

(b) PR Finance has given Keybridge notice in writing of its intention to enter into an agreement, commitment, arrangement or understanding in relation to that Third Party Proposal, subject to Keybridge's rights under clause 31.7, full details of all material terms of the Third Party Proposal (including the identity of the counterparties and details of the proposed consideration, conditions and break fee (if any)), together with any material information concerning PR Finance's operations provided to the relevant counterparties or any person associated with the Third Party Proposal not previously provided to Keybridge to the extent the provision of the relevant information to Keybridge does not, and is not likely, to constitute a breach of the fiduciary or statutory duties of the directors of PR Finance (such directors having first taken legal advice from PR Finance's legal advisers on the matter);

(c) Keybridge's rights under clause 31.7 have been exhausted; and

(d) the PR Finance Board has made the determination contemplated by clause 31.5.2(a) in respect of that Third Party Proposal after Keybridge's rights under clause 31.7 have been exhausted and after evaluation of any Counterproposal.

- 31.6. Until Keybridge's rights under clause 31.7 have been exhausted, the PR Finance Board must not enter into any legally binding agreement implementing or agreeing to implement the relevant Third Party Proposal.

**Keybridge right to last offer**

- 31.7. If PR Finance gives notice to Keybridge under clause 31.5.2(b):

31.7.1 Keybridge will have the right, but not the obligation, at any time during the period of 3 Business Days following receipt of such notice, to offer to amend the terms of the Scheme, propose any other transaction or make an offer to PR Finance (**Counterproposal**);

31.7.2 if Keybridge makes a Counterproposal, PR Finance and the PR Finance Board must consider it in good faith; and

31.7.3 if the PR Finance Board, acting reasonably and after taking legal and financial advice considers that the Counterproposal would provide a benefit to PR Finance Shareholders that is at least equal to that of the Third Party Proposal, then:

(a) if the Counterproposal contemplates an amendment to the Scheme, the parties must use their best endeavours to negotiate in good faith the amendments to the Scheme documentation that are reasonably necessary to reflect the Counterproposal and to enter into one or more appropriate amended agreements to give effect to those amendments and to implement the Counterproposal, in each case as soon as practicable following the determination of the PR Finance Board;

(b) if the Counterproposal contemplates any other transaction, the parties must pursue negotiation of documentation and implementation of the Counterproposal in good faith;

(c) PR Finance must not, and must procure that the PR Finance Board does not, publicly state that it intends to recommend, or enter into an agreement, commitment, arrangement or undertaking in relation to that Third Party Proposal; and

(d) PR Finance must use reasonable endeavours to agree to amendments to this agreement that are reasonably necessary to reflect the Counterproposal and to enter into one or more amended agreements to give effect to those amendments and to implement the Counterproposal, in each case as soon as reasonably practicable.

- 31.8. Despite anything else in this agreement the restrictions in clause 31.2, and 31.3 do not apply to restrict PR Finance taking any action with regard to a bona fide Third Party Proposal in respect of all the PR Finance Shares or substantially all of PR Finance's businesses or Subsidiaries (which was not solicited or initiated by PR Finance in contravention of clause 31.1) if the PR Finance Board has determined in good faith, that:

31.8.1. the Third Party Proposal in respect of which those restrictions and notification obligations would otherwise apply is, or may reasonably be expected to lead to, a Superior Proposal; and

31.8.2. such action or inaction (as the case may be) is necessary to discharge the fiduciary or statutory duties of the directors of PR Finance,

after having first taken advice from its legal and financial advisers.

#### **Cease existing discussion**

31.9. PR Finance must:

31.9.1. cease any discussions or negotiations existing as at the date of this agreement relating to any Third Party Proposal (other than the Permitted Negotiations) or any transaction that is reasonably likely to reduce the likelihood of success of the Scheme (other than any transaction being discussed as part of the Permitted Negotiations); and

31.9.2. in respect of all non-public information concerning the PR Finance Group that has been provided by PR Finance or its Representatives to any persons in relation to any Third Party Proposal (other than pursuant to the Permitted Negotiations) since 1 January 2013, promptly request the person that received the information destroy or return that information to PR Finance as soon as practicable in accordance with the requirements of the confidentiality agreements under which such information was provided.

#### **Standstill arrangements with other parties**

31.10. During the Negotiation Period, except with the prior written consent of Keybridge, PR Finance must not amend or waive the terms of any standstill agreement or arrangement between PR Finance and any other person other than a member of the Keybridge Group, unless the standstill agreement is with one of the parties listed at schedule 8.

#### **Equal access to information**

31.11. Where PR Finance or a Representative provides material confidential information concerning the PR Finance Group to any person in connection with a current or potential Third Party Proposal (other than to those persons listed at schedule 8), it must as soon as reasonably practicable provide to Keybridge a complete copy of that information (unless such information is already available, or has been provided, to Keybridge). PR Finance must promptly request that such information is returned to it or destroyed upon the person confirming that it does not intend to proceed with the Third Party Proposal.

#### **Revisions to a Third Party Proposal**

31.12 Any material modification to a Third Party Proposal will be deemed to make that proposal a new Third Party Proposal in respect of which PR Finance must comply

with its obligations under clauses 31.4, 31.5, 31.6, 31.7 in relation to such modified proposal.

## **32. Interpretation**

In this agreement, unless the context otherwise requires:

- 32.1. the Introduction is correct;
- 32.2. headings do not affect interpretation;
- 32.3. singular includes plural and plural includes singular;
- 32.4. words of one gender include any gender;
- 32.5. a reference to time is a reference to Sydney, Australia time;
- 32.6. a reference to “dollars”, “\$A”, “A\$” or “\$” is a reference to Australian currency;
- 32.7. a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- 32.8. a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- 32.9. reference to a person includes a corporation, body corporate, joint venture, association, government body, firm and any other entity;
- 32.10. a reference to a party is to a party to this agreement, and a reference to a party to an agreement includes the party’s executors, administrators, successors and permitted assigns and substitutes;
- 32.11. reference to two or more people means each of them individually and all of them jointly;
- 32.12. if a party comprises two or more people:
  - 32.12.1. a promise by that party binds each of them individually and all of them jointly;
  - 32.12.2. a right given to that party is given to each of them individually;
  - 32.12.3. a representation, warranty or undertaking by that party is made by each of them individually;
- 32.13. a provision must not be construed against a party only because that party prepared it;
- 32.14. a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;

- 32.15. the meaning of general words or provisions shall not be limited by references to specific matters that follow them (for example, introduced by words such as “including” or “in particular”) or precede them or are included elsewhere in this agreement;
- 32.16. if a thing is to be done on a day which is not a Business Day, it must be done on the next Business Day;
- 32.17. another grammatical form of a defined expression has a corresponding meaning;
- 32.18. an expression defined in the Corporations Act has the meaning given by that Act at the date of this agreement.

## Schedule 1 – Definitions

In this agreement, including the Introduction, unless the context otherwise requires, the following definitions apply:

<b>Term</b>	<b>Meaning</b>
<b>Advisers</b>	means, in relation to an entity, its legal, financial and other expert advisers and agents.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Associates</b>	in relation to any person, has the meaning given in section 9 of the Corporations Act.
<b>ASX</b>	ASX means ASX Limited or the securities exchange it operates, as the context requires.
<b>ASX Listing Rules</b>	means the official listing rules of ASX.
<b>Business Day</b>	means a day that is not a Saturday, Sunday or public holiday in New South Wales.
<b>CBA</b>	means Commonwealth Bank of Australia.
<b>CBA Facilities</b>	means the facilities provided by CBA to PR Finance pursuant to the terms of [a letter of offer dated 18 November 2011].
<b>Change in Law</b>	means the introduction into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia of any law, or the making of any new regulation under any law, or the adoption by any Regulatory Authority of any policy, or the announcement by or on behalf of any Government of the Commonwealth of Australia or of any State or Territory of Australia or any Regulatory Authority that such a law or regulation will be introduced or such a policy adopted (as the case may be).
<b>Commitment</b>	means any contract, agreement, undertaking, deed and legally enforceable arrangement whether in writing or not.
<b>Conditions</b>	means the Conditions set out in schedule 2.
<b>Control</b>	has the meaning given to that term in the Corporations Act.
<b>Controlled Entity</b>	means in respect of an entity another entity controlled by it for the purposes of section 50AA of the Corporations Act.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Counterproposal</b>	has the meaning given in clause 10.7.1.
<b>Court</b>	means the Federal Court sitting in New South Wales or any other court of competent jurisdiction under the Corporations Act agreed in writing by PR Finance and Keybridge.
<b>Deed Poll</b>	means a deed in the form of annexure B or in such other form agreed by the parties in writing under which Keybridge covenants in favour of the Scheme Participants to perform its obligations under clause 3.2 or procure that those obligations are performed.
<b>Effective</b>	means, when used in relation to the Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made for the purposes of section 411(4)(b) in relation to the Scheme.
<b>Effective Date</b>	means, in relation to the Scheme, the date on which the Scheme becomes Effective.
<b>Excluded Share</b>	means a PR Finance Share held by Keybridge or by any person on behalf of or for the benefit of Keybridge.
<b>Exclusivity Period</b>	means the period from and including 11 May 2013 to and including the earlier of (i) the date this agreement is terminated in accordance with its terms and (ii) the Implementation Date.

<b>Term</b>	<b>Meaning</b>
<b>First Court Hearing Date</b>	means the first day of the hearing by the Court on the application by PR Finance for orders under section 411(1) of the Corporations Act to convene the meeting of PR Finance shareholders to consider the Scheme or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.
<b>GST</b>	has the same meaning as it does in the GST Act.
<b>GST Act</b>	means the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth) and associated legislation and regulations.
<b>GST Group</b>	has the same meaning as is given to that term in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<b>Head Count Test</b>	means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the Scheme Resolution is passed at the Scheme Meeting by majority in number of PR Finance Shareholders present and voting, either in person or by proxy.
<b>Implementation Date</b>	means, in relation to the Scheme, the fifth Business Day after the Record Date.
<b>Implementation Period</b>	means the period from and including the date of this agreement to and including the earlier of (i) the date this agreement is terminated and (ii) the Implementation Date.
<b>Independent Expert</b>	means an expert appointed by PR Finance to prepare the Independent Expert's Report.
<b>Independent Expert's Report</b>	means the Independent Expert's Report prepared in relation to the Scheme.
<b>Initial Scheme Consideration</b>	means the Initial Cash Scheme Consideration and the Initial Keybridge Shares (as those terms are defined in the Scheme).
<b>Keybridge Board</b>	means the board of directors of Keybridge.
<b>Keybridge Due Diligence Information</b>	means all of the non public information in relation to Keybridge provided by Keybridge and its Representatives to PR Finance and its Representatives.
<b>Keybridge Facility</b>	means the facility provided by Keybridge and others to PR Finance pursuant to a syndicated facility agreement dated 29 June 2007 (as amended).
<b>Keybridge Group</b>	means Keybridge and its Controlled Entities.
<b>Keybridge Indemnified Parties</b>	means Keybridge and its Representatives.
<b>Keybridge Information</b>	means such information regarding Keybridge and its Related Entities provided by or on behalf of Keybridge to PR Finance or the Independent Expert to enable the Scheme Booklet to be prepared and completed, and applications for the Regulatory Approvals to be made.
<b>Negotiation Period</b>	means the period from and including the date of this agreement to and including the earlier of (i) the date this agreement is terminated in accordance with its terms and (ii) 10 May 2013.
<b>Officer</b>	in relation to an entity, means its directors and senior executives.
<b>Permitted Negotiation</b>	means a negotiation with a view to obtaining a Superior Proposal between PR Finance on the one hand and one or more of the entities listed at schedule 8 on the other hand.
<b>PR Finance Board</b>	means the board of directors of PR Finance.
<b>PR Finance Due Diligence Information</b>	means all of the non public information in relation to the PR Finance Group provided by PR Finance and its Representatives to Keybridge and its Representatives.
<b>PR Finance Group</b>	means PR Finance and its Related Entities.



<b>Term</b>	<b>Meaning</b>
<b>PR Finance Indemnified Parties</b>	means PR Finance and its Representatives.
<b>PR Finance Information</b>	means all information contained in the Scheme Booklet and all information provided by or on behalf of PR Finance to the Independent Expert to enable the Independent Expert's Report included in or accompanying the Scheme Booklet to be prepared and completed, but does not include the Keybridge Information and the Independent Expert's Report included in or accompanying the Scheme Booklet.
<b>PR Finance Material Adverse Change</b>	<p>means a matter, event or circumstance, including:</p> <p>(a) Change in Law or proposed or foreshadowed Change in Law; and</p> <p>(b) an adverse impact on the ability or potential ability of PR Finance to pursue its business interests,</p> <p>where that matter, event or circumstance has, has had, or will have, individually or when aggregated with all such matters, events or circumstances a material adverse affect on the business, assets, liabilities, financial or trading position, profitability or prospects of the PR Finance Group taken as a whole or the ability of PR Finance to operate and conduct its business as proposed or contemplated.</p>
<b>PR Finance Prescribed Occurrence</b>	<p>means the occurrence of any of the following without the prior written consent of Keybridge:</p> <ul style="list-style-type: none"> <li>• PR Finance converting all or any of its shares into a larger or smaller number of shares;</li> <li>• PR Finance or any Related Entity of PR Finance which is not a wholly owned subsidiary of PR Finance resolving to or reducing its share capital in any way;</li> <li>• PR Finance redeems, repurchases or reclassifies any of the PR Finance Shares;</li> <li>• PR Finance resolving to or buying back any of its ordinary shares, including by: entering into a buy-back agreement; or resolving to approve the terms of a buy-back agreement under the Corporations Act;</li> <li>• PR Finance making an allotment or issue of, or granting an option to subscribe for, any ordinary shares or securities or financial products convertible at the option of the holder into, or having the economic characteristics of, ordinary shares, or agreeing to make such an allotment or issue or to grant such an option;</li> <li>• PR Finance or any Related Entity of PR Finance disposes or agrees to dispose, of the whole, or a substantial part, of its business or property (other than trading inventories and consumables in the ordinary and usual course of business and other than a disposal pursuant to a Superior Proposal resulting from a Permitted Negotiation);</li> <li>• PR Finance or any Related Entity of PR Finance creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property;</li> </ul>

Term	Meaning
	<ul style="list-style-type: none"> <li>• PR Finance resolving that it be wound up;</li> <li>• a liquidator, provisional liquidator or administrator of PR Finance being appointed;</li> <li>• the making of an application to or order by a court for the winding up of PR Finance;</li> <li>• PR Finance executing a deed of company arrangement;</li> <li>• a receiver, or a receiver and manager, in relation to the whole, or a part, of the property of PR Finance being appointed;</li> <li>• PR Finance pays or distributes any dividend, bonus or other share of its profits or assets or returns any capital to its members;</li> <li>• PR Finance amends or proposes to amend its constitution;</li> <li>• PR Finance ceases to carry on business or is deregistered under the Corporations Act;</li> <li>• PR Finance releases, discharges or modifies any obligation owed to it in excess of \$10,000,000 from any person firm or body corporate or agrees to do so (other than a release, discharge or modification pursuant to a Superior Proposal resulting from a Permitted Negotiation);</li> <li>• any member of the PR Finance Group agrees or announces an intention to take out any of the actions referred to in the foregoing paragraphs or offers to do so (other than an agreement, announcement or offer pursuant to a Superior Proposal resulting from a Permitted Negotiation).</li> </ul>
<b>PR Finance Share</b>	means a fully paid ordinary share in the capital of PR Finance.
<b>PR Finance Share Register</b>	means the register of members of PR Finance maintained in accordance with the Corporations Act.
<b>PR Finance Shareholder</b>	means each person registered in the PR Finance Share Register as the holder of PR Finance Shares.
<b>Quit Date</b>	means 30 June 2013 or such later date as Keybridge and PR Finance may agree in writing.
<b>Record Date</b>	means, in relation to the Scheme, 5.00 pm (Sydney time) on the fifth Business Day after the Effective Date or such other date as Keybridge and PR Finance agree in writing.
<b>Regulatory Approval</b>	<p>means:</p> <ul style="list-style-type: none"> <li>• any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority or exemption from, by, or with, a Regulatory Authority; or</li> <li>• in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.</li> </ul>
<b>Regulatory Authority</b>	means a government or a governmental, semi-governmental or judicial entity or authority or any Minister, department, office or delegate of any government. It includes a self-regulatory

<b>Term</b>	<b>Meaning</b>
	organisation established under statute or a stock exchange, and ASIC.
<b>Related Entity</b>	means, in relation to an entity, any entity which is related to that entity within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any accounting standard in force under section 334 of the Corporations Act) that is Controlled by that entity.
<b>Relevant Interest</b>	has the meaning given in section 9 of the Corporations Act.
<b>Representative</b>	means, in relation to a party: <ul style="list-style-type: none"> <li>• each of the party's Related Entities; and</li> <li>• each of the Officers, employees and Advisers of the party or of any of its Related Entities.</li> </ul>
<b>RG 142</b>	means Regulatory Guide 142 issued by ASIC on 4 August 1999, as amended, substituted or replaced from time to time.
<b>RG 60</b>	means Regulatory Guide 60 issued by ASIC on 4 August 1999, as amended, substituted or replaced from time to time.
<b>Rival Bidder</b>	has the meaning given in clause 10.4.
<b>Scheme</b>	means the proposed scheme of arrangement between PR Finance and PR Finance Shareholders, as described in clause 4.1, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.
<b>Scheme Booklet</b>	means the information to be dispatched to PR Finance Shareholders and approved by the Court, including the Scheme, explanatory statements in relation to the Scheme issued pursuant to section 412 of the Corporations Act and registered with ASIC, the Independent Expert's Report, summaries of each of this agreement and the Deed Poll and notices convening the Scheme Meeting (together with proxy forms).
<b>Scheme Consideration</b>	has the meaning given to that term in the Scheme.
<b>Scheme Meeting</b>	means the meeting to be ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme.
<b>Scheme Order</b>	means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme.
<b>Scheme Participant</b>	means each person recorded in the PR Finance Share Register as the holder of Scheme Shares as at the Record Date.
<b>Scheme Resolution</b>	means the resolution to be put to PR Finance Shareholders at the Scheme Meeting to approve the Scheme.
<b>Scheme Shares</b>	means the PR Finance Shares on issue at the Record Date other than the Excluded Shares.
<b>Second Court Date</b>	means the first day on which an application made to the Court for an order approving the Scheme pursuant to section 411(4)(b) of the Corporations Act is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.
<b>Sensitive Information</b>	means any information that in the reasonable opinion of a party relates to competitive sensitivity or which, if disclosed, might result in a Superior Proposal resulting from a Permitted Negotiation not being made..
<b>Share Splitting</b>	means the splitting by a holder of PR Finance Shares into two or more parcels of PR Finance Shares whether or not it results in

<b>Term</b>	<b>Meaning</b>
	any change in beneficial ownership of the PR Finance Shares.
<b>Subsidiary</b>	means, in relation to a body corporate, any body corporate which is a subsidiary of the first mentioned body corporate within the meaning of section 46 of the Corporations Act 2001 (Cth).
<b>Superior Proposal</b>	<p>means a written bona fide Third Party Proposal which the PR Finance Board acting in good faith, in order to satisfy what it considers to be its fiduciary and statutory duties determines is:</p> <ul style="list-style-type: none"> <li>(a) reasonably capable of being valued and completed on a timely basis, is not subject to any further board, credit or investment committee approvals, and is subject only to normal commercial conditions as to its completion, taking into account all aspects of the Third Party Proposal;</li> <li>(b) more favourable to PR Finance Shareholders than the Scheme, taking into account all terms and conditions of the Third Party Proposal; and</li> <li>(c) one which will result in the Keybridge Facility being repaid in full.</li> </ul> <p>after having taken advice from its legal and financial advisers.</p>
<b>Third Party Proposal</b>	<p>means any expression of interest, offer or proposal by a third party in respect of a transaction which, if completed, would mean a person would, directly or indirectly and whether alone or together with one or more associates;</p> <ul style="list-style-type: none"> <li>• acquire all or a significant portion of the assets or business of PR Finance or the PR Finance Group; and/or</li> <li>• acquire a Relevant Interest or a legal or equitable interest in 10% or more of PR Finance share capital or of the share capital of any of its Subsidiaries (including by way of issue of new PR Finance shares) or enter into any cash settled equity swap or other derivative contract arrangement in respect of 10% or more of PR Finance Shares; and/or</li> <li>• acquire Control of PR Finance; and/or</li> <li>• a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination involving PR Finance and/or its Related Entities,</li> </ul> <p>in all cases, other than the Transaction.</p>
<b>Timetable</b>	means the timetable set out in schedule 3 or such other timetable as may be agreed in writing by the parties.
<b>Transaction</b>	means the acquisition by Keybridge of all of the Scheme Shares through the implementation of the Scheme as contemplated in this agreement.

## Schedule 2 – Conditions

	<b>Condition</b>	<b>Benefit</b>
1.	<p><b>No prohibitions for Scheme</b></p> <p>No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition being in effect at 8.00 am on the Second Court Date which prevents the consummation of any aspect of the Scheme.</p>	PR Finance and Keybridge
2.	<p><b>No transaction involving PR Finance</b></p> <p>(i) As at the date of this agreement, PR Finance has not entered into any agreement, arrangement or understanding with a third party in relation to a Third Party Proposal other than with those parties listed at schedule 8.</p> <p>(ii) As at the commencement of the Exclusivity Period, PR Finance has not entered into any agreement, arrangement or understanding with a third party in relation to a Third Party proposal which remains in force, other than in relation to a Superior Proposal which has been made on or prior to the end of the Negotiation Period.</p> <p>(iii) As at 8.00am on the Second Court Date, PR Finance has not entered into any agreement, arrangement or understanding with a third party in relation to a Third Party Proposal which remains in force.</p>	Keybridge
3.	<p><b>No PR Finance Prescribed Occurrence</b></p> <p>No PR Finance Prescribed Occurrence occurs between the date of this agreement and 8.00am on the Second Court Date.</p>	Keybridge
4.	<p><b>No PR Finance Material Adverse Change</b></p> <p>No PR Finance Material Adverse Change occurs between the date of this agreement and 8.00am on the Second Court Date.</p>	Keybridge
5.	<p><b>Independent Expert's Report</b></p> <p>The Independent Expert issues its report which concludes that the Scheme is in the best interests of PR Finance Shareholders before the date on which the Scheme Booklet is registered by ASIC under the Corporations Act.</p>	PR Finance and Keybridge
6.	<p><b>PR Finance Shareholder approval of Scheme</b></p> <p>PR Finance Shareholders approve the Scheme at the Scheme Meeting (or any adjournment or postponement thereof) by the necessary majorities as may be modified by the Court in accordance with section 411(4)(a)(ii)(A) of the Corporations Act.</p>	
7.	<p><b>Court approval of Scheme</b></p> <p>The Court approving the Scheme under section 411(4)(b) of the Corporations Act and an office copy of the court orders approving the scheme is lodged with ASIC as contemplated by section 411(10) of the Corporations Act.</p>	
8.	<p><b>Approvals and Consents</b></p>	PR Finance

	Before 8.00am on the Second Court Date, ASIC gives all approvals and consents, and takes such other steps, as are necessary or desirable to implement the Scheme.	and Keybridge
9.	<p><b>Representations and Warranties</b></p> <p>The representations and warranties given by PR Finance in clause 8.1 are true and correct in all material respects as at the date of this agreement and, unless otherwise expressly stated, also as at 8.00am on each Business Day thereafter until the Second Court Date, and no material breach of the warranties given by PR Finance in clause 8.1 occurs between the date of this agreement and 8.00am on the Second Court Date.</p>	Keybridge
10.	<p><b>Extension of CBA Facilities</b></p> <p>Before 8.00am on the Second Court Date, CBA and PR Finance extend the maturity date of the CBA Facilities on terms acceptable to Keybridge.</p>	Keybridge
11.	<p><b>Extension of Keybridge Facility</b></p> <p>(i) On or before 7 April 2013 PR Finance (and its Related Entities) and MB Finance Pty Limited execute the deed of amendment to the Keybridge Facility in the form of Annexure C.</p> <p>(ii) On or before the First Court Hearing Date, CBA has consented to the entry into of the deed of amendment to the Keybridge Facility in the form of Annexure C by the parties thereto on terms acceptable to Keybridge and PR Finance.</p>	Keybridge and PR Finance
12.	<p><b>CBA Approval of Scheme</b></p> <p>Before 8.00am on the Second Court Date, CBA consents to the Scheme on terms acceptable to PR Finance and Keybridge.</p>	PR Finance and Keybridge
13.	<p><b>Amendment of Deloitte engagement terms</b></p> <p>Before 8.00am on the Second Court Date, the amendment of the engagement terms between PR Finance and Deloitte in terms satisfactory to Keybridge.</p>	Keybridge
14.	<p><b>Extinguishment of Directors' Liability</b></p> <p>Before 8.00am on the Second Court Date, PR Finance procures, in a manner and on terms satisfactory to Keybridge, the extinguishment of that amount of the liability owed to certain PR Finance directors in respect of their contractual entitlement to amounts over and above their capped salary required so that the amount of that liability when aggregated with the other entitlements referred to in clause 6.1.2 does not exceed A\$2,000,000 .</p>	Keybridge
15.	<p><b>Amendment of Directors' Contracts</b></p>	Keybridge

	<p>Before 8.00am on the Second Court Date, PR Finance procures amendments to the independent contractor contracts of the respective contracting entities of Peter Llewellyn and Rod James on terms satisfactory to Keybridge that in each case:</p> <ul style="list-style-type: none"> <li>• provide for an annual contractor fee of A\$400,000 payable weekly on a pro-rata basis;</li> <li>• allows either party to the contract to terminate without cause by providing three month's written notice to the other party;</li> <li>• provides for six weeks paid leave to the contractor;</li> <li>• provides a corporate credit card to the contractor with a \$5,000 limit to be used for business expenses including reasonable motor vehicle running costs and reasonable mobile phone costs;</li> <li>• acknowledges the continued use of a lap top computer, iPad and iPhone by the contractor with such property to be transferred without charge to the contractor on termination of the agreement..</li> </ul>	
16.	<p><b>Formalisation of Loan Agreements</b></p> <p>Before 8.00am on the Second Court Date, PR Finance procures the execution by all relevant parties of loan agreements between PR Finance and each of Rod James (and his related independent contractor entity) and Peter Llewellyn (and his related independent contractor entity) (<b>Lending Directors</b>), on terms satisfactory to Keybridge and in each case containing the commercial terms set out below.</p> <p>(a) Principal of \$1million payable as follows:</p> <ul style="list-style-type: none"> <li>○ \$625,000 payable in monthly instalments on a pro-rata basis subject to CBA consent and subject to such payment not causing PR Finance to become insolvent, provided that in any event the unpaid balance of such amount will be unconditionally payable on the date which is 12 months after the Implementation Date; and</li> <li>○ subject to (b), \$375,000 (<b>Residual Amount Owing</b>) payable out of amounts received from the Australian Tax Office as a result of amendments to GST returns in respect of the period prior to 31 December 2012 (<b>Qualifying Refunds</b>) and payable in instalments (or one instalment if applicable) equal to 50% of any Qualifying Refunds received by PR Finance within five Business Days of receipt of a Qualifying Refund (or five Business Days after the Implementation Date if the Qualifying Refund is received by PR Finance prior to the Implementation Date).</li> </ul> <p>(b) If, notwithstanding compliance by PR Finance with the payment requirements set out above, the Residual Amount Owing has not been fully repaid by the date which is 12 months after the Implementation Date and there is no reasonable prospect of any further Qualifying Refunds being received, the Lending Directors agree to the extinguishment of the unpaid balance of the Residual Amount Owing.</p>	Keybridge

### Schedule 3 – Timetable

Date	Event	Comment
1 April 2013	Execution of this agreement	
1 April 2013	Commence drafting of Scheme Booklet.  Appoint Independent Expert.	
7 April 2013	Execution of deed of amendment in the form of annexure C	
22 April 2013	Finalise draft Scheme Booklet (including Independent Expert's Report).  Lodge draft Scheme Booklet (including Independent Expert's Report) to ASIC for review and comment and provide notice of first court date to ASIC.	Needs to be 14 days before first Court hearing (CA section 411(2)).
6 May 2013	Receipt of ASIC comments (if any).	
By 8 May 2013	Lodge final draft of Scheme Booklet with ASIC and get ASIC confirmation that it will not object to the Scheme meeting being held.	Before First Court Hearing Date.
9 May 2013	Provision of draft Scheme Booklet (including Independent Expert's Report) to the Court for review in advance of the first Court hearing.	
13 May 2013	First Court Hearing Date.  Scheme Booklet is amended to incorporate any Court required changes and printing of the Scheme Booklet occurs.	CA section 411(1).
15 May 2013	Scheme Booklet is registered with ASIC and despatched to PR Finance Shareholders.	CA section 412(6).
6 June 2013	Advertise Second Court Date.	Five days notice needs to be



		given.
13 June 2013	PR Finance Shareholders' meeting to approve Scheme. (Note 28 days required)  Provision of evidence to the Court ahead of Second Court Date.	
14 June 2013	Final Court hearing to approve Scheme.  Lodge copies of Court orders approving the Scheme with ASIC. This is the Effective Date.	
21 June 2013	Record Date to determine PR Finance Shareholders that are entitled to receive the Scheme Consideration.	Five Business Days after the Second Court Date.
28 June 2013	Implementation Date.	Five Business Days after the Record Date.

## Schedule 4 – PR Finance’s steps for implementation

	<b>Step</b>
1.	<p><b>Recommendation of the Scheme</b></p> <p>Recommend to holders of PR Finance Shares that the Scheme is in the best interests of PR Finance and PR Finance Shareholders and that PR Finance Shareholders vote in favour of all resolutions to be proposed at the Scheme Meeting or approve the Scheme (subject to the Independent Expert concluding that the Scheme is in the best interests of PR Finance Shareholders and no Superior Proposal being made).</p>
2.	<p><b>Scheme Booklet</b></p> <p>As soon as practicable after the date of this agreement , prepare the Scheme Booklet in compliance with all applicable laws, and in particular the Corporations Act, RG 60, and RG 142 which must contain</p> <p style="padding-left: 40px;">a prominent statement that the PR Finance Board unanimously recommends that PR Finance Shareholders vote in favour of the Scheme in the absence of a Superior Proposal.</p> <p>and provide drafts of the Scheme Booklet at regular intervals to Keybridge for its review and comment, and consider in good faith the reasonable comments of Keybridge and its Representatives when preparing revised drafts of those documents.</p>
3.	<p><b>Independent Expert</b></p> <p>Promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert’s Report for inclusion in the Scheme Booklet.</p>
4.	<p><b>Approval of draft for ASIC</b></p> <p>As soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC:</p> <ul style="list-style-type: none"> <li>• provide that draft to Keybridge; and</li> <li>• procure that a meeting of the PR Finance Board is convened to approve that draft as being in a form appropriate for provision to ASIC for review.</li> </ul>
5.	<p><b>Liaison with ASIC</b></p> <p>As soon as practicable after the resolution referred to in step 6 of this schedule is passed, provide an advanced draft of the Scheme Booklet, in a form acceptable to PR Finance and Keybridge to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act, and:</p> <ul style="list-style-type: none"> <li>• liaise with ASIC during the period of its consideration of that draft of the Scheme Booklet;</li> <li>• provide Keybridge with copies of all correspondence between ASIC and PR Finance in relation to the Scheme Booklet;</li> <li>• keep Keybridge informed of any matters raised by ASIC in relation to the Scheme Booklet, and use its best endeavours, in co-operation with</li> </ul>

	<p>Keybridge, to resolve any such matters; and</p> <ul style="list-style-type: none"> <li>at Keybridge's request, allow Keybridge to attend meetings and discussions with ASIC (provided that ASIC express no objection).</li> </ul>
6.	<p><b>Approval of Scheme Booklet</b></p> <p>As soon as practicable at the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the PR Finance Board is convened to approve the Scheme Booklet in the form approved by ASIC and also to approve an application to the Court for an order that the Scheme Meeting be convened and, subject to approval by the Court, for the Scheme Booklet to be dispatched to PR Finance Shareholders.</p>
7.	<p><b>Section 411(17)(b) statements</b></p> <p>Apply to ASIC for the production of a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme.</p>
8.	<p><b>Scheme Meeting</b></p> <p>Promptly after, and provided that, the approvals in step 7 of this schedule and step 6 of schedule 5 have been received:</p> <ul style="list-style-type: none"> <li>apply to the Court for an order under section 411(1) of the Corporations Act directing PR Finance to convene the Scheme Meeting; and</li> <li>take all steps necessary to comply with the order of the Court including, as required, dispatching the Scheme Booklet to the PR Finance Shareholders and holding the Scheme Meeting.</li> </ul>
9.	<p><b>Court documents</b></p> <p>Consult with Keybridge in relation to the content of the documents required for the purpose of each of the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from Keybridge and its Representatives on those documents.</p>
10.	<p><b>Registration of explanatory statements</b></p> <p>Request ASIC to register the explanatory statements included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act.</p>
11.	<p><b>Deficient Information</b></p> <p>Advise Keybridge if at any time before the Second Court Date, PR Finance becomes aware either:</p> <ul style="list-style-type: none"> <li>of new information which, were it known at the time the Scheme Booklet was prepared should have been included in the Scheme Booklet; or</li> <li>that any part of the PR Finance information in the Scheme Booklet is misleading or deceptive in any material respect (whether by omission or otherwise),</li> </ul> <p>and, if either party considers that supplementary disclosure is required, provide supplementary disclosure to PR Finance Shareholders.</p>
12.	<p><b>Registry Information</b></p>

	<p>Comply with any reasonable request by Keybridge to give directions in accordance with Part 6C.2 of the Corporations Act and procure that the PR Finance Share Registry provides to Keybridge, in the form reasonably requested by Keybridge, all information about the Scheme and PR Finance Shareholders (including the results of directions given by PR Finance under part 6C.2 of the Corporations Act) which Keybridge reasonably requires in order to:</p> <ul style="list-style-type: none"> <li>• canvas approval of the Scheme by PR Finance Shareholders; or</li> <li>• facilitate the provision of the Scheme Consideration including details of the Register on the Record Date,</li> </ul> <p>other than information that PR Finance's share registry is prohibited from providing by law or regulation.</p>
13.	<p><b>Head Count Test</b></p> <p>If the Scheme Resolution is not passed by reason only of the non-satisfaction of the Head Count Test and either party considers, acting reasonably, that Share Splitting or some abusive or improper conduct may have caused or contributed to the Head Count Test not having been satisfied, apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Head Count Test.</p>
14.	<p><b>Approval and implementation of Scheme</b></p> <p>If the resolution submitted to the Scheme Meeting is passed by the necessary majorities (as may be modified by the Court in accordance with section 411(4)(a)(ii)(A) of the Corporations Act), promptly apply (and, to the extent necessary, re-apply) to the Court for orders approving the Scheme and if that approval is obtained:</p> <ul style="list-style-type: none"> <li>• promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;</li> <li>• close the PR Finance Share Register in respect of PR Finance Shares as at the Record Date and determine entitlements to the Initial Scheme Consideration in accordance with the Scheme;</li> <li>• subject to Keybridge providing or procuring the provision of the Initial Scheme Consideration, execute proper instruments of transfer of and effect and register the transfer of the Scheme Shares in accordance with the Scheme; and</li> <li>• do all other things contemplated by or necessary to give effect to the Scheme.</li> </ul>
15.	<p><b>Consultation</b></p> <p>During the period from the date of this agreement to the Implementation Date:</p> <ul style="list-style-type: none"> <li>• promptly provide to Keybridge a copy of the PR Finance Share Register as requested by Keybridge from time to time; and</li> <li>• hold weekly meetings between the PR Finance managing director and the Keybridge executive director to discuss, at a high level, material matters (which, for the avoidance of doubt, shall not include Sensitive Information) relating to PR Finance and Keybridge and their respective Related Entities including, without limitation: <ul style="list-style-type: none"> <li>– business performance (including updates as to any material variances in relation to forecasts);</li> <li>– key personnel issues;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>– risk management;</li> <li>– compliance; and</li> <li>– major business developments.</li> </ul>
16.	<p><b>Representation</b></p> <p>Allow, and not oppose, any application by Keybridge for leave of the Court to be represented, or the separate representation of Keybridge by counsel, at the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme.</p>
17.	<p><b>Compliance with laws</b></p> <p>Do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction.</p>
18.	<p><b>PR Finance Prescribed Occurrence</b></p> <p>Ensure that no PR Finance Prescribed Occurrence occurs between the date of this agreement and 8.00 am on the Second Court Date.</p>

## Schedule 5 – Keybridge’s steps for implementation

	<b>Step</b>
1.	<p><b>Keybridge Information</b></p> <p>Prepare and provide to PR Finance the Keybridge information for inclusion in the Scheme Booklet as soon as is reasonably practicable and consult with PR Finance in relation to the content of the Keybridge Information.</p>
2.	<p><b>Independent Expert</b></p> <p>Subject to the Independent Expert entering into arrangements with Keybridge (including in relation to confidentiality) reasonably required by Keybridge, provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert’s Report for inclusion in the Scheme Booklet.</p>
3.	<p><b>Accuracy of Keybridge Information</b></p> <p>As soon as practicable after PR Finance has notified Keybridge in writing that ASIC has completed its review of the Scheme Booklet, confirm to PR Finance that the Keybridge Information in the Scheme Booklet does not contain any statements that are misleading or deceptive in any material respect.</p>
4.	<p><b>Assistance</b></p> <p>Provide any assistance or information reasonably requested by PR Finance in connection with the preparation of the Scheme Booklet and any other document to be sent to PR Finance Shareholders in order to facilitate satisfaction of the Conditions.</p>
5.	<p><b>Approval of draft for ASIC</b></p> <p>As soon as practicable after the preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procure that a meeting of the Keybridge Board (or a sub-committee of it) is convened to approve the Keybridge information in the form and context in which it appears in the Scheme Booklet as being in a form appropriate for provision to ASIC for review.</p>
6.	<p><b>Approval for Scheme Booklet</b></p> <p>As soon as practicable at the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the Keybridge Board (or a sub-committee of it) is convened to approve the Keybridge Information in the form and context in which it appears in the Scheme Booklet being in a form appropriate for dispatch to the PR Finance Shareholders, subject to approval of the Court.</p>
7.	<p><b>Representation</b></p> <p>If requested by PR Finance, procure that Keybridge is represented by counsel at the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme, at which, through its counsel, Keybridge will undertake (if requested by the Court) to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under the Scheme, and, to the extent that leave of the Court is required for Keybridge to be represented at those Court hearings, apply for that leave.</p>
8.	<p><b>Deed Poll</b></p>

	Prior to the First Court Hearing Date, execute the Deed Poll.
9.	<p><b>Keybridge Information</b></p> <p>Advise PR Finance if at any time before the Second Court Date, Keybridge becomes aware either:</p> <ul style="list-style-type: none"> <li>• of new information which, were it known at the time the Scheme Booklet was prepared should have been included in the Keybridge Information that is included in the Scheme Booklet; or</li> <li>• that any part of the Keybridge Information is misleading or deceptive in a material respect (whether by omission or otherwise),</li> </ul> <p>together with such additional information as PR Finance requires to determine whether supplementary disclosure to PR Finance Shareholders is required.</p>
10.	<p><b>Compliance with laws</b></p> <p>Do everything reasonably within its power to ensure that the Transaction is effected in accordance with all laws and regulations applicable in relation to the Transaction.</p>

## Schedule 6 – PR Finance’s warranties

	<b>Warranty</b>
1.	<p><b>Status</b></p> <p>PR Finance, and each of its Related Entities that is a body corporate, is a body corporate duly incorporated under the laws of its jurisdiction of incorporation or formation.</p>
2.	<p><b>Power for business</b></p> <p>PR Finance, and each of its Related Entities, has the power to own its assets and to carry on its business as now conducted or contemplated.</p>
3.	<p><b>Power for document</b></p> <p>PR Finance has the corporate power to enter into and perform or cause to be performed its obligations under this agreement and the Scheme and to carry out the transactions contemplated by this agreement and the Scheme.</p>
4.	<p><b>Corporate authorisations</b></p> <p>PR Finance has taken or will take all necessary corporate action to authorise the entry into and performance of this agreement and the Scheme and to carry out the transactions contemplated by this agreement and the Scheme.</p>
5.	<p><b>Document binding</b></p> <p>This agreement is a valid and binding obligation enforceable in accordance with its terms, subject to any necessary stamping.</p>
6.	<p><b>Transactions permitted</b></p> <p>Subject to obtaining all applicable Regulatory Approvals, the execution and performance by PR Finance of this agreement and the Scheme and each transaction contemplated by this agreement and the Scheme did not and will not violate in any material respect a provision of a law or treaty or a judgment, ruling, order or decree of a Regulatory Authority binding on it, or its constitution or any other document or agreement that is binding on it or its assets.</p>
7.	<p><b>Provision of PR Finance Information</b></p> <p>The PR Finance Information included in the Scheme Booklet:</p> <ul style="list-style-type: none"> <li>• will be included in good faith and on the understanding that Keybridge and each of the Keybridge Indemnified Parties will rely on that information for the purposes of considering and approving the Keybridge Information in the Scheme Booklet and approving the entry by Keybridge into the Deed Poll, and that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert’s Report for inclusion in the Scheme Booklet (as the case may be); and</li> <li>• will comply in all material respects with the requirements of the Corporations Act and all relevant policy statements, practice notes and other guidelines and requirements of ASIC.</li> </ul>
8.	<p><b>PR Finance Information true</b></p> <p>The PR Finance Information included or incorporated by reference in the Scheme Booklet will not, as at the date of dispatch of the Scheme Booklet to the PR</p>



	Finance Shareholders, contain any statement which is misleading or deceptive in any material respect nor contain any material omission having regard to applicable disclosure requirements.
9.	<p><b>Update of PR Finance Information</b></p> <p>PR Finance will, as a continuing obligation, provide to Keybridge all such further or new information which may arise after the Scheme Booklet has been dispatched until the date of the Scheme Meeting where that may be necessary to ensure that there would be no breach of item 8 of this schedule as soon as practicable and in any event within two Business Days after the date upon which that information arose.</p>
10.	<p><b>Securities</b></p> <p>PR Finance's issued securities as at the date of this agreement are:</p> <ul style="list-style-type: none"> <li>• 172,191,089 PR Finance Shares;</li> </ul> <p>and neither it nor any of its Related Entities is under any obligation to issue any shares or securities (including equity securities debt securities or convertible securities or securities convertible into shares) or performance rights to any person and nor has it offered or agreed to issue any and no option exists nor is PR Finance or any of its Related Entities subject to any actual or contingent obligation to issue or convert securities.</p>
11.	<p><b>Compliance with laws</b></p> <p>As far as PR Finance is aware, after making enquiries of its Officers, it and its Related Entities have complied in all material respects with all applicable laws and regulations which would, if breached, have a material adverse effect on:</p> <ul style="list-style-type: none"> <li>• the financial position of PR Finance and its Related Entities as a whole; or</li> <li>• on the implementation of the Transaction.</li> </ul>
12.	<p><b>Solvency</b></p> <p>It is not insolvent.</p>
13.	<p><b>Termination of Discussions</b></p> <p>It has terminated all negotiations and discussions that relate to any Third Party Proposal other than the Permitted Negotiations and, at the end of the Negotiation Period it will, subject to clause 10.8, terminate all negotiations and discussions that relate to any Third Party Proposal other than those which on or before the end of the Negotiation Period result in the making of a Superior Proposal.</p>
14.	<p><b>Standstill</b></p> <p>The execution of this agreement by PR Finance will not affect any waiver or amendment of any standstill agreement or arrangement between PR Finance and any other person.</p>
15.	<p><b>Due Diligence Material</b></p> <p>The PR Finance Due Diligence information has been disclosed in good faith, and PR Finance has not knowingly withheld any information from Keybridge because PR Finance believed that the provision of the information would affect Keybridge's willingness to enter into this agreement or proceed with the Transaction.</p>
16.	<p><b>No current discussions</b></p>

	PR Finance represents and warrants to Keybridge that, as at the date of this agreement, neither it nor any of its Representatives is a party to any agreement, arrangement or understanding with a third party in relation to a Third Party Proposal or a possible Third Party Proposal that would prevent it entering into this agreement or complying with its obligations under this agreement.
17.	<b>Material Adverse Change</b>  PR Finance is not aware of anything that is or could reasonably be expected to result in a PR Finance Material Adverse Change.
18.	<b>Break Fee</b>  As at the date of this agreement, other than as disclosed in writing to Keybridge before the date of this Agreement, PR Finance has not entered into any break fee arrangement with any third party.

## Schedule 7 – Keybridge’s warranties

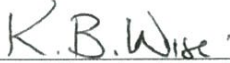
	<b>Warranty</b>
1.	<p><b>Status of Keybridge</b></p> <p>Keybridge is a body corporate duly incorporated under the laws of its jurisdiction of incorporation or formation.</p>
2.	<p><b>Power of Keybridge for document</b></p> <p>Keybridge has the corporate power to enter into and perform or cause to be performed its obligations under this agreement, the Scheme and the Deed Poll and to carry out the transactions contemplated by this agreement, the Scheme and the Deed Poll to be carried out by Keybridge.</p>
3.	<p><b>Corporate authorisations for Keybridge</b></p> <p>Keybridge has taken or will take all necessary corporate action to authorise the entry into and performance of this agreement, the Scheme and the Deed Poll and to carry out the transactions contemplated by this agreement, the Scheme and the Deed Poll to be carried out by Keybridge.</p>
4.	<p><b>Document binding</b></p> <p>This agreement is a valid and binding obligation enforceable in accordance with its terms.</p>
5.	<p><b>Transactions permitted</b></p> <p>Subject to obtaining all Regulatory Approvals, the execution and performance by Keybridge of this agreement, the Scheme and the Deed Poll and each transaction contemplated by this agreement, the Scheme and the Deed Poll did not and will not violate in any material respect a provision of a law or treaty or a judgment, ruling, order or decree of a Regulatory Authority binding on it, or its constitution or any other document or agreement that is binding on it or its assets.</p>
6.	<p><b>Provision of Keybridge Information</b></p> <p>The Keybridge Information:</p> <ul style="list-style-type: none"> <li>• will be provided in good faith and on the understanding that PR Finance and each of the PR Finance Indemnified Parties will rely on that information for the purposes of preparing the Scheme Booklet and proposing the Scheme, and that the Independent Expert will rely upon that information for the purpose of preparing the independent Expert’s Report for inclusion in the Scheme Booklet (as the case may be); and</li> <li>• will comply in all material respects with the requirements of the Corporations Act and all relevant policy statements, practice notes and other guidelines and requirements of ASIC.</li> </ul>
7.	<p><b>Keybridge Information true</b></p> <p>The Keybridge Information included or incorporated by reference in the Scheme Booklet in the form consented to by Keybridge will not, as at the date of dispatch of the Scheme Booklet to the PR Finance Shareholders, contain any material statement which is misleading or deceptive in any material respect nor contain any material omission having regard to applicable disclosure requirements</p>
8.	<p><b>Update of Keybridge Information</b></p>

	Keybridge will, as a continuing obligation, provide to PR Finance all such further or new information which may arise after the Scheme Booklet has been dispatched until the date of the Scheme Meeting where that may be necessary to ensure that there would be no breach of item 7 of this schedule as soon as practicable and in any event within two Business Days after the date upon which that information arose.
9.	<b>Solvency</b> Keybridge is not insolvent.
10.	<b>Due Diligence Material</b> The Keybridge Due Diligence information has been disclosed in good faith, and Keybridge has not knowingly withheld any information from PR Finance because Keybridge believed that the provision of the information would affect PR Finance's willingness to enter into this agreement or proceed with the Transaction.



Executed as a deed

**Executed by PR Finance Group Limited**  
**ACN 46 109 299 390** in accordance with section  
127 of the Corporations Act by or in the presence  
of:



Signature of Secretary/other Director

Kenneth Brian Wise

Name of Secretary/other Director in full



Signature of Director or Sole Director and  
Secretary

Peter Elfyd Llewellyn

Name of Director or Sole Director and  
Secretary in full

**Executed by Keybridge Capital Limited**  
**ABN 16 088 267 190** in accordance with section  
127 of the Corporations Act by or in the presence  
of:



Signature of Secretary/other Director

NICHOLAS BOLTON

Name of Secretary/other Director in full



Signature of Director or Sole Director and  
Secretary

Adrian Martin

Name of Director or Sole Director and  
Secretary in full