



Announcement to the Market

26 October 2010

PIH Merger, Scheme Booklet Registered

Centrepont Alliance Limited (CAF) is pleased to advise that ASIC has registered the Scheme Booklet in relation to its proposed merger with Professional Investment Holdings Limited (PIH) following the first court hearing approval of the merger by which CAF will acquire all of PIH's issued shares.

A copy of PIH's Scheme Booklet is attached. This contains various details in relation to PIH and the merger.

The merger is conditional upon the approval of both PIH shareholders and CAF shareholders.

From a CAF perspective, the Notice of Meeting relating to the meeting of shareholders, which is to be held on 18 November 2010, stated that shareholders should feel free to defer a decision regarding how to vote on the resolution regarding the merger until the scheme documentation was announced. Shareholders should now be in a position to address that decision.

Subject to various approvals being obtained, completion of the merger is scheduled for 13 December 2010.

Contacts

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Scheme Booklet

Professional Investment Holdings Limited

ACN 074 949 429

For the acquisition by Centrepont Alliance Limited ACN 052 507 507 (**CAF**) of all of the shares in Professional Investment Holdings Limited ACN 074 949 429 (**PIH**)

For the schemes of arrangement between:

- PIH and the Ordinary Share Shareholders;
- PIH and the A Class Share Shareholders;
- PIH and the Redeemable Preference Share Shareholders; and
- PIH and the Z Class Share Shareholders.

The notices of the Scheme Meetings are set out in Annexure K, Annexure L, Annexure M and Annexure N to this Scheme Booklet.

The Directors unanimously recommend that, in the absence of a superior proposal, PIH Shareholders vote in favour of the Scheme and the Constitution Amendment Resolution and they intend to do so for the PIH Shares they hold or control. The Independent Expert has concluded that, in the absence of a superior proposal, the Scheme is fair and reasonable and therefore in the best interests of the PIH Shareholders.

This is an important document and requires your immediate attention. It should be read in its entirety. If you are not sure what to do, you should consult your investment or other professional adviser.

Legal Adviser
McCullough Robertson Lawyers

Table of contents

Key dates for PIH Shareholders	6
Important notices	8
Letter from the Chairman of PIH	11
Overview of proposal	13
Considerations in relation to the Proposal	15
Answers to key questions	16
How to Vote	20
Part A – Scheme of Arrangement	23
1 Key features of the Scheme	23
1.1 Overview	23
1.2 Rationale for the Scheme	23
1.3 Scheme Consideration for the Scheme	23
1.4 Overall effect of the Schemes	24
1.5 Effect on PIH Shareholders	24
1.6 Intentions for PIH	25
1.7 Directors' recommendation	25
1.8 Independent Expert's Report	25
1.9 PIH Shareholder and Court approvals required	25
1.10 Scheme and Constitution Amendment Resolution	26
1.11 Conditions Precedent	26
1.12 Tax implications	26
1.13 Ancillary arrangement	27
2 Matters relevant to your vote	28
2.1 Why you may vote in favour of the Scheme	28
2.2 Why you may vote against the Scheme	29
2.3 Other relevant considerations	30
2.4 Implications of failure to approve the Scheme	30
3 Risk factors	31
3.1 Risks applicable to PIH if the Scheme does not proceed	31
3.2 Risk factors applicable to the Post Scheme CAF Group if the Scheme does proceed	35
4 About PIH	37

4.1	PIH and its business – a brief overview	37
4.2	Figure 4.2: Business Overview	39
4.3	Licensing	39
4.4	Business model	40
4.5	Services provided to financial advisers	42
4.6	PIH's administration platforms and financial products	44
4.7	Global operations	47
4.8	Growth strategy and opportunities	49
4.9	PIH restructuring	50
4.10	Sale of Riverbank property	50
4.11	Future sale of De Run Securities Pty Ltd's business	50
4.12	PIH's Board Stephen Murphy (Chairman)	50
4.13	PIH's historical financial performance	52
4.14	PIH's Shares	53
4.15	Recent trading in PIH's Shares	54
4.16	Transfer of PIH Shares under PIH's Constitution	55
4.17	Risks inherent in PIH's business	56
5	About CAF-----	56
5.1	General	56
5.2	Premium Funding Business	56
5.3	Bidder Distribution	57
5.4	Financial and operating information	57
5.5	CAF condensed consolidated income statement for the year ended 30 June 2010	57
5.6	CAF condensed consolidated balance sheet at 30 June 2010	58
5.7	CAF's Capital Structure	58
5.8	Continuously disclosing entity	60
5.9	CAF directors' intentions	61
6	About the Post Scheme CAF Group -----	61
6.1	Executive Summary	61
6.2	Vision	62
6.3	Post Scheme CAF Group	62
6.4	The Board	63
6.5	The Executive	64
6.6	Post Scheme CAF Group Capital Structure	65
6.7	Post Scheme CAF Group consolidated balance sheet	65
7	Tax implications of the Scheme -----	68
7.1	Introduction	68
7.2	Australian residents – CGT consequences	69

7.3	Australian residents – Implications of holding CAF Shares	71
7.4	Stamp Duty	71
7.5	Goods and Services Tax (GST)	71
7.6	Foreign Residents – Australian Income Tax Considerations	72
8	Implementation of the Scheme -----	73
8.1	Scheme Meetings	73
8.2	Second Court Hearing	73
8.3	Effective Date	73
8.4	Record Date	73
8.5	Deciding persons entitled to Scheme Consideration	74
8.6	Implementation Date	74
8.7	Stamp duty	74
8.8	Warranties by PIH Shareholders	74
9	Key terms of the Implementation Deed -----	75
9.1	Overview	75
9.2	Conditions Precedent	75
9.3	Conditions of the Schemes	77
9.4	Status of conditions	78
9.5	Appointing directors	78
9.6	Exclusivity	78
9.7	Termination	79
9.8	Cost Recovery	79
9.9	Sunset Date	80
9.10	Deed Polls	80
10	Key terms of the Convertible Note Subscription Agreement -----	81
10.1	Overview	81
10.2	Redemption by PIH	81
10.3	Conversion or required repayment by CAF	81
10.4	PIH Board representation	82
10.5	Joint Supervisory Committee	82
10.6	Implications of failure to approve the Scheme	82
11	Additional information -----	82
11.1	Interests of Directors	82
11.2	CAF's relevant interests in PIH Shares	83
11.3	Escrow Arrangements	84
11.4	Ancillary arrangements	84
11.5	Dealings in PIH Shares	84

11.6	Consents to be named	85
11.7	Information disclosed lodged with ASIC	85
11.8	Lodgement of this Scheme Booklet	85
11.9	No unacceptable circumstances	86
11.10	Other material information	86
11.11	Foreign selling restrictions	86
11.12	Sale of CAF Shares by a Sale Agent	87
Part B – Constitution amendment		89
1	Key features	89
1.1	Requirement to approve the Constitution Amendment	89
1.2	Key elements of the Constitution Amendment	90
1.3	Shareholder approval	90
1.4	Directors' recommendation	90
1.5	Why you may vote in favour of the Constitution Amendment Resolution	90
1.6	Why you may vote against the Constitution Amendment Resolution	91
Glossary		92
Annexure A		97
	Independent Expert's Report	97
Annexure B		98
	Implementation Deed	98
Annexure C		99
	PIH Ordinary Shares Deed Poll	99
Annexure D		100
	Scheme of Arrangement for PIH Ordinary Shares	100
Annexure E		101
	PIH A Class Shares Deed Poll	101
Annexure F		102
	Scheme of Arrangement for PIH A Class Shares	102
Annexure G		103
	PIH Z Class Shares Deed Poll	103
Annexure H		104
	Scheme of Arrangement for PIH Z Class Shares	104
Annexure I		105
	PIH Redeemable Preference Shares Deed Poll	105
Annexure J		106
	Scheme of Arrangement for PIH Redeemable Preference Shares	106

Annexure K-----	107
Notice of Scheme Meeting (Ordinary Share Shareholders)	107
Annexure L -----	111
Notice of Scheme Meeting (A Class Share Shareholders)	111
Annexure M -----	115
Notice of Scheme Meeting (Redeemable Preference Share Shareholders)	115
Annexure N-----	119
Notice of Scheme Meeting (Z Class Share Shareholders)	119
Annexure O-----	123
Class Meeting (Ordinary Share Shareholders)	123
Annexure P-----	126
Class Meeting (A Class Share Shareholders)	126
Annexure Q-----	129
Class Meeting (Redeemable Preference Share Shareholders)	129
Annexure R-----	132
Class Meeting (Z Class Share Shareholders)	132
Annexure S-----	135
Notice of Extraordinary General Meeting	135
Corporate directory -----	138

Key dates for PIH Shareholders

Event*	Date**
Date and time for deciding eligibility to vote at Scheme Meetings, Class Meetings and Extraordinary General Meeting	20 November 2010 at 9.00am
Last date and time to lodge proxies for Scheme Meetings, Class Meetings and Extraordinary General Meeting	20 November 2010 at 9.00am
Extraordinary General Meeting	22 November 2010 at 9.00am *
Scheme Meeting (Redeemable Preference Share Shareholders)	22 November 2010 at 9.30am
Class Meeting (Redeemable Preference Share Shareholders)	22 November 2010 at 10.00am
Scheme Meeting (A Class Share Shareholders)	22 November 2010 at 10.15am
Class Meeting (A Class Share Shareholders)	22 November 2010 at 10.45am
Scheme Meeting (Ordinary Share Shareholders)	22 November 2010 at 11.00am
Class Meeting (Ordinary Share Shareholders)	22 November 2010 at 11.30am
Scheme Meeting (Z Class Share Shareholders)	22 November 2010 at 11.45am
Class Meeting (Z Class Share Shareholders)	22 November 2010 at 12.00pm
Second Court Date	29 November 2010
Effective Date for the Scheme (transfers of PIH Shares will not be registered after this date)	3 December 2010
Record Date (PIH Shareholders on the register at 8.00pm on this date will be entitled to the Scheme Consideration)	6 December 2010
Implementation Date	13 December 2010
Payment of the Scheme Consideration (transfer of CAF Shares to PIH Shareholders)	13 December 2010

- * The Meetings will be held consecutively, starting with the Extraordinary General Meeting at 9.00am. Each subsequent Meeting will begin after the end of the previous Meeting, but not before the time specified above.
- ** All dates following the Scheme Meetings are indicative only and are subject to change.

All times referred to in this Scheme Booklet are Queensland times.

Important notices

This Scheme Booklet

This Scheme Booklet is the explanatory statement required to be given to PIH Shareholders under subsection 411(1) of the Corporations Act. You should read this Scheme Booklet in its entirety before deciding how to vote on the resolutions to be considered at the Scheme Meetings, Class Meetings and the Extraordinary General Meeting. This Scheme Booklet does not take into account the individual investment objectives, financial situation and particular needs of each PIH Shareholder. You should seek independent legal, financial, taxation, or other professional advice before making a decision as to whether or not to vote in favour of the Scheme (as applicable to you) and the Constitution Amendment.

Capitalised terms used in this Scheme Booklet are defined in the glossary.

Responsibility for information

The PIH Information has been provided by, and is the responsibility of, PIH. Neither CAF nor PIH's advisers assume any responsibility for the accuracy or completeness of the PIH Information.

The CAF Information has been provided by, and is the responsibility of, CAF, (other than sections 1.6, 3.2 and 6 which are the joint responsibility of PIH and CAF). Neither PIH nor its advisers assume any responsibility for the accuracy or completeness of the CAF Information.

The Independent Expert has prepared the Independent Expert's Report in Annexure A. None of PIH, CAF or their advisers assumes any responsibility for the accuracy or completeness of the Independent Expert's Report. However, PIH has given factual information that the Independent Expert has relied on in preparing the Independent Expert's Report. The accuracy and completeness of that information is the responsibility of PIH.

ASIC involvement

A copy of this Scheme Booklet has been given to ASIC under subsection 411(2) of the Corporations Act and registered by ASIC for the purpose of section 412(6) of the Corporations Act. ASIC has examined a copy of this Scheme Booklet. PIH has asked ASIC to give a statement that ASIC has no objection to the Scheme under paragraph 411(17)(b) of the Corporations Act. If ASIC provides that statement, it will be produced at the Second Court Hearing. Neither ASIC nor any of its officers take any responsibility for the contents of this Scheme Booklet.

Important Notice associated with Court order under section 411(1) of the Corporations Act

At the First Court Hearing, the Court ordered PIH to convene the Scheme Meetings to consider and vote on the Scheme and approved the Scheme booklet as the explanatory statement required to accompany the notices convening the Scheme Meetings. The notices convening the Scheme Meetings are set out in Annexure K, Annexure L, Annexure M and Annexure N of this Scheme Booklet. The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meetings be convened and approved the scheme booklet required to accompany the notices convening the Scheme Meetings does not mean that the Court:

- (a) has formed a view as to the merits of the proposed Scheme or as to how PIH Shareholders should vote (on this matter the PIH Shareholders must reach their own decision); or
- (b) has prepared, or is responsible for the content of, the Scheme Booklet.

The Court's order for the convening of the Scheme Meetings is not an endorsement by the Court of the Scheme. On these matters the PIH Shareholders must reach their own decision.

Disclosure about forward looking statements

Certain statements in this Scheme Booklet relate to the future. Those statements may not be based on historical facts. They may reflect the current expectations of PIH or, for the CAF Information, CAF (and PIH in respect of sections 1.6, 3.2 and 6), about future events or results. Those statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual events or results to differ materially from the statements. Deviations as to future conduct, results, performance and achievements are both normal and expected. None of PIH nor CAF, their respective directors, officers or advisers, or any other person gives any representation, assurance or guarantee that the events or outcomes expressed or implied in any forward looking statement in this document will actually occur. You are cautioned against relying on any such statements.

You should carefully review the information in this Scheme Booklet. Sections 2.1 and 2.2 set out reasons to vote in favour and reasons not to vote in favour of the Scheme.

All subsequent written and oral forward looking statements attributable to PIH or CAF or any person acting on their behalf are qualified by this cautionary statement.

The forward looking statements included in this Scheme Booklet are made at the date of this Scheme Booklet. Subject to any continuing obligations under the ASX listing rules or the Corporations Act, PIH and CAF do not give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

Foreign shareholders

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements which may be different from those applicable in other jurisdictions. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

In particular, this Scheme Booklet may not be released or distributed in the United States. This Scheme Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable United States state securities laws.

Foreign shareholders, being PIH Shareholders in jurisdictions outside Australia and its external territories and New Zealand, should refer to section 11.11 of part A of this Scheme Booklet to determine whether they are Ineligible Foreign Shareholders.

PIH Shareholders that are considered to be Ineligible Foreign Shareholders will not be able to receive the Scheme Consideration. CAF Shares that would otherwise have been issued to these shareholders in connection with the Scheme will be issued to the Sale Agent (or their nominees) to be sold on ASX, with the net proceeds of such sale to be paid to the relevant Ineligible Foreign Shareholders. Please refer to section 11.11 of part A of this Scheme Booklet for more detail on this process.

Privacy and personal information

PIH will need to collect personal information in connection with the Scheme. The personal information may include the names, contact details, details of shareholdings of PIH Shareholders and contact details of persons appointed by PIH Shareholders as proxies, corporate representatives or attorneys at the

Scheme Meetings, Class Meetings and/or the Extraordinary General Meeting. The collection of some of this information is required or authorised by the Corporations Act. PIH Shareholders who are individuals, and other individuals whose personal information is collected, have rights to access the personal information collected about them and can contact PIH by calling Lisa Sawyer on (07) 5574 0244 if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to CAF, its related entities and their advisers in connection with the Scheme. If this information is not collected, PIH may be hindered in, or prevented from, conducting the Scheme Meetings, Class Meetings and/or the Extraordinary General Meeting or implementing the Scheme. PIH Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at a Scheme Meeting, Class Meeting or the Extraordinary General Meeting should inform that individual of these information matters.

Defined Terms

Capitalised terms used in this Scheme Booklet are defined in the Glossary of defined terms on page 89 of this Scheme Booklet.

Date

This Scheme Booklet is dated 26 October 2010.

Queries

If you have any questions or require any further information, you can call Lisa Sawyer (PIH Company Secretary) on (07) 5574 0244 (9:00am and 5:00pm on weekdays) or email her at LisaS@profinvest.com.au.

Letter from the Chairman of PIH

26 October 2010

Dear PIH Shareholder

On 25 August 2010, Professional Investment Holdings Limited (**PIH**) and Centrepont Alliance Limited (**CAF**) announced that they had agreed terms on which CAF would acquire all of the PIH Shares under schemes of arrangement, subject to a number of conditions precedent, including regulatory, Court and PIH Shareholder approval (**Proposal**). CAF is an ASX listed company and one of Australia's largest insurance premium funding organisation, specialising in financial solutions for the Australian insurance industry. The enclosed Scheme and the Constitution Amendment Resolution are provided for your consideration.

The Proposal

On implementation of the Scheme, PIH Shareholders will receive 1.4921 CAF Shares for each PIH Share that the relevant PIH Shareholder holds (rounded to the nearest share). After completion of the Proposal, if it proceeds, PIH Shareholders will hold 75% of the share capital of CAF on a fully diluted basis. The value of the CAF Shares received by PIH Shareholders will depend on the price of CAF Shares at that time.

It is extremely important that you vote as the Scheme must be approved at each Scheme Meeting by a majority in number (i.e. more than 50%) of PIH Shareholders in the relevant class, present and voting (in person or by proxy) who hold at least 75% of the votes cast at that Scheme Meeting.

Directors' unanimous recommendation and vote

The Directors unanimously recommend that PIH Shareholders vote in favour of the Scheme and the Constitution Amendment Resolution, in the absence of a superior proposal. Directors who hold PIH Shares intend to vote their PIH Shares in favour of the Scheme and the Constitution Amendment Resolution.

In considering their response to the Proposal, the Directors have carefully considered PIH's future growth opportunities, its challenges, risks and the uncertainties of delivering value to PIH Shareholders superior to the Scheme Consideration.

The Directors received advice from McCullough Robertson Lawyers and appointed an independent expert, Deloitte Corporate Finance Pty Limited, to consider the Proposal. Based on the conclusion of the Independent Expert and the other matters set out in section 2.1 of part A and section 1.5 of part B, the Directors unanimously recommend that PIH Shareholders vote in favour of the Scheme and the Constitution Amendment Resolution.

The Scheme, if implemented, will allow PIH Shareholders to become part of a strong diversified financial services group which is listed on ASX and will provide PIH Shareholders with a greater opportunity for value realisation in respect of their shareholding as well as an opportunity to choose to continue to hold CAF Shares to take advantage of any future increase in value of the underlying business of the PIH Group.

For PIH, the implementation of the Scheme will result in improved access to funding and management resources with extensive corporate governance experience in the listed company environment. **The**

Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders, in the absence of a superior proposal. A copy of their full report is set out as Annexure A.

Information about the steps necessary to implement the Scheme is set out in section 8 of part A.

Action you should take

This Scheme Booklet gives details of the Scheme, the Independent Expert's Report, reasons for voting in favour of or against the Scheme and the Constitution Amendment Resolution and information on how to vote. Please read the Scheme Booklet in full before making your decision about the Scheme.

I encourage you to vote by attending the relevant Meetings or, if you are unable to attend, completing and returning the relevant proxy form accompanying this Scheme Booklet.

If you are not sure what to do, you should consult your investment or other professional adviser.

If you have any questions, you can contact Lisa Sawyer, PIH Company Secretary, by phone on (07) 5574 0244 (9:00am and 5:00pm on weekdays) or by email to LisaS@profinvest.com.au.

Yours faithfully

Stephen Murphy
Chairman

Overview of proposal

The Proposal

CAF will acquire all the PIH Shares in consideration for the issue of 1.4921 CAF Shares representing 75% of the share capital of CAF post Proposal on a fully diluted basis.

Meetings

Scheme Meetings: for PIH Shareholders to approve the Scheme.

Class Meetings: for PIH Shareholders in each class to approve the Constitution Amendment Resolution.

Extraordinary General Meeting: for PIH Shareholders to approve the Constitution Amendment Resolution.

Date and times for Meetings

The Meetings will begin with the Extraordinary General Meeting at 9.00am on 22 November 2010. The Scheme Meetings and Class Meetings will also be held on 22 November 2010 at the times specified in the Key Dates for Shareholders section on page 6 of this Scheme Booklet.

Scheme Consideration

If the Scheme is approved, PIH Shareholders will receive 1.4921 CAF Shares per PIH Share (rounded to the nearest share).

Escrow arrangements

Escrow Arrangements will apply to 50% of the CAF Shares received by each PIH Shareholder under the Scheme (**Escrowed CAF Shares**) which prevent disposal of the Escrowed CAF Shares received by that PIH Shareholder for the following periods:

- (a) 50% of the Escrowed CAF Shares received will be subject to escrow for the period of time beginning on the Implementation Date and ending on 20 June 2012; and
- (b) the other 50% of the Escrowed CAF Shares will be subject to escrow for the period of time beginning on the Implementation Date and ending on 20 June 2013 unless prior to that date the relevant PIH Shareholder becomes an Authorised Representative of an entity other than PIS, in which case, the escrow period ends on 20 June 2015.

Ancillary arrangements

CAF has agreed to provide an advance of \$7.5 million to PIH (subject to satisfaction or waiver of certain conditions precedent) by way of subscription for the Convertible Notes in accordance with the terms of the Convertible Note Subscription Agreement. Currently, \$5 million has been drawn down by PIH under the Convertible Note Subscription Agreement. The second tranche of \$2.5 million remains undrawn and may or may not be drawn down in the future.

The Convertible Notes are an unsecured debt obligation of

PIH. PIH will pay to CAF interest at the rate of 8% per annum until the Convertible Notes are:

- (a) redeemed as a result of repayment of the outstanding amount by PIH; or
- (b) converted into Ordinary Shares in PIH.

If all of the Convertible Notes are converted CAF will have a 12% holding of the fully diluted share capital of PIH.

Directors' recommendation and vote

The Directors unanimously recommend that you vote in favour of the Scheme and the Constitution Amendment Resolution, in the absence of a superior proposal. Directors who hold PIH Shares intend to vote their shares in favour of the Scheme and the Constitution Amendment Resolution.

Independent Expert's conclusion

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders, in the absence of a superior proposal. The Independent Expert's Report is included in Annexure A.

Considerations in relation to the Proposal

You should read this Scheme Booklet in full before deciding how to vote. Section 2 of part A contains a more detailed assessment of the matters which the Directors consider are important.

Reasons to support the Proposal

- 1 The Directors unanimously recommend that PIH Shareholders vote in favour of the Scheme, in the absence of a superior proposal.
- 2 The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders, in the absence of a superior proposal.
- 3 The Scheme, if implemented, results in the PIH Group becoming part of a strong diversified listed financial services group with growth opportunities and potential for shareholder value realisation due to the greater liquidity of CAF Shares as well as an opportunity to continue to take advantage of any increase in value of the underlying business of the PIH Group.
- 4 As a holder of CAF Shares you will have the same rights as all other shareholders, which may not be the case in respect of your PIH Shares.
- 5 CGT rollover relief should be available to you in respect of the Scheme.
- 6 The Scheme will result in PIH having improved access to funding and management resources with corporate governance experience in a listed company environment.
- 7 At the date of this Scheme Booklet, the Board has not received a superior proposal.

Reasons not to support the Proposal

- 1 You may believe that the Scheme is not in the best interests of PIH Shareholders.
- 2 You may consider that a superior proposal may be made.
- 3 You may believe that PIH's earnings will continue to grow after the date of this document, and that growth may support a PIH Share value in excess of the Scheme Consideration.
- 4 You may not wish to be subject to the proposed Escrow Arrangements applying to the Escrowed CAF Shares.
- 5 You may decide you do not wish to hold shares in CAF.

The Directors believe the reasons to support the Proposal outweigh the reasons not to support the Proposal. Therefore, the Directors unanimously recommend that you vote in favour of the resolutions to be considered at the Scheme Meetings, Class Meetings and the Extraordinary General Meeting, in the absence of a superior proposal.

If you have any questions, you can call or email the PIH Company Secretary, Lisa Sawyer on (07) 5574 0244 (9:00am and 5:00pm on weekdays) or at LisaS@profinvest.com.au.

Answers to key questions

What will I receive if the Scheme is implemented?

You will receive 1.4921 CAF Shares for each PIH Share that you hold at the Record Date.

When will I receive my CAF Shares?

If the Scheme is implemented, the CAF Shares will be transferred to you on the Implementation Date, which PIH expects will be 13 December 2010. Trading in your CAF Shares will commence on 14 December 2010.

Will I be eligible to receive CAF dividends?

As a holder of CAF Shares you will be entitled to participate in dividends and other distributions declared after the Implementation Date on the same basis as all other holders of CAF Shares. This entitlement will not include a right to participate in the Bidder Distribution which will have a record date prior to the implementation of the Scheme but may be paid after the implementation of the Scheme.

When can I sell my CAF Shares?

Escrow Arrangements will apply to 50% of the CAF Shares received by each PIH Shareholder under the Scheme (**Escrowed CAF Shares**) which prevent disposal of those CAF Shares received by that PIH Shareholder for the following periods:

- (a) 50% of the Escrowed CAF Shares received will be subject to escrow for the period of time beginning on the Implementation Date and ending on 20 June 2012; and
- (b) the other 50% of the Escrowed CAF Shares will be subject to escrow for the period of time beginning on the Implementation Date and ending on 20 June 2013 unless prior to that date the relevant PIH Shareholder becomes an Authorised Representative of an entity other than PIS, in which case, the escrow period ends on 20 June 2015.

You will not be able to dispose of Escrowed CAF Shares while they remain subject to the Escrow Arrangements.

The 50% of the CAF Shares received by each PIH Shareholder which are not subject to the Escrow Arrangements may be offered for sale immediately following listing on ASX.

Are there any conditions required to be satisfied before the Scheme is implemented?

There is a number of conditions precedent to the implementation of the Scheme. These are set out in section 9.2 of part A.

What are the tax consequences of the Scheme?

CGT rollover relief should be available to you on the transfer of your PIH Shares under the Scheme. Further details of the general tax consequences of the Scheme are set out in section 0 of part A. You should seek your own professional advice in respect of your individual tax issues.

What is the ancillary arrangement?

CAF has agreed to provide an advance of \$7.5 million in two tranches to PIH (subject to satisfaction or waiver of certain conditions precedent) by way of subscription for the Convertible Notes in accordance with the terms of the Convertible Note Subscription Agreement. The first tranche of \$5 million has been drawn down. The second tranche of \$2.5 million remains undrawn and may or may not be drawn down in the future.

The Convertible Notes are an unsecured debt obligation of PIH. PIH will pay to CAF interest at the rate of 8% per annum until the Convertible Notes are (pursuant to the terms of the Convertible Note Subscription Deed):

- (a) redeemed as a result of repayment of the outstanding amount by PIH; or
- (b) converted into Ordinary Shares in PIH.

If all of the Convertible Notes are converted CAF will have a 12% holding of the fully diluted share capital of PIH. If the Convertible Notes currently held by CAF were converted, CAF would have an 8% holding of the fully diluted share capital of PIH.

What is the Constitution Amendment?

PIH's Constitution contains certain steps that must be followed before PIH Shareholders can transfer PIH Shares, including giving the Board notice of the proposed transfer, rights of pre-emption and seeking Board approval in certain instances. The Constitution Amendment Resolution amends PIH's Constitution so that these provisions do not operate for transfers under the Scheme.

What do the Directors recommend?

The Directors unanimously recommend that you vote in favour of the Scheme and the Constitution Amendment Resolution, in the absence of a superior proposal. The Directors that hold PIH Shares intend to vote their shares in favour of the Scheme and the Constitution Amendment Resolution.

What did the Independent Expert conclude?

The Independent Expert concluded that the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders, in the absence of a superior proposal. The Independent Expert's Report is set out as Annexure A.

Can I vote?

All PIH Shareholders who are the registered holders of PIH Shares at 9.00am on 20 November 2010 are entitled to vote at the relevant Scheme Meeting, Class Meeting and the Extraordinary General Meeting.

What voting majorities are required to approve the Scheme?

There will be four separate Scheme Meetings to approve the Scheme, one for each class of PIH Shareholder (i.e. A Class Share Shareholders, Ordinary Share Shareholders, Redeemable Preference Share Shareholders and Z Class Share Shareholders).

The Scheme must be approved at each Scheme Meeting by a majority in number (i.e. more than 50%) of PIH Shareholders in the relevant class, present and voting (in person or by proxy) who hold at least 75% of the votes cast at that Scheme Meeting.

What voting majorities are required to approve the Constitution Amendment Resolution?

There will be four separate class meetings to approve by separate special resolution the Constitution Amendment Resolution, being an Ordinary Share Shareholders' Meeting, an A Class Share Shareholders' Meeting, Redeemable Preference Share Shareholders' Meeting and a Z Class Share Shareholders' Meeting. In each case the resolution will need to be approved by those who are present and voting (in person or by proxy) who hold at least 75% of the votes cast at the relevant class meeting.

There will be an Extraordinary General Meeting to approve the Constitution Amendment Resolution, at which each PIH Shareholder may vote.

The Constitution Amendment Resolution must be approved at the Extraordinary General Meeting by PIH Shareholders, present and voting (in person or by proxy) who hold at least 75% of the votes cast at the Extraordinary General Meeting.

Should I vote?

You do not have to vote, however, if you do not vote the requisite majorities of PIH Shareholders required to approve the Scheme at the Meetings may not be achieved. Further, the Directors believe that the Scheme is an opportunity for the PIH Group to become part of a strong diversified listed financial services group with growth opportunities and potential for shareholder value realisation as well as an opportunity to continue to take advantage of any increase in value of the underlying business of the PIH Group and recommend that you read this Scheme Booklet carefully and vote in favour of the Scheme and the Constitution Amendment Resolution, in the absence of a superior proposal.

See the 'How to Vote' section on page 20 for details on how to vote in person and by proxy.

Why should I vote in favour of the Scheme and the Constitution Amendment?

The Directors unanimously recommend that you vote in favour of the Scheme and the Constitution Amendment Resolution, in the absence of a superior proposal.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders, in the absence of a superior proposal.

Other reasons why you may vote in favour of the Scheme and the Constitution Amendment are set out in section 2.12.2 of part A and section 1.5 of part B.

Why might I vote against the Scheme and the Constitution Amendment?

You may believe that the Scheme is not in the best interests of the PIH Shareholders. Also, you may not wish to become a shareholder of CAF.

Other reasons why you may vote against the Scheme and the Constitution Amendment are set out in section 2.2 of part A and section 1.6 of part B.

What happens if I vote against the Scheme?

Just because you vote against the Scheme, does not mean that the Scheme will not be implemented. If the Scheme and the Constitution Amendment Resolution are approved by the requisite majorities of PIH Shareholders and the Scheme is approved by the Court, your PIH Shares will be transferred to CAF even though you have voted against the Scheme and you will receive the Scheme Consideration for the PIH Shares that you hold at the Record Date.

What happens if I do not vote on the Scheme?

Even if you do not vote, if the Scheme and the Constitution Amendment Resolution are approved by the requisite majorities of PIH Shareholders and the Scheme is approved by the Court, your PIH Shares will be transferred to CAF and you will receive the Scheme Consideration for the PIH Shares that you hold at the Record Date.

What happens if the Scheme is not implemented?

You will retain your PIH Shares and not receive the Scheme Consideration. More information about the implications for PIH if the Scheme is not implemented is set out in section 2.4 of part A.

Who is CAF?

CAF was formed in October 2005 from the merger of Centrepont Finance and Alliance Finance Corporation. CAF specialises in the provision of insurance premium funding through Australian insurance brokers operating in the commercial insurance market. It is listed on ASX and operates out of offices in Brisbane, Sydney, Melbourne, Adelaide and Perth. Section 5 of part A contains further information about CAF.

What plans does CAF have for PIH once the Scheme is implemented?

An aim of the Post Scheme CAF Group is to increase the scale of its business. CAF's vision is to build a significant business in the financial services industry which generates sound returns for shareholders through a strategy of acquiring and building businesses that operate in the financial services industry. Initially, each of the existing businesses of CAF

and the PIH Group will operate as autonomous business units under their own management structures with the corporate office of CAF focused on fostering the growth of those businesses. For details in relation to the Post Scheme CAF Group please see section 6 of part A.

Can I sell my PIH Shares now?

In order to sell your PIH Shares you must first follow the processes set out in the Constitution including giving the Board notice of the proposed transfer, rights of pre-emption and seeking Board approval in certain instances. These processes are summarised in section 4.16.

If you do transfer your PIH Shares and you cease to be the registered holder before the Record Date, you will not be entitled to the Scheme Consideration.

Who can help answer my questions?

If you have any questions, you can contact Lisa Sawyer, PIH Company Secretary, by phone on (07) 5574 0244 (9:00am and 5:00pm on weekdays) or by email at LisaS@profinvest.com.au.

How to Vote

Scheme Meetings, Class Meetings and Extraordinary General Meeting

There will be nine separate meetings (**Meetings**) relating to the Proposal on 22 November 2010:

Extraordinary General Meeting	22 November 2010 at 9.00am
Scheme Meeting (Redeemable Preference Share Shareholders)	22 November 2010 at 9.30am
Class Meeting (Redeemable Preference Share Shareholders)	22 November 2010 at 10.00am
Scheme Meeting (A Class Share Shareholders)	22 November 2010 at 10.15am
Class Meeting (A Class Share Shareholders)	22 November 2010 at 10.45am
Scheme Meeting (Ordinary Share Shareholders)	22 November 2010 at 11.00am
Class Meeting (Ordinary Share Shareholders)	22 November 2010 at 11.30am
Scheme Meeting (Z Class Share Shareholders)	22 November 2010 at 11.45am
Class Meeting (Z Class Share Shareholders)	22 November 2010 at 12.00pm

Each Meeting will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217.

Those persons who are registered as PIH Shareholders at 9.00am on 20 November 2010 will be eligible to vote at one or more of the four Scheme Meetings and four Class Meetings (depending on the class of PIH Shares held), and the Extraordinary General Meeting.

Scheme Meetings

The resolution at each Scheme Meeting must be passed by:

- (a) a majority in number of PIH Shareholders in the relevant class, present and voting (in person or by proxy, attorney or corporate representative); and
- (b) at least 75% of the votes cast at that Scheme Meeting.

If all other Conditions Precedent have been satisfied or waived, the Court will then be asked to approve the Scheme.

Class Meetings to approve Constitution Amendment

The Constitution Amendment Resolution must be approved by separate special resolutions of Ordinary Share Shareholders, A Class Share Shareholders, Redeemable Preference Share Shareholders and Z Class Share Shareholders at separate Class Meetings, in each case by those that hold at least 75% of the total number of PIH Shares voted at the Class Meeting (in person or by proxy, attorney or corporate representative).

Extraordinary General Meeting to approve Constitution Amendment

The Constitution Amendment Resolution must be approved by a separate special resolution of PIH Shareholders who hold at least 75% of the total number of PIH Shares voted at the Extraordinary General Meeting (in person or by proxy, attorney or corporate representative).

What should you do?

- 1 Read this Scheme Booklet carefully.
- 2 If you have any questions, you can contact Lisa Sawyer, PIH Company Secretary, by phone on (07) 5574 0244 (9:00am and 5:00pm on weekdays) or by email at LisaS@profinvest.com.au.
- 3 Exercise your right to vote in person or by completing the proxy form. The Directors believe the Scheme is a matter of importance for all PIH Shareholders and therefore urge you to vote.

Voting in person

If you intend to vote in person (including by attorney or corporate representative), you should arrive at the venue by 8.30am on 22 November 2010 so that your shareholding may be checked against the register and your attendance noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person, a corporation may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

Proxy forms accompany this Scheme Booklet. You may appoint a proxy. The proxy need not be a PIH Shareholder. You or your attorney must sign the proxy forms. If you are a corporation, the proxy form must be signed by two directors or by a director and a secretary or, for a proprietary company that has a sole director who is also the sole secretary, by that director, or by its attorney or duly authorised officer. Otherwise, the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

The duly signed proxy form and the original or a certified copy of any relevant authority (if not exhibited previously to PIH) must be received by PIH no later than 9.00am Queensland time on 20 November 2010. Your proxy form will not be valid unless it is actually received by PIH before that time and date.

You must return your proxy form to PIH by emailing it (in unalterable form e.g. PDF file format), posting it in the reply paid envelope provided (for use in Australia) or by delivering or faxing your proxy form to:

Post or deliver to:	Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:	07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)
Email to:	LisaS@profinvest.com.au

Part A – Scheme of Arrangement

1 Key features of the Scheme

1.1 Overview

CAF proposes to acquire all PIH Shares through a scheme of arrangement.

If the Scheme is implemented:

- (a) you will receive 1.4921 CAF Shares per PIH Share held at the Record Date (rounded to the nearest share);
- (b) your PIH Shares will be transferred to CAF; and
- (c) PIH will become a wholly owned Subsidiary of CAF.

A copy of the Scheme relevant to you is set out in Annexure D, Annexure F, Annexure H and Annexure J of this Scheme Booklet.

1.2 Rationale for the Scheme

The Scheme delivers a partial liquidity event for PIH Shareholders and opportunities for future growth. The Directors believe the Scheme delivers good value. CAF is ASX listed which delivers liquidity (subject to the Escrow Arrangements) and the Directors believe that the Post Scheme CAF Group is capable of growth in the future.

Detailed criteria were developed for assessing the merits of the Scheme, including factors such as price, cultural alignment, business fit, PIH Group adviser retention, brand retention, staff retention, liquidity, scale, PIH Group adviser succession and minimising potential disruption to the PIH Group's Business. The Directors believe that the Scheme delivers on these criteria.

The Post Scheme CAF Group will build on the PIH Group's success and the greater scale of the combined businesses will permit the Post Scheme CAF Group to secure more competitively priced products and services. It is anticipated that the respected CAF brand and business will represent a significant opportunity for growing the PIH Group's business.

These factors will also give the Post Scheme CAF Group a strengthened capacity to attract and retain quality staff. The cultures of the two companies are complementary and the Directors believe that, together with the Escrow Arrangements, this will aid retention of the PIH Group's business for the Post Scheme CAF Group. It is anticipated that the Post Scheme CAF Group will be able to provide an enhanced range of services.

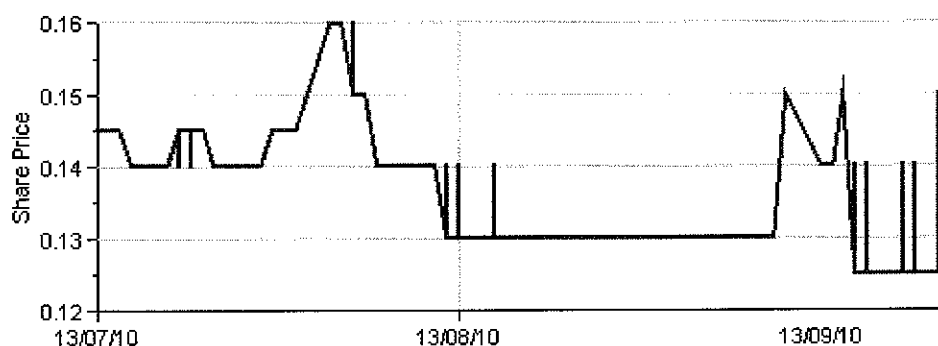
1.3 Scheme Consideration for the Scheme

If the Scheme is approved, PIH Shareholders will receive 1.4921 CAF Shares per PIH Share (rounded to the nearest share). After completion of the Scheme, if it proceeds, PIH Shareholders will hold 75% of the share capital of CAF on a fully diluted basis.

The value of the Scheme Consideration at the time of the implementation of the Scheme will depend on the price of CAF Shares at that time. CAF Shares are listed for trading on the ASX. CAF Shares to be issued to PIH Shareholders as part of the Scheme Consideration will be listed

for trading on ASX from 14 December 2010. Set out below is a graph showing movements in the CAF Share price during the three month period from 31 July 2010 to close of trade on 30 September 2010 (**Recent Trading Period**).

Figure 1.3.1: CAF Share price



The highest recorded price during the Recent Trading Period was \$0.160.

The lowest recorded price during the Recent Trading Period was \$0.125.

The last recorded sale price of CAF Shares immediately prior to the announcement of the Scheme on 30 April 2010 was \$0.130.

CAF is going through a consolidation of its ordinary shares into a smaller number of shares on a 1:7 basis. The table below sets out CAF's current capital structure on a pre and approximate post consolidated basis:

	<i>Pre-Consolidation</i>	<i>Post-Consolidation</i>
CAF Fully Paid Ordinary Shares	160,921,844	22,988,835
CAF Options (Expiring 27 November 2010)	6,000,000 (Exercise Price of \$1.25 per Option)	857,143 (Exercise Price of \$8.75 per Option)
CAF Partly Paid Ordinary Shares (Balance payable no later than 31 October 2012)	3,000,000 18 cents each and paid to 3 cents	428,572 \$1.26 each and paid to \$0.21

1.4 Overall effect of the Schemes

Completion of the Scheme, through the transfer of all of the Ordinary Shares, A Class Shares, Redeemable Reference Shares and Z Class Shares to CAF, will result in:

- (a) PIH becoming a wholly owned Subsidiary of CAF; and
- (b) the PIH Group becoming part of the Post Scheme CAF Group.

1.5 Effect on PIH Shareholders

As a result of the Scheme, PIH Shareholders will cease to be holders of PIH Shares. All PIH Shareholders will receive 1.4921 CAF Shares (on a post consolidation basis) per PIH Share

(rounded to the nearest share) held by them at the Record Date. The Scheme Consideration will be provided as follows:

- (a) on the Implementation Date, CAF will enter in CAF's share register the name and address of each PIH Shareholder as the holder of such number of CAF Shares as that PIH Shareholder is entitled to receive in accordance with the Scheme; and
- (b) within five Business Days after the Implementation Date, CAF will dispatch a holding statement in the name of each PIH Shareholder relating to the number of CAF Shares issued to them.

1.6 Intentions for PIH

An aim of the Post Scheme CAF Group is to increase the scale of its business without compromising the PIH Group's service model, compliance and risk management disciplines, brand, culture and people. CAF's vision is to build a significant business in the financial services industry which generates sound returns for shareholders through a strategy of acquiring and building businesses that operate in the financial services industry. Initially, each of the existing businesses of CAF and the PIH Group will operate as autonomous business units under their own management structures with the corporate office of CAF focused on fostering the growth of those businesses. For details in relation to the Post Scheme CAF Group please see section 6.

1.7 Directors' recommendation

The Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a superior proposal. Directors that hold PIH Shares intend to vote their shares in favour of the Scheme.

1.8 Independent Expert's Report

PIH commissioned the Independent Expert to give an opinion on whether the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders, in the absence of a superior proposal.

The Independent Expert's Report is set out as Annexure A.

1.9 PIH Shareholder and Court approvals required

PIH Shareholder approval

The Court has ordered that four separate Scheme Meetings, one for each class of PIH Shareholders (Ordinary Share Shareholders, A Class Share Shareholders, Redeemable Preference Share Shareholders and Z Class Share Shareholders), be convened. The resolution for the Scheme to be considered at each Scheme Meeting must be passed by:

- (a) a majority in number (more than 50%) of PIH Shareholders in the relevant class, present and voting (in person or by proxy, attorney or corporate representative); and
- (b) at least 75% of the votes cast at that Scheme Meeting.

If one or more of the resolutions are not passed by the requisite majorities, the Scheme will not proceed.

Court approval

If the Scheme is approved by the requisite majority of PIH Shareholders at each Scheme Meeting, the Constitution Amendment Resolution is approved by the requisite majority of PIH Shareholders at the Class Meetings and the Extraordinary General Meeting and all Conditions Precedent are satisfied or waived, PIH will ask the Court to approve the Scheme at the Second Court Hearing, expected to be held on 29 November 2010.

1.10 Scheme and Constitution Amendment Resolution

The Constitution Amendment Resolution will be considered at the Class Meetings and the Extraordinary General Meeting. Implementation of the Scheme is subject to the Constitution Amendment Resolution being passed by the requisite majority at each Class Meeting and at the Extraordinary General Meeting.

More information about the Constitution Amendment Resolution is set out in part B.

1.11 Conditions Precedent

Implementation of the Scheme is subject to the following Conditions Precedent:

- (a) all necessary regulatory approvals being obtained;
- (b) there being no PIH Material Adverse Change;
- (c) there being no PIH Prescribed Occurrence;
- (d) PIH Shareholders approving the Scheme and the Constitution Amendment Resolution and the Scheme being approved by order of the Court;
- (e) CAF Shareholders approving the Scheme;
- (f) PIH making all necessary ASIC lodgements;
- (g) there being no injunction or other order issued by any Court or other legal restraint or prohibition preventing the Scheme;
- (h) the PIH Warranties being true and correct;
- (i) the CAF Warranties being true and correct;
- (j) there being no acquisition by a competitor of PIH or its subsidiaries of a substantial holding (as defined in the Corporations Act) in CAF at any time prior to the Implementation Date;
- (k) there being no acquisition by PIH of any CAF Shares and no acquisition by CAF of PIH Shares prior to the Implementation Date; and
- (l) PIH obtaining third party consents under a number of agreements.

Further details of the Conditions Precedent are set out in section 9.2 of part A.

1.12 Tax implications

A summary of the expected tax implications of the Scheme for PIH Shareholders are set out in section 0 of part A.

1.13 Ancillary arrangement

PIH and CAF have entered into an ancillary arrangement by which CAF has agreed to provide an advance of \$7.5 million to PIH (subject to satisfaction or waiver of certain conditions precedent) by way of subscription for the Convertible Notes in accordance with the terms of the Convertible Note Subscription Agreement. Currently, \$5 million has been drawn down by PIH under the Convertible Note Subscription Agreement. An amount of \$2.5 million remains undrawn and may or may not be drawn down in the future.

If all of the Convertible Notes are converted, CAF will have a 12% holding in the share capital of PIH.

This conversion implies a value of PIH of \$62.5 million which is below the Independent Expert's assessed value of PIH of between \$78.3 million and \$88.3 million.

Further details on the ancillary arrangement are set out in section 10 of part A.

2 Matters relevant to your vote

2.1 Why you may vote in favour of the Scheme

Directors' recommendation

The Directors unanimously recommend that PIH Shareholders vote in favour of the Scheme, in the absence of a superior proposal.

Directors that hold PIH Shares intend to vote their shares in favour of the Scheme.

The interests of all Directors are disclosed in section 11.1 of part A.

The key decision for PIH Shareholders in considering whether to vote in favour of the Scheme is whether they may expect to receive greater value in a reasonable time period by remaining PIH Shareholders or by receiving the Scheme Consideration, having regard to all relevant factors, including the risks inherent in the PIH Group's business and other industry risks.

The Directors have carefully considered the matters set out in this section 2.1 (summarised in the section entitled 'Considerations in relation to the Proposal' on page 15).

The Directors believe that the reasons for PIH Shareholders to vote in favour of the Scheme outweigh the reasons to vote against the Scheme and, therefore, recommend that PIH Shareholders vote in favour of the Scheme.

These reasons and other relevant considerations for PIH Shareholders are set out in this section.

The Independent Expert's conclusion

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders, in the absence of a superior proposal.

The Independent Expert has valued PIH in the range \$1.67 to \$1.88 per PIH Share (excluding the Z Class Share).

A copy of the Independent Expert's Report is set out as Annexure A.

PIH becomes part of a strong diversified listed financial services group

Voting in favour of the Scheme will provide benefits to PIH Shareholders and the PIH Group. If the Scheme is implemented, PIH Shareholders will receive 1.4921 CAF Shares per PIH Share held at the Record Date (rounded to the nearest share). All classes of CAF Shares will have the same rights. The Scheme Consideration will be delivered to PIH Shareholders on the Implementation Date, which PIH expects to be on 13 December 2010. If the Scheme proceeds, PIH Shareholders would hold 75% of the share capital of CAF on a fully diluted basis.

The implementation of the Scheme will allow PIH Shareholders to become part of a strong diversified financial services group which is listed on ASX and will provide PIH Shareholders with a greater opportunity for value realisation in respect of their shareholding as well as an opportunity to continue to take advantage of any increase in value of the underlying business of the PIH Group. Subject to the Escrow Arrangements, PIH Shareholders will have greater liquidity as a result of the Scheme.

Further, the implementation of the Scheme will have positive effects on the ability of the PIH Group to access funding with access to surplus cash of CAF and greater flexibility in sourcing new capital on market.

As CAF is an ASX listed company, if the Scheme is implemented, the PIH Group will be placed in an environment in which the PIH Group will have access to corporate governance expertise and PIH Shareholders will enjoy the benefits of the corporate governance requirements of ASX.

No superior proposal

At the date of this Scheme Booklet, the Board has not received a superior proposal.

The Implementation Deed imposes 'no talk' and 'no shop' obligations on PIH, which began on 24 August 2010 (when the Implementation Deed was executed). These obligations superseded similar obligations imposed on PIH under the heads of agreement executed by PIH and CAF on 30 April 2010.

However, the Implementation Deed does not prevent a third party from making an alternative proposal and does not prevent the Directors from responding to an unsolicited proposal if, and to the extent, necessary to discharge their fiduciary duties as Directors.

A summary of PIH's 'no talk' and 'no shop' obligations is set out in section 9.6 of part A.

The risks inherent in PIH's business and the financial services industry

PIH Shareholders should consider the risks inherent in PIH's business and the financial services industry generally. Please refer to section 3 of part A of this Scheme booklet for more detail on these risks.

The Directors have carefully considered each of these risks, and the Board will continue to work to mitigate their impact on PIH if the Scheme is not approved. However, taking these risks into account, and the other matters set out in this Scheme Booklet, the Directors unanimously recommend that PIH Shareholders vote in favour of the Scheme, in the absence of a superior proposal.

2.2 Why you may vote against the Scheme

While the Directors unanimously recommend that you vote in favour of the Scheme and the Independent Expert considers the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders, PIH Shareholders are not obliged to follow the Directors' recommendation or agree with the Independent Expert's conclusions. Factors that may lead you to vote against the Scheme include those set out below.

Belief that the Proposal is not in the best interests of PIH Shareholders

You may believe that the Scheme is not in your best interests.

For example, you may consider that the Scheme Consideration does not represent good value based on your view of the underlying value of PIH Shares.

The Independent Expert has stated that the Scheme Consideration:

- (a) overlaps the range of the Independent Expert's estimate of the fair market value of Ordinary Shares, A Class Shares and Redeemable Preference Shares; and
- (b) is above the Independent Expert's estimate of the fair market value of the Z Class Share.

Accordingly, it is the Independent Expert's opinion that the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders.

PIH Shareholders are also referred to the Independent Expert's Report which sets out the factors the Independent Expert considered when reaching its conclusion, including the disadvantages to PIH Shareholders, such as: the Escrow Arrangements; illiquidity of CAF Shares; dilution of existing ownership of PIH; and potential tax consequences. You should read the Independent Expert's Report in its entirety.

Expectation of a superior proposal

You may consider that a potential alternative acquirer may emerge and a superior proposal may be made. No superior proposal has been put to the Directors at the date of this Scheme Booklet.

If such a proposal was to emerge the Board will ensure that PIH Shareholders are given all material information relating to that proposal and sufficient time to consider that information.

Expectation of growth in earnings leading to a higher PIH Share value

You may believe that PIH's earnings will continue to grow after the date of this Scheme Booklet, and that this growth may support a PIH Share value in excess of the Scheme Consideration.

Section 4.13 of part A contains summary information of PIH's financial position. Results for the financial year ending on 30 June 2010 are included in this summary.

Escrow Arrangements

You may not wish to be subject to the Escrow Arrangements notwithstanding the current lack of liquidity of your PIH Shares.

Risk of holding an investment in CAF

You may decide that you do not want to invest in a public company with the characteristics of CAF or the Post Scheme CAF Group. The risks applicable to CAF and the Post Scheme CAF Group are set out in section 3 of part A. You should consider these risks carefully before deciding how to vote.

2.3 Other relevant considerations

The Scheme may be implemented even if you vote against it

Even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if approved by the requisite majority of PIH Shareholders and the Court. If this happens, your PIH Shares will be transferred to CAF and you will receive 1.4921 CAF Shares per PIH Share that you hold at the Record Date rounded to the nearest share.

No stamp duty

CAF will pay any stamp duty in connection with the transfer of PIH Shares under the Scheme.

2.4 Implications of failure to approve the Scheme

If the Scheme is not approved by PIH Shareholders and the Court, PIH Shareholders will retain their PIH Shares. In the absence of a superior proposal, there is a risk that PIH Shareholders may not be able to realise a price for all of their PIH Shares (at least in the short term) comparable to the value that they would receive under the Scheme.

The consequences of the Scheme not being implemented include:

- (a) CAF will not pay the Scheme Consideration;
- (b) the Convertible Notes may be converted resulting in CAF holding 12% of the fully diluted share capital of PIH or CAF may require repayment of the outstanding amount under the Convertible Note Subscription Agreement;
- (c) a break fee of \$500,000 may be payable by PIH to CAF (refer to part A section 9.8 for more details); and
- (d) PIH Shareholders will retain their PIH Shares.

If the Scheme is not implemented, the Directors intend to continue to operate PIH in a manner consistent with current practices. PIH Shareholders will be exposed to any benefits and risks associated with their investment in PIH.

3 Risk factors

3.1 Risks applicable to PIH if the Scheme does not proceed

If the Scheme does not proceed, PIH Shareholders will continue to be exposed to risks associated with the financial planning and services industry generally and PIH specific risks including the following:

- (a) general and specific claims and litigation;
- (b) compliance issues;
- (c) ASIC surveillance issues;
- (d) availability of funding;
- (e) PIH's business and operational performance;
- (f) risk of brand damage;
- (g) personnel attrition;
- (h) dependence on key customers;
- (i) competitive forces in the market;
- (j) government policy and regulation; and
- (k) general economic risks.

General claims and litigation

Financial services businesses are exposed to a variety of claims and litigation in relation to professional negligence, statutory duties, investment losses, claims arising under client contracts or other litigation. PIH maintains professional indemnity insurance. Despite that protection it is possible that claims might arise which could have an adverse effect on PIH's performance and reputation and, if not covered by insurance, that such claims could have an adverse effect on the financial performance of PIH.

PIH's professional indemnity insurance policy has an aggregate excess of \$2 million as well as a per claim excess. The policy excludes cover in certain situations, including situations in which an adviser has failed to collect sufficient client data or appropriate client authority, or has recommended a product which is not on the PIS Approved Product List. Consequently, in some cases, amounts paid to settle claims are not covered by PIH's professional indemnity insurance.

An associated risk is that the cost of professional indemnity insurance may increase and availability of insurance in the financial services industry may decline.

On an ongoing basis, PIH assesses its potential exposure to litigation and claims and adjusts its provisioning for such claims. PIH has a general provision for known claims which is quantified using a formula based on historical claim trends and probabilities. In addition to this general provision, where there is sufficient certainty around the potential liability and quantum of a particular claim, PIH will specifically provide for that amount in addition to the general provision. These provisions are evaluated and adjusted on a regular basis at intervals of not more than 3 months.

Given that the provisioning is based on known claims and the inherent uncertainty in predicting the outcome of events that may occur in the future, there can be no assurance that such provisions adequately cover all potential financial exposure to litigation claims.

Specific claims and litigation

PIS or a Related Body Corporate (as the case may be) are currently respondents/defendants in a number of active legal proceedings.

Bendigo and Adelaide Bank Limited (**BABL**) have initiated two proceedings in connection with loans made by BABL to clients investing in the Great Southern Olives Projects. The clients are making a third party claim against PIS on the basis that the advice they were given was inappropriate. The third party proceedings are currently being defended.

PIS has been joined as a third party to a class action commenced by investors against entities associated with the collapsed agribusiness group Timbercorp. PIS is currently defending those third party proceedings.

Proceedings have recently been initiated by clients against PIS in connection with investments in Orchard Diversified Property Trust in 2005 and 2006. PIS will be defending the proceedings. PIS's potential liability in relation to these and the other claims and active proceedings has not been specifically provisioned and is therefore intended to be covered in the general claims provision. As PIS's potential liability and financial exposure in respect of these proceedings becomes more ascertainable, PIH may make specific provisions for such proceedings and may adjust the general provision. This may lead to an increase or decrease in the overall level of provisioning.

PIH has achieved settlement of the two legal proceedings against it in relation to the collapse of Western Australian property developer Westpoint. PIS was a respondent / defendant in representative actions brought on behalf of investors who allegedly incurred losses in respect of a Westpoint financial product that was allegedly introduced to them by PIS financial advisers. PIH's current exposure to this liability is \$4 million, which represents the remaining eight quarterly instalments of \$500,000 to be paid in relation to the settlement of one of the legal proceedings. These amounts have been provided for in PIH's accounts. PIH has no outstanding obligations in relation to the other Westpoint proceeding which has been settled.

With any such claims and proceedings involving alleged losses from investment products and strategies, there is also a higher than usual risk of potential adverse publicity surrounding the claims and legal proceedings, and this may cause damage to the reputation of PIH.

It is not unusual for multiple claims to be made against PIS in respect of a particular adviser (**Multiple Complaint Adviser**). There are currently a number of Multiple Complaint Advisers in respect of which claims remain unresolved. It is possible that the claims made in respect of Multiple Complaint Advisers may fall within the exclusions to coverage in PIH's professional indemnity policy. PIH has made specific provision for claims relating to one Multiple Complaint Adviser in its financial statements but the potential liability associated with the claims against the other Multiple Complaint Advisers are covered by the general provision. As PIS's potential liability and financial exposure in respect of these claims becomes more ascertainable, PIH may make specific provisions for such proceedings and may adjust the general provision. This may lead to an increase or decrease in the overall level of provisioning.

Compliance issues

The financial services industry in which PIH operates is subject to extensive legislative and regulatory requirements and to supervision by state and federal regulatory organisations. If PIH does not comply with relevant laws and regulations, there is a risk that members of the PIH Group may be subject to investigations and enforcement action by regulators, suffer penalties such as fines, obligations to pay compensation or the cancellation or suspension of authorities or licences issued to them under which their respective businesses are conducted.

Non-compliance is also likely lead to higher levels of complaints and claims by clients, insurance not being available to meet the cost of settling such complaints and claims and adverse publicity.

ASIC surveillance issues

During the year ended 30 June 2010, PIS was subject to ASIC's ongoing surveillance in respect of matters relating to its AFSL. The surveillance included a review of PIS's AFSL conditions. PIS is currently negotiating with ASIC a framework by which it will address matters that have been raised by ASIC, which may include mechanisms to rectify the issues raised by ASIC. In the event that negotiations concerning the outcome of the surveillance are concluded before the Scheme Meetings are held, the Directors will issue supplementary disclosure to PIH Shareholders addressing any material consequences of those negotiations.

The Directors have made provision in the current year's budget and cash flow forecasts for the potential increase in compliance costs.

It should be noted that ASIC has no obligation and has made no commitment to accept any particular mechanism and has a number of options available to it including imposition of conditions in respect of PIS's AFSL.

Availability of funding

The credit markets remain unsettled and so there is a possibility that PIH's current funding arrangements may not be extended and that no replacement facility could be found.

Additionally, CAF may require repayment of any outstanding amounts relating to the advance of \$7.5 million by CAF to PIH by way of subscription for the Convertible Notes in accordance with the terms of the Convertible Note Subscription Agreement. At this stage only the first tranche of \$5 million has been drawn down by PIH.

Operational risk

Financial services businesses are exposed to a variety of generalised risks arising from process error, fraud, systems failure, security and physical protection, customer service, staff skills and performance, the degree to which Authorised Representatives comply with the detailed

requirements of financial services laws and product development and maintenance. A failure to adequately manage these risks may adversely impact the performance of the business of PIH.

Brand

The brands and reputation associated with the PIH Group are integral to the performance of, and services offered by, the PIH Group and its practices. Any damage to the reputation of these brands may adversely impact the performance of the businesses of PIH. It is intended to retain the PIH Group's brands for the Post Scheme CAF Group.

Personnel

The business of the PIH Group is dependent in part on the efforts and abilities of its people. Any loss of personnel as a result of the Scheme or otherwise, may adversely impact the performance of the business of the PIH Group.

Dependence on key product providers

The PIH Group has important relationships with product providers in respect of the provision of products. Should a significant number of key product providers fail to meet their obligations or if the contractual relationships between these product providers and the PIH Group are terminated or not renewed, this could have an adverse impact on the business operations and performance of PIH.

Dependence on revenue generated by financial advisers

The PIH Group's business relies on revenue generated by financial advisers and professional service firms. The agreements with these parties (Authorised Representative Agreements with financial advisers and Branch Agreements with referring professional service firms) may be terminated by either party giving 30 days notice. Should a significant number of these parties fail to meet their obligations or if the contractual relationships between these parties and the PIH Group are terminated or not renewed, this could have an adverse impact on the revenue and performance of the PIH Group. Further, dependence on this type of revenue exposes PIH in the event of legislative change, consumer sentiment or new generation platforms or administrative services becoming available.

Competition

PIH competes with a large number of financial services businesses. There is a risk that earnings of PIH could be adversely impacted by the need to compete in the marketplace and through the poaching of practices from PIH.

Government policy and regulation

Changes in legislation, government policy or regulation could also adversely impact the performance of the business of the PIH Group. In addition, if the amount and complexity of applicable legislation, policy or regulation increases, so too may the cost of compliance and the risk of non-compliance by the PIH Group.

In particular, the government will be considering legislative change in response to the Ripoll Report (Inquiry into Financial Products and Services by the Parliamentary Joint Committee on Corporations and Financial Services) and Cooper Super Review (Review into the Governance, Efficiency, Structure and Operation of Australia's Superannuation System).

PIH cannot predict the impact of future legislation and regulatory change on its business. However, as the amount and complexity of the regulation increases, so may the cost of compliance and the risk of non-compliance.

General economic risks

Changes in economic conditions both in Australia and globally affect the financial performance of financial services businesses. No assurance can be made that the market performance of the PIH Group will not be adversely affected by such changes, which include:

- (a) changes in inflation and interest rates. In particular, this may impact on the investment decisions of the PIH Group's clients, adversely affecting the income of the PIH Group;
- (b) changes in employment levels and labour costs may affect the cost structures of the businesses;
- (c) changes in household income, aggregate investment and economic output;
- (d) investor sentiment and local and international stock market conditions;
- (e) changes in fiscal, monetary and regulatory policies; and
- (f) developments in technology, finance and markets generally.

3.2 Risk factors applicable to the Post Scheme CAF Group if the Scheme does proceed

If the Scheme is approved:

- (a) PIH Shareholders will become holders of CAF Shares; and
- (b) the PIH Group will become part of the Post Scheme CAF Group.

As the holder of CAF Shares, you will be exposed to the business performance of, and have an opportunity to participate in the potential financial returns generated by the Post Scheme CAF Group. There are risks inherent with investing in the Post Scheme CAF Group which you should consider carefully in deciding how to vote.

As 100% owner of PIH, CAF would be exposed to all of the risks referred to in section 3.1 above. As a shareholder in CAF you would continue to be exposed to the underlying risks of PIH, including:

- (a) general and specific claims and litigation;
- (b) compliance issues;
- (c) ASIC surveillance issues;
- (d) PIH's business and operational performance;
- (e) risk of brand damage;
- (f) personnel attrition;
- (g) dependence on key customers;

- (h) competitive forces in the market;
- (i) government policy and regulation; and
- (j) general economic risks.

Further details of the risks are set out in section 3.1 of part A.

However, the operations of the Post Scheme CAF Group would include the current business operated by CAF and hence your relative exposure to the risks outlined in section 3.1 may be reduced.

In addition to the exposure to the risks referred to in section 3.1, the Post Scheme CAF Group would be exposed to the risks associated with the current business operated by CAF, including the risks set out below.

Diversification

As holders of CAF Shares pursuant to implementation of the Scheme, PIH Shareholders will be exposed to a more diversified organisation than PIH. Such diversification may continue in the future. A more diverse business may mean PIH Shareholders may be exposed to a more diverse range of risks.

Competitor behaviour

The insurance premium funding industry has several participants which have both relatively large market shares (relative to CAF) and are subsidiaries or operating divisions of large financial services businesses which generally fund the business through their own balance sheets. These include GE Capital and Hunter (a business owned by Allianz). The size of these competitors and their greater access to funding provide them with a strong position on which to compete with CAF.

Key staff

CAF's existing premium funding business has several key personnel that have strong relationships with key customers. Any loss of these individuals may result in a loss of revenue and consequential impact on the business.

Availability of funding

The credit market's appetite for funding small non-bank financial intermediaries can change and there is a possibility that funding for the premium funding business may not be available in the future. In that circumstance the current CAF business might be sold or run off. The short term nature of the premium funding loans means that most of the receivables would run off in ten months releasing most of the capital employed by that date. The unearned interest in the balance sheet at any point would be generally expected to approximate the run-off costs of the business and consequently the sale or closure of the business should not result in a material change in net tangible assets of CAF.

Return on investment

Market and competitive pressures can put strains on premium incomes below an acceptable level. Should that occur on a maintainable basis, the premium funding business could be either sold or wound down to release the capital that is employed in the business with that capital being redeployed by CAF. A sale or closure of the premium funding business should generally result in a stable net tangible assets for CAF (note that there are currently no intangible assets on CAF's

Statement of Financial Position) reflecting the short duration of a run-off and the unearned interest in the balance sheet.

CAF Shares

Under the Scheme, PIH Shareholders will be issued with CAF Shares in consideration for the transfer of their PIH Shares. The share price performance of a listed company, such as CAF, is subject to general fluctuations in the share market. These fluctuations can result from a wide variety of factors – some of which are beyond the control of CAF, such as:

- (a) general economic conditions, including changes in inflation rates, interest rates and exchange rates;
- (b) variations in the domestic and international markets for listed stocks;
- (c) changes to government policy, legislation or regulation; and
- (d) inclusion or removal from market indices.

In particular, the share prices for many companies may reflect a diverse range of issues which are not specific to the company concerned, such as acts of terrorism and the general state of the economy. Such market fluctuations may adversely affect the price of the CAF Shares. An investment in CAF Shares therefore carries risks that the share price may fall and no guarantee can be made regarding the declaration of any dividends or returns of capital.

Escrowed CAF Shares

Under the Scheme, Escrow Arrangements will apply to 50% of the CAF Shares received by each PIH Shareholder (**Escrowed CAF Shares**) which prevent disposal of those CAF Shares received by that PIH Shareholder. The terms of the Escrowed CAF Shares are summarised in page 16 and as set out in that section, they will initially not be tradeable either on ASX or otherwise for prescribed periods. Further, if a PIH Shareholder becomes an Authorised Representative of an entity other than PIS, the escrowed period will be extended to 20 June 2015.

Once the Escrow Arrangements have expired, the Escrowed CAF Shares will be tradeable on ASX and subject to the same risks set out above in relation to CAF Shares.

4 About PIH

4.1 PIH and its business – a brief overview

The PIH Group is one of Australia's leading financial planning and product solution providers. It was formed in Australia by a group of five financial planning consultants and seven accountants.

The PIH Group provides a comprehensive range of financial advice and distributes financial products through one of the largest financial advice networks in Australia¹ comprising over 1,300 associated branches and over 1,000 financial advisers with an extensive client base and through its networks in five other countries comprising more than 500 financial advisers.

¹ As measured by number of qualified financial advisers authorised under an AFSL.

The PIH Group's core operations cover three integrated services:

- (a) provision of financial advice and distribution of financial products from product manufacturers to the investing public through the PIH Group's distribution network;
- (b) provision of tools and techniques to facilitate referral relationships between accounting practices and other professional services firms and financial advisers; and
- (c) provision of a broad range of financial and business development services, backed by ongoing support and expertise to its financial advisers.

Services provided by the PIH Group to financial advisers include financial planning and business management software, product and strategy research, approved products list, compliance with requirements under the PIH Group's AFSLs, ongoing training and professional development, newsletters and other marketing tools and concepts, business development, para-planning services and business management and succession planning. The PIH Group also manages a number of administration platforms and financial products in conjunction with some of Australia's leading financial institutions.

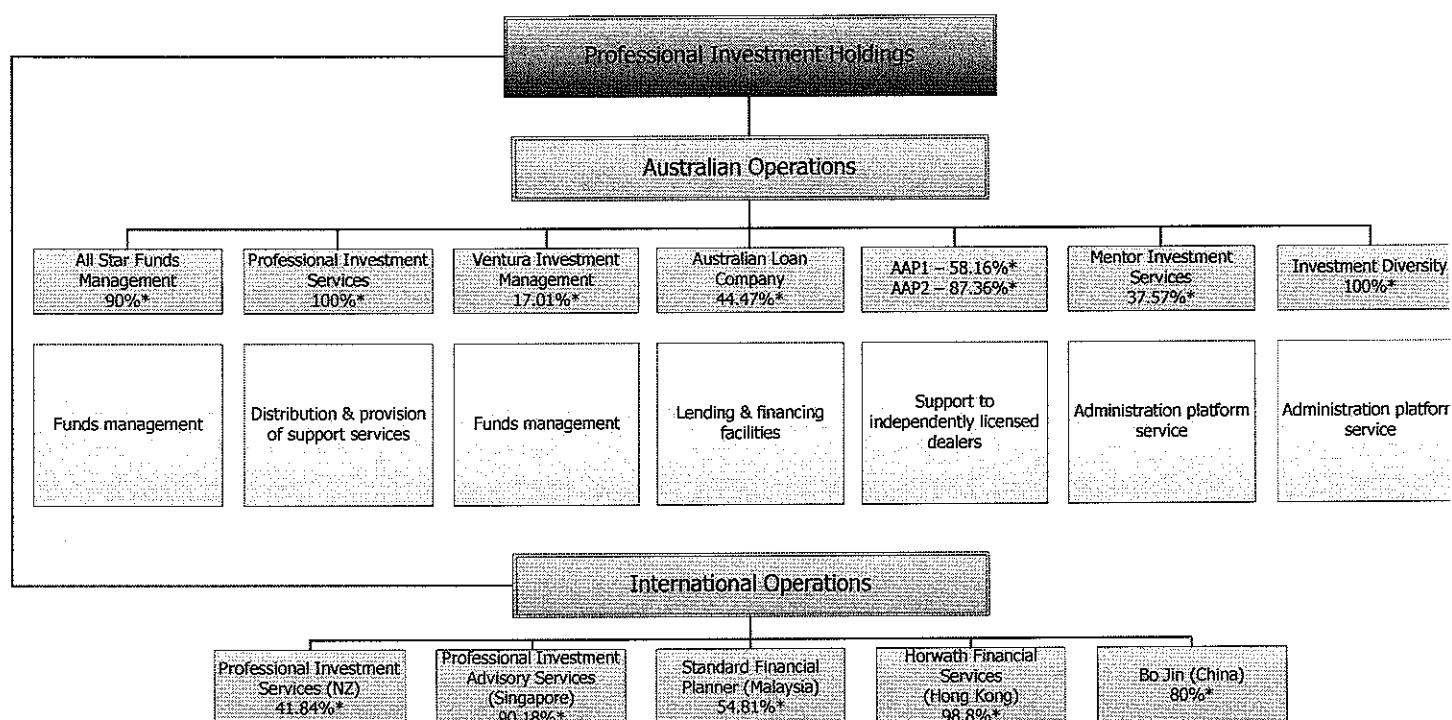
The PIH Group's financial advisers provide financial services to their clients across a wide range of financial planning disciplines including investment advice, estate planning, wealth creation, banking services, lending and financing facilities, superannuation, insurance, retirement planning, salary packaging, mortgage elimination, share trading facilities and tax efficient planning strategies.

The PIH Group has pursued a vertical integration strategy by being involved in the creation and provision of a range of master trusts, wrap accounts and specialist products that could be used not only by members of the PIH Group's distribution network but also by the wider financial planning community. This has resulted in a broad range of administration platforms, products and services that include:

- (a) administration platform services via its Subsidiary, Investment Diversity, and through its close association with Mentor;
- (b) funds management capability through its existing association with Ventura and All Star ; and
- (c) lending and financing facilities through its close association with ALCo.

Through PIH's majority owned subsidiaries, AAP and AAP2, the PIH Group provides support services to a large number of smaller AFSL holders assisting these boutique groups to meet their obligations under their licence, grow their businesses and their funds under advice.

4.2 Figure 4.2: Business Overview



* Indicates percentage of business owned by PIH.

4.3 Licensing

The Corporations Act requires that the providers of financial services have an AFSL or be authorised to provide financial advice by an AFSL holder. ASIC supervises and enforces compliance with AFSLs by licensees. The PIH Group has separate AFSLs as follows:

- Professional Investment Services Pty Ltd – AFSL No.234951;
- IFMA Investment Services Pty Ltd – AFSL No. 239546;
- Insurance & Finance Managers of Australia Pty Ltd – AFSL No. 252532;
- Ventura Investment Management Ltd – AFSL No. 253045;
- Professional Private Advice Limited – AFSL 254544; and
- Investment Diversity Limited – AFSL No. 244375.

To obtain and retain their AFSLs, licensed entities are required to meet minimum standards for each of the licensed services in respect of:

- the overall adequacy of resources;
- competency of responsible officers;
- minimum financial requirements;

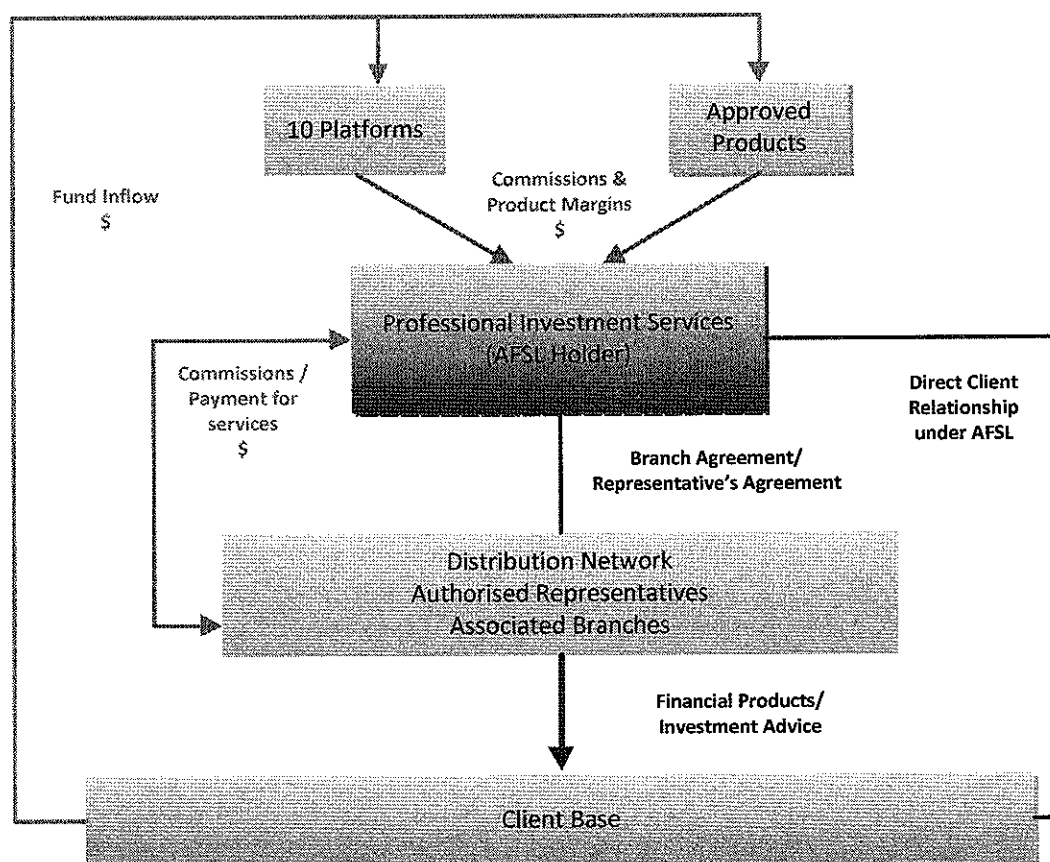
- (iv) procedures for monitoring and reporting on the relevant company's compliance with its licensing obligations; and
- (v) dispute resolution processes (internal and external) for retail clients.

4.4 Business model

The PIH Group's business model is based on providing the support and techniques necessary to create strategic relationships between financial advisers and accounting practices and other professional services firms and to assist members of its advice network to provide quality advice and superior financial services to their clients.

PIH generally does not take direct equity interests in the businesses of their referral sources. In addition, because of its significant advice network, PIH is able to source 'best of breed' financial products from product providers which it offers through its advice network.

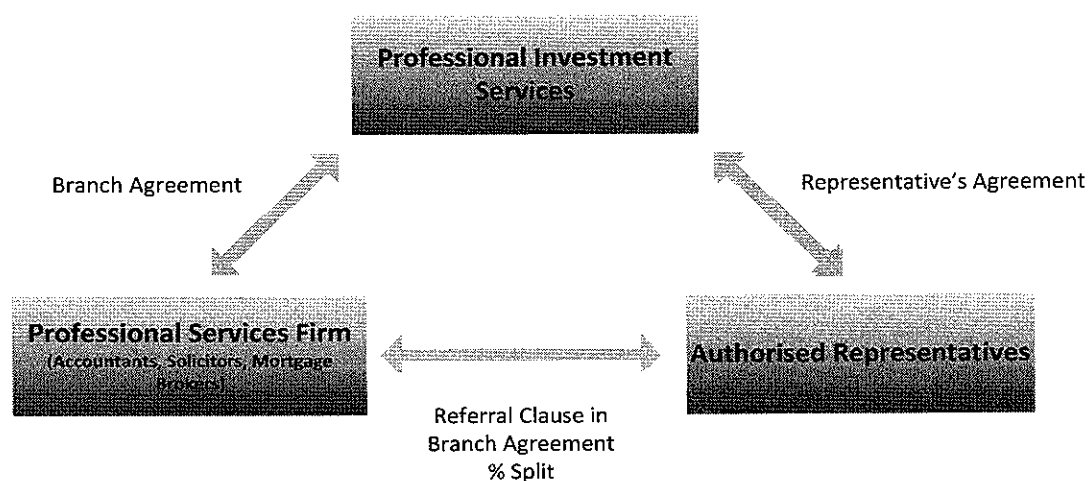
Figure 4.4.1: PIS's business model



PIH believes that by continuing to focus its business strategy on facilitating formal referral arrangements between financial advisers and accounting practices and other professional services firms as referral sources, it will continue to grow. Accounting practices and other professional services firms are in the best position to refer clients to financial advisers as they already have their client's confidence and an understanding of the client's affairs and aspirations

due to their existing professional relationship. The formal referral arrangement model creates a team of specialists for the provision of financial advice to clients and leaves each participant free to concentrate on their area of expertise.

Figure 4.4.2: Referral Model



The PIH Group's core service to its financial advisers is activity based advice management described in detail in Section 4.5.

The PIH Group's revenue comes from a range of sources including:

- (a) fees or financial advice revenue (upfront and/or trailing) received as a result of the provision of advice and from the distribution of investment, risk and lending products by its financial advisers to clients;
- (b) product and platform margins received from product and platform manufacturers;
- (c) fees received from the management and administration of proprietary investment products and platforms (Mentor, Investment Diversity, Ventura Funds and All Star Funds); and
- (d) fees paid by its financial advisers for services and training.

Upfront fees and financial advice revenue

The PIH Group receives fees from clients of its financial advisers and/or upfront fees from product manufacturers which are generally based on the amount clients invest in products. This

amount may vary from product to product. The PIH Group then pays a portion of the fees received to the relevant financial adviser. Fees form a large part of the revenue generated through the activities of financial advisers however an increasing number of financial advisers work on a prescribed fee which is not referable to the amount invested.

Ongoing fees and trailing financial advice revenues

Ongoing management fees are payable as agreed between the client and the financial adviser and cover the ongoing provision of advice and administration of the client's financial plan. The PIH Group may receive an ongoing fee or trailing financial advice revenue which normally forms part of the fund manager's management fee and in most cases, is not an extra charge to the client. In certain instances the financial adviser and client may agree to a level of ongoing fee which will result in an extra charge to the client. In the case of insurance, renewal fees may be paid to the PIH Group by the relevant life insurance company.

Product margins

The PIH Group receives product margins on certain financial products due to formal commercial arrangements with product manufacturers. The PIH Group has formal commercial arrangements with over 40 product manufacturers across more than 50 product types. These commercial arrangements generate margins for the PIH Group on those financial products. The size of the PIH Group's advice network gives it significant leverage to enable it to share margins with a greater number of product manufacturers. Product margins received from product manufacturers are generally retained by PIH.

Management and administration fees

The PIH Group has a range of agreements with product manufacturers who rebate part of their management fee to the PIH Group for the services the PIH Group provides. These fees form part of the manufacturer's fee and are not an extra charge to the client. These fees are calculated based upon the market value of investments at the time of calculation.

4.5 Services provided to financial advisers

Activity based advice management

The PIH Group has developed and refined a business and activity model that it implements in financial advisers' businesses. A team of branch development managers and branch support officers provide assistance and guidance to the financial advisers enabling them to maximise the potential of their client base. The advice team works closely with each financial adviser assisting them to organise regular activities with their centres of influence and their clients. These activities include client updates, business lunches, seminars and other networking functions. In FY 2010, over 20,000 clients attended more than 1,100 seminars. This activity based model and the support provided by the advice team allows the financial advisers to focus on their client relationships thus generating greater revenue.

Currently the PIH Group has an advice team based throughout Australia. The PIH Group provides similar support from advice teams based in other countries. PIH believes the size and quality of its advice team gives it a competitive advantage in the market place.

In addition the PIH Group employs personnel to provide technical support to its financial advisers.

Marketing support and newsletters

The PIH Group's in-house marketing department continually creates and develops marketing services for the distribution network and its members. The PIH Group's marketing and

communication focus includes: branding, client education and information, newsletters, fliers, promotional stock and brochures. The multimedia department works with the marketing team on in-house design for publications, website management and produces presentations for conferences and seminars.

The PIH Group also produces a range of newsletters which are forwarded to clients and potential clients. Additional marketing material is also produced including customised letters addressing investment and insurance issues and invitations for promotional activities.

Training

The PIH Group provides regular professional development days, specialised technical compliance and networking sessions. Professional development days involve training in development and business planning, networking and selling skills, professional standards and technology. Qualifying consultants are invited to attend specialist workshops with access to speakers and concepts above the normal professional development training. The PIH Group also facilitates and hosts DFP and CFP qualification courses for its financial advisers through registered training organisations.

The PIH Group provides a choice of conferences each year that deliver further training as well as invaluable networking opportunities. There are two main conferences for Australian financial advisers in March and September which are usually attended by the majority of the Australian advice network.

All financial advisers must complete at least 30 hours / continuing education points of training per year. This incorporates 20 hours through the PIH Group's professional development days and ten hours through external sources (for example fund manager presentations and on line training courses). The PIH Group also runs a new consultant course every year as well as a careers workshop.

Professional Standards

The PIH Group has a comprehensive business guide for its financial advisers to ensure appropriate and consistent advice and has a professional standards regime to ensure compliance with applicable laws and industry practice standards. Professional standards issues are monitored closely by the PIH Group with every financial adviser audited each year as well as reviews of clients' portfolios and files on a regular basis.

ASIC surveillance of the PIH Group has highlighted issues with respect to the PIH Group's professional standards monitoring and claims handling procedures. Further details on ASIC surveillance issues are contained in section 3.1 of part A.

Approved product list and research

The PIH Group provides a list of approved investment products to financial advisers. Underpinning the selection of products is the need to ensure that there is a broad diversification across capital markets allowing the financial advisers to build portfolios that suit their client's risk and return profiles. To maintain the quality of advice given, financial advisers are not permitted to recommend investment products that are not on the approved product list.

The PIH Group's research team consistently reviews the performance and investment approach of each investment manager it works with. To select the best available opportunities, the PIH Group enlists the services of research houses around the globe to provide external research reports when considering products to be placed on the approved product list.

The PIH Group provides research resources both in hard copy and electronically to financial advisers. Research additional to that conducted internally is sourced primarily through Lonsec and van Eyk and is also available through reputable companies such as Morningstar, AEGIS, Standard & Poors, Australian Agribusiness Group, Adviser Edge, Zenith and a number of national stockbrokers, fund managers and other research houses.

Paraplanning

The PIH Group provides a service to assist financial advisers in the preparation of statements of advice and financial plans. This service is available to all financial advisers in the advice network to help balance work loads and to support financial advisers who lack the necessary resources.

4.6 PIH's administration platforms and financial products

To increase revenue, the PIH Group also manufactures a number of its own administration platforms and financial products. These administration platforms and financial products are provided in conjunction with some of Australia's leading financial institutions.

In addition to the PIH Group's existing business connection with Ventura (including share interests), the PIH Group has close business relationships with, and equity interests in, the following businesses:

Australia Loan Company Limited



Australian Loan
Company

ALCo owned 44.47% by PIH, operates as a provider of personal and business financial services specialising in residential mortgage broking and all aspects of commercial lending and asset equipment finance within the broking industry. ALCo's marketing strategy revolves around identifying the key persons and businesses within the PIH Group's advice network who either actively write finance business, or actively refer finance business to third parties. ALCo also aims to attract quality brokers who are not currently part of the PIH Group distribution network.

Ventura Investment Management Limited



Ventura is a special purpose funds management company established to offer professionally managed investments for investors. Ventura is the responsible entity for the Ventura Funds, as well as for the All Star Funds. It has in total in excess of \$850 million of funds under management. The Ventura Funds are managed by Russell Investment Management Limited using the MULTI ASSET MULTI STYLE MULTI MANAGER™ approach as the basis of the Ventura investment program.



The All Star Funds provide retail investors with exclusive access to a select group of investment managers. Each All Star Fund has a single specialist manager appointed to manage its assets.

Associated Advisory Practices (AAP)

Associated Advisory Practices

Through AAP and AAP2, owned 58.16% and 87.36% respectively by PIH, the PIH Group provides support services to a large number of smaller AFSL holders (generally less than six financial advisers) assisting these boutique groups to meet their obligations under their AFSL, grow their businesses and their funds.

AAP was incorporated to enable the PIH Group to provide quality services, support and education to a network of boutique licensees and their referral sources to enhance their professionalism. The business model for AAP is similar to the PIH Group with the following important distinctions:

- (a) the relationship is business to business;
- (b) the ultimate responsibility lies with the AFSL holder;
- (c) financial advisers are not representatives of PIH, therefore liability is limited; and
- (d) significant extra resources are not required by PIH to provide the services.

AAP and AAP2 currently comprise of more than 150 AFSL holders in aggregate.

Investment Diversity Limited



Investment Diversity is a wholly owned Subsidiary of PIH that specialises in the development of innovative investment platform solutions for financial advisers and their investment clients. Investment Diversity in its role as promoter is responsible for the specification and distribution of the following investment platforms:



- (a) **Investment Exchange** - an integrated online wrap service and external investments database that enables advisers to implement transactions, record and report on a wide

range of investments within self managed superannuation funds, a traditional public offer super/pension service and non-super investment portfolios in a cost effective manner for all parties;



- (b) Mentor investment platform offers a competitive and flexible range of superannuation and investment platform services supported by a highly specialised administration platform developed and administered by Oasis Fund Management Ltd a member of the ING Group.

Mentor Investment Services Limited

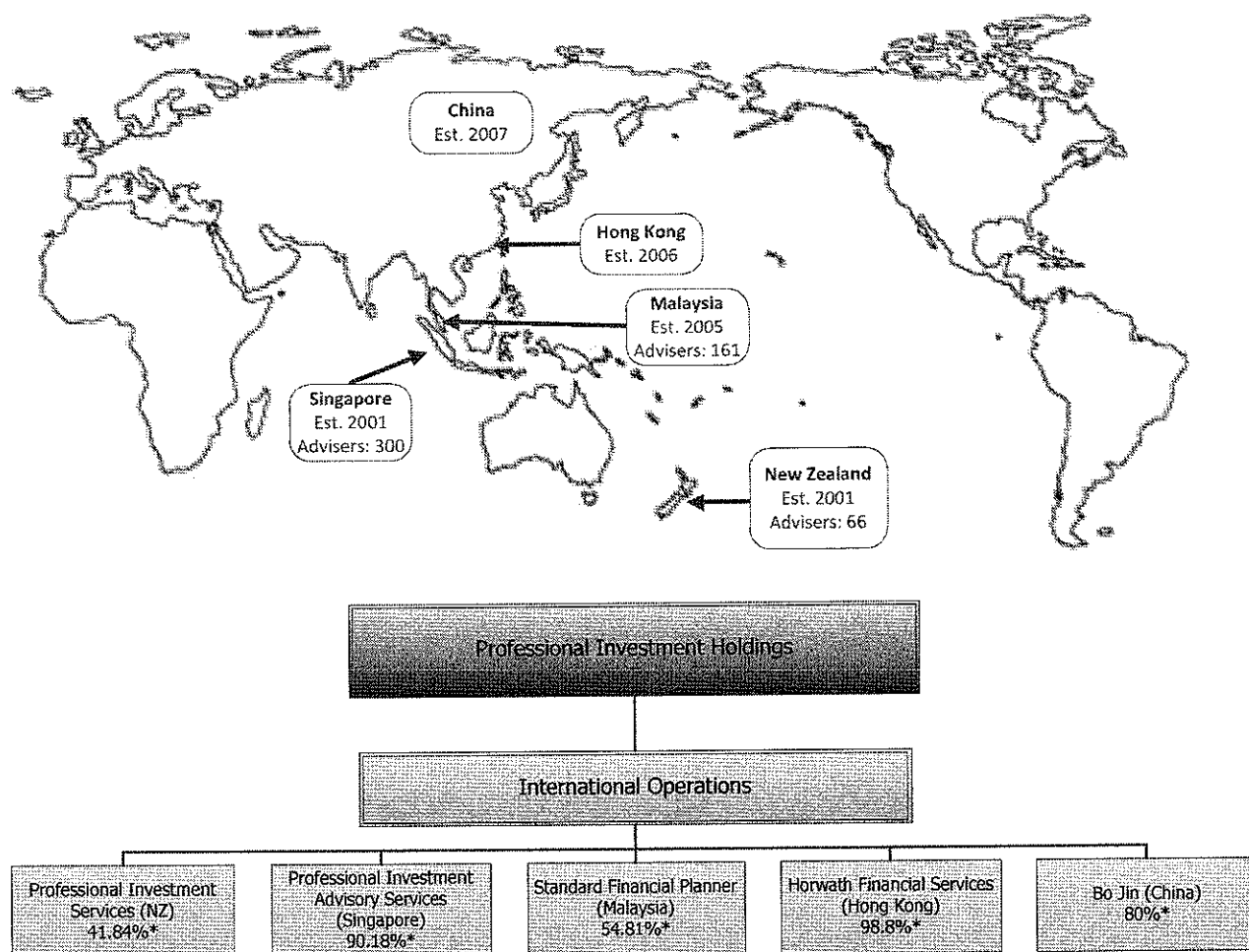
Until December 2007, Mentor, a special purpose distribution company owned 37.58% by PIH was the promoter of the Mentor investment platform services. Investment Diversity commenced responsibility as the promoter for new funds under administration for Mentor in December 2007.

There have been ongoing discussions between PIH and Mentor in relation to the acquisition by PIH of revenue streams from shareholders of Mentor. Any such acquisition will become a matter for consideration by the boards of the Post Scheme CAF Group if the Scheme is implemented.

4.7 Global operations

PIH has exported its Australian business model offshore and currently has operations in New Zealand, Singapore, Malaysia, Hong Kong and China.

Figure 4.7: PIH's International Footprint



* Indicates percentage of business owned by PIH.

New Zealand

PIH operates in New Zealand through PIHNZ of which it owns 41.84%. The remaining shares are held by financial advisers, staff and management of the New Zealand business. PISNZ began operations in 2001. PISNZ provides its 66 financial advisers with research, compliance and marketing services through the PIH head office in Australia. PISNZ management has a close working relationship and direct reporting line to PIH management in Australia. Notice has been given to the shareholders of PIHNZ inviting them to consider a proposal for the formation of a new jointly owned company with Minerva Group Limited and Brokers Independent Group Limited, whereby the three businesses would be consolidated. The directors of PIHNZ believe that the new company would enable the business to achieve critical mass and profitability by way of amalgamation with other successful networks, increase revenue, provide negotiating strength with suppliers and, over time, provide enhanced shareholder value. The shareholders of PIHNZ met and approved the proposal on or about 6 October 2010.

Singapore

PIH began operations in Singapore in 2001 by establishing PIAS of which it owns 90.18%. The remaining shares are held by Aviva Ltd (1.45%), financial advisers, staff and management of the Singaporean business. Through acquisition of the Insurance Corporation of Singapore, PIAS was able to establish a distribution network of over 180 advisers. In May 2002, PIAS was given approval for its Singapore Financial Advisers Licence by the Monetary Authority of Singapore. PIAS advisers are able to provide advice on products from eight insurance companies' products and over 25 fund managers' unit trusts. PIAS currently provide services for over 300 financial advisers. PIAS employs approximately 40 staff based in Singapore who primarily cover business development, processing of financial advice revenue, compliance, training, technical support and marketing. PIAS management reports directly to management in Australia.

Malaysia

PIH operates in Malaysia through SFP of which it owns 54.81%. In 2005, PIH acquired a 30% interest in SFP – a Kuala Lumpur based financial planning organisation established in 1999 and has gradually increased its shareholding to the current level. SFP is licensed by the Malaysian Securities and Futures Commission to provide investment related advice to its clients. It has developed a range of complementary services such as mortgages and trust advice to provide comprehensive solutions to clients. It currently provides services for over 160 financial advisers and employs approximately 11 staff.

Hong Kong

In 2006 PIH acquired HFS of Hong Kong. HFS' core service is the provision of investment advice. HFS also provides investor education, insurance, retirement planning and mortgage services to both the expatriate and local Hong Kong market. It currently provides services to five financial advisers and employs three staff.

China

PIH opened an office in Beijing in April 2007 becoming Australia's first financial planning company to expand into the Chinese market. PIH operates under the name Bo Jin in a joint venture in which PIH is entitled to an 80% profit share. Bo Jin was one of the first 'private' firms to receive approval to offer wealth management services in the country. Bo Jin provides investment and life insurance services for Chinese investors through a sideline agency with Skandia's Chinese operations Skandia-BSAM Life Insurance Co. Limited. It currently provides services to five financial advisers.

4.8 Growth strategy and opportunities

PIH aims to:

- (a) strengthen its position as one of the leading financial advice networks in the Australian financial planning industry;
- (b) continue to grow its Australian business by increasing its service offering by pursuing further vertical integration opportunities through upstream partnerships and joint ventures; and
- (c) continue to leverage its Australian business model in existing international operations.

Further expansion of PIH's advice distribution capabilities

PIH has the opportunity to expand its advice distribution network further by increasing the number of financial advisers and accounting practices and other professional services firms as referral sources. PIH also aims to continue to increase revenue contributions from financial advisers through incentive and skill development programs.

Continued success in vertical integration and product manufacture

Since 2001, PIH has sought to widen its service offering by pursuing opportunities to vertically integrate the business. PIH's distribution network is responding daily to changing client needs and aspirations placing PIH in a position to develop timely and 'best of breed' products. PIH has strong relationships with its product manufacturers which it expects to continue to create opportunities for partnerships and joint ventures to develop financial products and administration platforms.

4.9 PIH restructuring

Significant restructuring has been undertaken in the PIH business in recent times, influenced by the desire to ensure separation between PIS and the group product and platform offerings to manage any potential conflicts between product and advice to clients. To this end, David Johnstone has been appointed as Chief Executive Officer of PIS. Other operating businesses including AAP and ALCo have been redirected from their current line of report through PIS to PIH.

Review of the expense levels of the business by the Joint Supervisory Committee (refer to section 10.5 in part A) has begun and has included an evaluation of the efficiencies to be gained by prioritising tasks and outcomes, combining roles and ceasing some activities. This process has resulted in a number of roles being made redundant.

4.10 Sale of Riverbank property

PIH has executed an unconditional contract of sale to divest the Brand Smart Riverbank Centre property to Meriton Group for \$36.5 million, with settlement expected in November 2010. Proceeds from the transaction will be applied to extinguish a loan in relation to this asset in the amount of \$29.0 million and fund associated transaction and carrying costs. Accordingly, PIH is expected to receive approximately \$6.5 million surplus proceeds following settlement and after payment of associated costs.

4.11 Future sale of De Run Securities Pty Ltd's business

PIH holds a 56% interest in De Run Securities Pty Ltd (De Run), a boutique financial services advisory services business which is currently being marketed for sale. PIH is expected to receive approximately \$1 million (net) for its share of the sale proceeds after allowing for the uncertainty as to the timing and terms of any such disposal. This value is broadly in line with a recent offer made for the business that did not proceed.

4.12 PIH's Board Stephen Murphy (Chairman)

Stephen Murphy B.Com., CA, MAICD (Chairman)

Mr Murphy has been chairman of PIH since its inception and has contributed significantly to the development of PIH. He is a prominent chartered accountant and has been a public practitioner

since 1991. Mr Murphy is also a Fellow of the Taxation Institute of Australia. He has a strong interest in small to medium enterprise and specialises in family businesses. Over a number of years, he has been an active and strong contributor to the affairs of The Institute of Chartered Accountants in Australia and the broader accounting profession.

Robert Bennetts BSc., CFP, AIMM (CEO)

Mr Bennetts has been involved in the financial services industry for over 30 years. In 1996 Mr Bennetts (with a small group of advisers and accountants) launched PIS with a shared mission to provide clients with quality financial advice and a wide choice of products and services to suit their individual lifestyle and investment goals.

Today, Mr Bennetts' role as PIH chief executive officer allows him to focus on the future growth and profitability of the PIH Group.

Mr Bennetts has a Bachelor of Science majoring in Business Administration and is a Certified Financial Planner.

Ken Butler ACA

Mr Butler is a chartered accountant with 37 years experience in the profession, both in Australia and overseas, mainly with KPMG and a practice which he established at Coolangatta, focusing on business development, tax planning, business structures, wealth creation and superannuation.

Mr Butler was closely involved in the establishment of PIH. Mr Butler has been a director since PIH's inception.

Christopher Castles CPA, CFP, FAICD, B.Eng (Electronics), DFP, Grad. Dip. Mgmt, Grad. Dip. Bus. (Accounting)

Mr Castles is a certified practising accountant and certified financial planner. He holds a Diploma of Financial Planning from the Financial Planning Association of Australia Limited and a Bachelor of Engineering from the Royal Melbourne Institute of Technology. He also holds a Graduate Diploma of Business (Accounting) from Monash University and a Graduate Diploma of Management from the University of Newcastle.

Grahame Evans Dip. SM, MBA, MAICD (PIH Group's Managing Director)

Mr Evans, based in Sydney, oversees the PIH network, supplying training, tools and resources to help it remain competitive and deliver value-added services to its clients.

Previously, Mr Evans was CEO Investments for Tower Australia and Head of Corporate and Employee Benefits with AMP. At AMP, he was responsible for Australia's largest company superannuation portfolio with over 33,000 employees and \$11 billion under management. Prior to that as Managing Director, AMP Consulting, he was responsible for the superannuation consulting division of AMP including actuarial, trustee services, information technology, asset consulting and communications for clients such as Optus, BHP Billiton and Ansett.

Mr Evans has been extensively involved with the financial services industry for over 35 years.

Gregory Whimp B. Com, ASIA, GAICD

Mr Whimp is a non-executive Director. Mr Whimp joined the PIH Group in 1997 and has been intimately involved with the growth and success of the PIH Group. Mr Whimp resigned as an executive Director in 2006 and was re-elected as a non-executive Director in December 2009. Prior to joining the PIH Group, Mr Whimp held a number of positions with AMP Society in the United Kingdom and Suncorp in Australia.

Gregory Whimp

Mr Whimp is a non-executive Director. Mr Whimp joined the PIH Group in 1997 and has been intimately involved with the growth and success of the PIH Group. Mr Whimp resigned as an executive Director in 2006 and was re-elected as a non-executive Director in December 2009. Prior to joining the PIH Group, Mr Whimp held a number of positions with AMP Society in the United Kingdom and Suncorp in Australia.

4.13 PIH's historical financial performance

Summary financial performance – 2008 to 2010

The table below, extracted from its statutory, audited financial accounts, sets out PIH's summary financial performance for the past three financial years:

	2010	2009	2008
Net Revenue from PIH activities	59,471,707	56,965,292	74,013,638
Expenses from PIH activities	55,917,819	74,939,990	76,957,692
Profit / (Loss) from PIH activities before income tax	3,553,888	(17,974,698)	(2,944,054)
Income tax expense (benefit) relating to PIH activities	2,238,868	3,086,007	(132,166)
Net profit / (loss) from PIH activities after tax	1,315,020	(21,060,705)	(2,811,888)

Statement of financial position

The financial position of PIH as at 30 June 2010, extracted from its statutory, audited financial accounts, is set out below:

	2010	2009
Assets		
Cash and cash equivalents	16,726,256	11,676,057
Trade and other receivables	32,938,772	40,271,930
Tax assets	-	3,015,611
Other assets	4,323,746	8,114,761
Inventory	36,000,000	-
Total current assets	89,988,774	63,078,359
Trade and other receivables	14,780,265	17,153,221
Other assets	1,831,463	1,720,367
Investments	2,787,334	2,605,391

Investments accounted for using the equity method	43,282	43,282
Deferred tax assets	9,224,277	11,023,973
Property, plant and equipment	2,406,243	2,802,417
Intangible assets	9,086,903	12,669,005
Inventory	-	32,000,000
Total non-current assets	40,159,767	80,017,656
Total assets	130,148,541	143,096,015
Liabilities		
Trade and other payables	43,712,538	39,433,665
Loans and borrowings	36,850,197	20,755,747
Employee benefits	1,078,924	1,074,783
Provisions	6,089,647	8,845,701
Income tax payable	284,121	-
Total current liabilities	88,015,427	70,109,896
Trade and other payables	2,409,109	6,348,460
Loans and borrowings	4,770,238	29,000,000
Employee benefits	900,086	727,681
Provisions	2,898,952	5,165,777
Total non-current liabilities	10,978,385	41,241,918
Total liabilities	98,993,812	111,351,814
Net assets	31,154,729	31,744,201
Equity		
Issued capital	36,861,683	36,839,810
Foreign currency translation reserve	(1,074,945)	(380,384)
Fair value reserve	36,958	-
Share option reserve	196,243	140,427
Accumulated losses	(11,661,969)	(11,816,018)
Total equity attributable to equity holders of the parent	24,357,970	24,783,835
Non-controlling interest	6,796,759	6,960,366
Total equity	31,154,729	31,744,201

Please refer to PIH's financial statements for the twelve months ended 30 June 2010 for details on PIH's accounting policies and the accompanying notes to the accounts. Copies of these statements are available from the PIH website (www.profinvest.com.au).

Material changes in PIH Group's financial position since last accounts published

Within the knowledge of the PIH Group board and other than as disclosed in this Scheme Booklet (in particular in this section 4), the financial position of PIH Group has not materially changed since 30 June 2010, being the date for the balance sheet for the full year accounts of the PIH Group for the twelve months ended 30 June 2010.

4.14 PIH's Shares

Structure Overview

At the date of this Scheme Booklet, there are 47,081,686 PIH Shares on issue, held by 949 Shareholders. PIH Shares are divided into the following classes:

- (a) Ordinary Shares;
- (b) A Class Shares;

- (c) Redeemable Preference Shares; and
- (d) Z Class Shares.

The number of PIH Shares in each of the 4 classes is set out below:

Class of PIH Share	Number
Ordinary Shares	27,246,701
A Class Shares	8,428,583
Redeemable Preference Shares	11,406,402
Z Class Shares	1
TOTAL	47,081,686

Substantial holders of PIH's Shares

As at the date of this Scheme Booklet, PIH Shareholders with a substantial shareholding (equal to or greater than 5% of the total number of shares in any one class) are as follows:

Substantial Shareholder	Number of shares			% Voting Power		
	A	Ord	RPS	A	Ord	RPS
Aviva Overseas Holdings Limited	1,495,761	5,667,351	1,900,381	17.75%	20.8%	16.66%
Aviva Limited	1,300,000	0	0	15.42%	0%	0%
Bellglow Pty Ltd atf Bennetts Family Trust	2,188	4,623,842	0	0.03%	16.97%	0%
Soba Pty Ltd	0	1,723,986	0	0%	6.33%	0%

*Numbers and percentages based on total shares in PIH.

The one Z Class Share is held by Aviva Overseas Holdings Limited.

4.15 Recent trading in PIH's Shares

There has been a limited amount of trading in PIH Shares in the six months prior to the date of the Scheme Booklet. One thousand A Class Shares and 1,000 Ordinary Shares were sold at a price of \$4.50 per share in May 2010.

4.16 Transfer of PIH Shares under PIH's Constitution

Transfer of Shares

All PIH Shares (other than Redeemable Preference Shares) may be transferred by an instrument in writing in any usual or common form or in any other form approved by the Directors but the PIH Shareholders must first follow the pre-emption process set out in the Constitution before transferring the PIH Shares. The Directors may in their absolute discretion refuse to register any transfer of such shares or other securities in any circumstances, unless the transfer has been approved by a resolution in general meeting.

Redeemable Preference Shares may not be transferred without the approval of the Board, unless the transfer has been approved by a resolution in general meeting. This approval may be subject to conditions.

Pre-emptive Rights

Any PIH Shareholder (other than a holder of Redeemable Preference Shares) (**Vendor**) wishing to transfer their PIH Shares ('sale shares') must give a sale notice to the Board within the six week period following lodgement of PIH's annual or half yearly financial statements, or such other period determined by the Board. The transfer price of the Shares will be a price nominated by the Vendor.

The Directors must give notice to all PIH Shareholders other than the Vendor stating the number and price of the sale shares and inviting them to purchase the sale shares within a specified period (such period to be at least 10 business days from the date of the notice). The sale shares will be allocated pro rata among PIH Shareholders who notify the Directors within the stated time period that they wish to purchase the sale shares. The Vendor must transfer the sale shares on receipt of payment.

If all sale shares are not allocated by this method, the Board must invite the PIH Shareholders to nominate a person who is not currently a PIH Shareholder to purchase the sale shares at a price not less than the price in the sale notice.

If not all of the sale shares are allocated under these methods, the Vendor may, within 6 months after the expiration of the time limit set by the Directors, transfer the sale shares to any person at the original price set by the Vendor on conditions no more favourable to the purchaser.

The pre-emption rights do not apply to a transfer of A Class shares, Ordinary Shares or Redeemable Preference Shares from a PIH Shareholder to an existing PIH Shareholder owning PIH Shares in the same class if, before the transfer is executed, the parties obtain the prior written consent of PIH.

In addition, certain transfers between related parties are not subject to pre-emption rights.

Constitution Amendment

The Constitution Amendment amends the Constitution by inserting a new Rule 8A which has the effect that the restrictions on transfers of PIH Shares referred to above do not apply to the proposed transfer of PIH Shares under the Scheme.

4.17 Risks inherent in PIH's business

Please refer to section 3.1 for a detailed discussion of the risks associated with PIH's business.

5 About CAF

5.1 General

CAF is an ASX listed public company which has a strategy of building and acquiring businesses that operate in the financial services industry and which:

- (a) have a meaningful market share where that is defined as a market share which is ideally greater than 20% of the market share of its largest direct competitors;
- (b) have sound growth prospects, with opportunity for organic growth and/or growth by acquisition; and
- (c) generate strong free cash flows relative to their profits.

Currently, CAF has a single business unit which is a specialist lender operating in the premium funding segment of the broad lending market. CAF had a surplus cash balance in the order of \$15 million prior to the \$5 million subscription by PIH under the Convertible Note Subscription Deed, and prior to the amount of \$4.1 million which is to be returned to existing CAF shareholders by way of the Bidder Distribution.

5.2 Premium Funding Business

The CAF premium funding business, which trades as Centrepont Alliance (CAFPF), provides funding to corporations and small businesses for the purpose of funding the payment of their insurance premiums. The channel to market for the business is predominately through insurance brokers and CAF has a number of partnerships with key broking groups.

The loans are of a short term nature and except in limited circumstances, they are repayable in advance with ten or fewer monthly repayment instalments. The credit losses are generally small reflecting both the quality of the credit approval processes and the primary security for the loans (which is the cancellable value of the funded insurance policies) together with the existence of receivable insurance coverage for the receivables.

Funding for CAF is presently provided by bank funding which provides CAF with funding via both a receivables facility and a securitization programme. CAF is presently in discussions with the bank about changes to the facilities.

Key success factors for the business are:

- (a) access to debt funding at a borrowing rate which allows CAF to compete in the market place;
- (b) relationships with brokers and other channels to market. CAF derives its business through a network of approximately 300 licensed brokers through an origination process through which receivables are originated; and

- (c) sound credit risk management through strong credit approval process, tight receivable management and appropriate receivables insurance coverage. The creditworthiness of each new obligor is verified by CAF through pre-determined credit and policy guidelines. Veda Advantage credit checks are conducted on each new obligor to ensure a clear credit history.

5.3 Bidder Distribution

As part of the terms of the Implementation Deed, CAF and PIH have agreed that CAF will pay a return of capital to its shareholders (excluding PIH shareholders who become CAF shareholders as a consequence of the Merger) of 2.5 cents per share on a pre-consolidation basis (being 17.5 cents on a post-consolidation 1:7 basis) by way of capital reduction being approximately \$4.1 million.

5.4 Financial and operating information

The historical financial information provided below has been extracted from CAF's 2010 Annual Report. This extract does not and cannot be expected to provide as full an understanding of the financial performance, financial position and activities of CAF as the full 2010 Annual Report. A copy of CAF's full 2010 Annual Report is available on CAF's web site or at www.asx.com.au.

5.5 CAF condensed consolidated income statement for the year ended 30 June 2010

	Consolidated	
	30 June 2010	30 June 2009
	\$'000	\$'000
CONTINUING OPERATIONS		
Revenues		
Interest revenue	13,869	27,200
Non-interest revenue	1,137	2,293
Total revenue	15,006	29,493
Expenses		
Borrowing expenses	(5,307)	(12,852)
Provision for impairment of goodwill	-	(28,342)
Other general and administration expenses	(8,597)	(14,614)
Profit/(Loss) before income tax expense	1,102	(26,315)
Income tax (expense)/credit	(538)	(367)
Net profit/(loss) from Continuing Operations after tax	564	(26,682)
DISCONTINUED OPERATIONS		
Loss from Discontinued Operations after tax	(5)	(3,828)
NET PROFIT/(LOSS) AFTER TAX	559	(30,510)

5.6 CAF condensed consolidated balance sheet at 30 June 2010

	Consolidated	
ASSETS	30 June 2010	30 June 2009
	\$'000	\$'000
Cash and cash equivalents	25,615	30,423
Loan and advances	69,889	136,195
Current income tax receivable	-	1,038
Other assets	257	676
Derivative financial instrument	21	-
Investments & other financial assets	2	2
Plant & equipment	342	455
Deferred tax assets	506	887
TOTAL ASSETS	96,632	169,676
LIABILITIES		
Trade and other payables	15,921	11,261
Current income tax liability	47	-
Interest bearing liabilities	50,511	136,427
Derivative financial instrument	-	170
Provisions	405	419
TOTAL LIABILITIES	66,884	148,277
NET ASSETS	29,748	21,399

5.7 CAF's Capital Structure

Details of the Post Scheme CAF Group's capital structure following the implementation of the Scheme are set out in Section 6.

CAF is going through a consolidation of its ordinary shares into a smaller number of shares on a 1:7 basis. The table below sets out CAF's current capital structure on a pre and approximate post consolidated basis:

	<i>Pre-Consolidation</i>	<i>Post-Consolidation</i>
CAF Fully Paid Ordinary Shares	160,921,844	22,988,835
CAF Options (Expiring 27 November 2010)	6,000,000 (Exercise Price of \$1.25 per Option)	857,143 (Exercise Price of \$8.75 per Option)
CAF Partly Paid Ordinary Shares (Balance payable no later than 31 October 2012)	3,000,000 18 cents each and paid to 3 cents	428,572 \$1.26 each and paid to \$0.21

The analysis of numbers of CAF shareholders by size of holding on a pre-consolidated basis as set out in its 2010 Annual Report are as follows:

Shareholding Range (Ordinary Shares)	Number of Holders	Number of Shares
1 – 1,000	35	15,524
1,001 – 10,000	287	1,329,508
10,001 – 100,000	213	7,395,078
100,001 – and over	110	155,181,734

The names of the CAF substantial shareholders on a pre-consolidated basis as set out in its 2010 Annual Report are as follows:

Shareholder	Number of Shares	% Held
UBS Nominees Pty Limited	32,433,241	19.8%
HSBC Custody Nominees (Australia) Limited	18,628,779	11.4%
Entities representing the interests of R. Nelson	17,062,498	10.4%

Set out below is a summary of rights attaching to CAF Shares. This is a summary and does not purport to be an exhaustive or definitive statement of the rights and liabilities of shareholders. Shares issued by CAF are subject to its constitution, the Corporations Act and ASX Listing Rule requirements. In short, the rights attaching to CAF's shares are conventional and are consistent with ASX Listing Rule requirements.

A copy of CAF's constitution is available for inspection at CAF's registered office during normal business hours. CAF Shares issued as consideration under the Schemes will be fully paid and rank equally with existing fully paid CAF Shares, subject to the Escrow Arrangements set out in this document.

Variation of class rights

The rights attached to any class of CAF Shares, unless otherwise provided for by the terms of issue, may only be varied or cancelled with the consent in writing of the holders of three-quarters of the issued shares in the relevant class, or with the sanction of a special resolution passed at a meeting of the holders of the shares within that class. CAF may vary rights attached to CAF Shares by the issue of new shares having different rights to the CAF Shares, without CAF Shareholder approval being specifically required for the variation.

Further issues of CAF Shares

Except as provided by contract or the CAF Constitution, all unissued CAF Shares are under the control of CAF board, which may grant options on the CAF Shares or issue or otherwise dispose of the CAF Shares on the terms and conditions and for the consideration it thinks fit. Without affecting any special rights conferred on any CAF shareholder, any CAF Share may be issued with preferred, deferred or other special rights, obligations or restrictions, whether in regard to dividends, voting, return of share capital, payment of calls or otherwise, as the CAF board may determine.

Winding Up

If CAF is wound up, the liquidator may divide among all or any of the CAF shareholders in specie or kind any part of CAF's assets. The division may be carried out as the liquidator thinks fit, subject to the rights of CAF shareholders with special rights in a winding up. If a division is made otherwise than in accordance with the legal rights of a CAF shareholder, and such shareholder is prejudiced by that division, that shareholder has a right to dissent. Any dissenting CAF shareholder will have ancillary rights as if the determination of the division were a special resolution passed under the Corporations Act relating to the sale or transfer of a company's assets by a liquidator in a voluntary winding-up.

Voting

Unless otherwise determined by the chairman, and subject to certain exceptions, on a show of hands each shareholder present in person or by representative, attorney or proxy shall have one vote and on a poll every such person shall have one vote for every fully paid ordinary CAF Share held by them.

Dividends

CAF may, from time to time, determine that a dividend is payable to shareholders entitled and fix the amount, time and method for payment.

Transfer of CAF Shares

Subject to any applicable Escrow Arrangements, CAF Shares may be transferred by written transfer properly stamped (if necessary) or in any manner permitted or required by regulatory requirements. The CAF Board may refuse to register a transfer of CAF Shares in certain circumstances.

General Meeting

Each shareholder entitled to vote is entitled to receive notice of general meetings of CAF and, subject to the requirements in CAF's constitution, attend and vote at CAF's general meetings.

5.8 Continuously disclosing entity

CAF is a "disclosing entity" for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. As a listed company, CAF is also subject to the ASX Listing Rules, which require (subject to limited exceptions) continuous disclosure to the market of any information of which CAF is aware that a reasonable person would expect to have a material effect on the price or value of its securities. Documents lodged with ASIC in relation to CAF may be obtained from, or inspected at the offices of ASIC. Information publicly disclosed to ASX by CAF is available from ASX. To obtain further information, contact your broker or financial adviser or go to www.asx.com.au (ASX code: CAF).

The headlines of continuous disclosure notices given by CAF to ASX in the period since 29 September 2010, when CAF announced its 2010 Annual Report are set out in the following table. All of these notices are available from www.asx.com.au.

Date	Headline
29 September 2010	Becoming a substantial holder from WAM
29 September 2010	2010 Annual Report
4 October 2010	Notice if Initial Substantial Holder in relation to Centrepont Alliance Limited
8 October 2010	Change of Director's Interest Notice
11 October 2010	Change of Director's Interest Notice
11 October 2010	Notice of Annual General Meeting/Proxy Form
11 October 2010	Annual Report to shareholders (Printed Version)

5.9 CAF directors' intentions

If the Scheme proceeds, it is intended that the CAF Board will be reconstituted as set out in section 6.4. It is for the reconstituted CAF Board to determine its intentions as to the continuation of the business of PIH, any major changes, if any, to be made to the business of PIH and the future employment of the present employees of PIH.

CAF's board's present intention (recognising that this may change in due course) is to make no change other than in the normal course of business in relation to each of the following:

- (a) the continuation of the business of the PIH Group;
- (b) the use of the fixed assets of the PIH Group; or
- (c) the future employment of the present employees of the PIH Group.

6 About the Post Scheme CAF Group

6.1 Executive Summary

The merger of PIH with CAF creates an entity on meaningful scale in the listed financial services sector. The Post Scheme CAF Group will have multiple businesses, all with sound growth potential and which form the solid foundations from which acquisitions can be pursued.

It is anticipated that as part of a listed entity, the Post Scheme CAF Group is expected to have greater access to capital to fund organic growth and acquisitions, greater transparency, for suppliers, regulators and for customers and improved systems and process as the business has an increased capacity and need to strengthen those competencies.

The Post Scheme CAF Group is expected to operate in the following segments of the financial services market both in Australia and overseas:

- (a) specialist lending (premium funding);
- (b) financial planning dealer group services both in Australia and overseas;
- (c) funds management;
- (d) superannuation and investment product and platform services; and

- (e) mortgage broking aggregation.

6.2 Vision

The vision is to build a significant business in the financial services industry which generates sound returns for shareholders through a strategy of acquiring and building businesses that operate in the financial services industry and which have:

- (a) a meaningful market share where that is defined as a market share which is ideally greater than 20% of the market share of its largest direct competitors;
- (b) sound growth prospects, with ideally opportunity for both organic growth and growth by acquisition; and
- (c) generate strong free cash flows relative to their profits.

Each of the existing businesses and the businesses that will be acquired as part of the Scheme will operate as autonomous business units under their own management structures with the corporate office intending to focus on fostering the growth of those businesses through the application of disciplined capital allocation, sound strategic evaluation and by fostering the development of strong leadership and management capabilities in the businesses.

Businesses that are subsequently acquired by the Post Scheme CAF Group will either become autonomous business units or will be merged into existing business units where appropriate, in order to achieve improved economies of scale.

6.3 Post Scheme CAF Group

Following the Scheme, the Post Scheme CAF Group is expecting to operate in a number of segments of the financial services industry with each component driving to maximize its success including:

- (a) Centrepont Alliance Premium Funding which will continue to work to expand its market share by developing relationships with key intermediaries and to expand its margin through the growth in scale derived from market share growth, tight cost control and working to improve the cost of funding.
- (b) dealer group services through both PIS and AAP which will continue to build the strength of its business by focusing on assisting its partners, being the financial planning and accounting groups it services, achieve their goals and by strengthening the products and processes of that business including compliance, product sourcing and development, and the efficient delivery of services to its partners.
- (c) product and platform services incorporating services where the group acts as a reseller of platform services provided by third parties and where it provides those services via wholly owned or partly owned businesses.
- (d) investment services incorporating services where the group acts as a reseller of investment services by third parties and where it provides those services via wholly owned or partly owned businesses.
- (e) mortgage broking aggregation operating as a provider of personal and business financial services specialising in residential mortgage broking and all aspects of commercial lending and asset equipment finance within the broking industry.

- (f) overseas activities where the group will work to operate the Australian business model offshore and where it currently has operations in New Zealand, Singapore, Malaysia, Hong Kong and China.

6.4 The Board

Following the merger, the Board of CAF will be composed of six members, being three representatives from each of CAF and PIH. Mr Rick Nelson will act as Chairperson until a mutually agreed independent Chairperson is appointed, at which time one representative from each of CAF and PIH will retire to leave the CAF Board composed of 5 members. Mr Tony Robinson will remain in the position of Managing Director of the Post Scheme CAF Group.

The Board is expected to comprise the following members:

Rick Nelson, 61, FAICD
Chairman & Non-executive Director

Mr Nelson began his career in finance with AGC in 1972. After reaching the position of regional credit manager, he joined Australia's largest Ford truck and car dealer, Denmac Ford, in the role of General Manager – Finance. In 1982, Mr Nelson founded the Centrepont Finance Group, which grew rapidly and made two major acquisitions, resulting in the Group becoming one of Australia's largest commercial finance brokers. Centrepont Finance merged with Alliance Finance in 2005 and Mr Nelson assumed the role of Managing Director of the merged Group. In 2007 he stepped aside to take on the position of Deputy Chairman and non-executive director. He was appointed chairman of the Company in June 2009.

Noel Griffin, 62
Non-executive Director, Chairman of Audit & Risk Committee, Chairman of Nominations & Remuneration Committee

Mr Griffin has been involved in the refrigerated transport industry since 1966. He has had extensive experience in management, operation and ownership of transport and agri-businesses. From 1982 to 1995, Mr Griffin was managing director of Refrigerated Roadways Pty Ltd, which at one stage claimed status as the largest refrigerated carrier in Australia with assets of \$74 million, annual revenue of \$131 million, and 900 personnel. TNT acquired the company in 1995 and Mr Griffin served for two years on the executive council of TNT. In addition to his interests in the transport industry, Mr Griffin was managing director and a shareholder of Table Grape Growers Pty Ltd from 1997 to 2001. Mr Griffin is managing director of Prime Qld Pty Ltd, a member of the Pacca Advisory Council and a life member of the World Presidents' Organisation.

Tony Robinson, 52, B.Com (Melb), ASA, MBA (Melb).
Managing Director

Mr Robinson has extensive experience in senior roles in the financial services, insurance and telecommunications sectors. He is currently a director of the Bendigo & Adelaide Bank Limited and was previously executive director and CEO of IOOF Holdings Ltd. Prior to that he has held a number of senior executive roles including managing director and CEO of OAMPS Limited, director of VECCI, managing director of Falkiners Stockbroking, managing director of WealthPoint, chief financial officer of Link Telecommunications and general manager corporate services at Mayne Nickless. In recent years Mr Robinson has served as a director of Bendigo & Adelaide Bank Ltd (from April 2006 and continuing) and IOOF Holdings Ltd (from April 2007 to April 2009).

Stephen Murphy
For details, please refer to section 4.12 of part A.

Christopher Castles

For details, please refer to section 4.12 of part A.

Grahame Evans

For details, please refer to section 4.12 of part A.

6.5 The Executive

Following the Scheme, in addition to Grahame Evans and Tony Robinson, the executive team of the Post Scheme CAF Group is expected to comprise:

Ian Magee, 54, B Sc (Hons), CA, FCIS, MAICD
Company Secretary & Chief Financial Officer

Mr Magee is a chartered accountant who began his career in the accounting profession with Deloitte Touche Tohmatsu in London and subsequently with PricewaterhouseCoopers in Perth, Australia. He has more than 20 years' experience in CFO and company secretary roles in ASX listed, public and private Australian companies in a variety of industries. Mr Magee is a Fellow of the Chartered Institute of Secretaries and he has held the position of CFO and Company Secretary with Centrepont Alliance Limited for over seven years.

Bob Dodd , 51 , MAICD
CEO – Insurance Premium Funding

Mr Dodd has been a business leader in the finance industry for more than 18 years, initially with Lombard (Nat West Bank) and then in sales management with GE Consumer Finance in the UK. After moving to Australia in 1997 with GE Consumer Finance and launching a new retail finance channel he moved to their Commercial Finance business in 1999 to lead the newly acquired premium funding business, later taking responsibility for the vendor finance channel. After merging the GE and Pacific premium funding businesses in 2004 Mr Dodd joined Centrepont Finance in January 2005 in Brisbane. Mr Dodd is also the current chairman of IPFA (Insurance Premium Financiers of Australia)

Robert Bennetts

For details, please refer to section 4.12 of part A.

David Johnstone (CEO of PIS)

Mr Johnstone has over 25 years business experience and has successfully started, owned and operated many businesses. With vast experience gained nationally and internationally in finance, licensing, merging and acquiring businesses he has arranged significant funding for Management Buyouts and Leveraged Buyouts.

Before joining the PIH Group, Mr Johnstone was CEO of Bartercard Australia Ltd. Bartercard provides goods and services finance to a customer base of more than 75,000 worldwide with in excess of \$1.3 billion annually in cashless transactions operating in nine countries.

He also held the position of Group General Manager PR Finance Group Ltd, an alternative finance company servicing 55,000 customers Australia-wide whilst managing exponential growth rates of 300 percent.

Mr Johnstone is a past Chairman of the International Reciprocal Trade Association a US-based global industry association for the barter industry. He is accredited as a business leader and mentor with the International Executive Network "Managers and Directors".

6.6 Post Scheme CAF Group Capital Structure

As a consequence of the implementation of the Scheme, (following consolidation of CAF's share capital and assuming that none of the Options are exercised before expiring), CAF expects to issue a further 70,252,219 such that the total number of CAF's fully paid and partly paid ordinary shares on issue following implementation of the Schemes is 93,669,625.

CAF's Fully Paid and Partly Paid Ordinary Shares	
Currently on issue (pre-consolidation):	163,921,844
On issue post-consolidation:	23,417,406
Transaction consideration in relation to the Schemes:*	70,252,219
Total of CAF's fully paid and partly paid ordinary shares on issue following implementation of the Schemes:	93,669,625

* Of these CAF Shares, half of these will be escrowed as set out in Section 10.3.

On a post-consolidation basis, CAF is expected to have 857,143 CAF Options on issue with an exercise price of \$8.75 per CAF Option. The Options have an expiry date of 27 November 2010, which is prior to the expected implementation date of the Schemes.

The total number of CAF Shares on issue following implementation of the Schemes as set out in the table above includes (on a post-consolidation basis) 428,572 partly paid CAF Shares of \$1.26 each paid to \$0.21.

Following the merger, no shareholder will have more than a 20% interest in the Post Scheme CAF Group.

CAF has indicated to PIH that at some point in the future it proposes to introduce an equity participation plan for advisers who are Authorised Representatives of PIS. The terms of this program have not yet been devised.

6.7 Post Scheme CAF Group consolidated balance sheet

The pro forma balance sheet below comprises a pro forma balance sheet of the CAF Group together with supporting notes. The pro forma balance sheet presented in this section is for illustrative purposes only.

No forecasts have been included in this Scheme Book as there is not a sufficient basis on which to provide a reliable and complete set of forecasts.

Basis of preparation

The pro forma balance sheet is based on an aggregation of the most recent publicly available balance sheets for PIH (extracted from the audited full year financial report for the year ended 30 June 2010) and CAF (extracted from the audited full year financial report for the year ended 30 June 2010) with a number of pro forma adjustments outlined below.

Broadly, the pro forma balance sheet has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, International Financial Reporting Standards and the Corporations Act. The pro forma balance sheet is presented in an

abbreviated form insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

The pro forma balance sheet should be read in conjunction other information contained in this Scheme Booklet and the accounting policies of PIH and CAF as disclosed in their most recent financial reports.

Pro forma balance sheet adjustments

The pro forma balance sheet has been adjusted for the following transactions to reflect the impact of the proposed merger and other pro forma adjustments described assuming they had occurred at 30 June 2010:

(a) Impact of proposed merger

The Proposed Merger represents a reverse acquisition of CAF for accounting purposes given that the Proposed Schemes will have a material effect on control of the offeror company, CAF rather than the target PIH. PIH shareholders will collectively hold 75% of the issued share capital of CAF following implementation of the Proposed Merger. There will be no material change in control of PIH as a result of the Proposed Merger as PIH Shareholders will collectively retain a 75% interest in PIH's assets. No single shareholder will obtain or lose a controlling interest in the Proposed Merged Entity as a result of the Proposed Merger. The largest shareholder in PIH currently holds a 19.3% interest in PIH. Assuming no change in individual holdings, the same shareholder will be the largest shareholder in the Proposed Merged Entity with a 14.4% interest.

No formal purchase price allocation process has yet been undertaken with respect to accounting for PIH's acquisition of CAF. The pro forma balance sheet assumes that PIH acquires the assets and liabilities of CAF at their values from the 30 June 2010 balance sheet adjusted for the CAF capital reduction and CAF transaction costs noted below. The mid-point of the valuation range for PIH, as determined by the Independent Expert, has been assumed in deriving the acquisition consideration for the pro forma balance sheet. Based on this assumption, an excess of \$2.5 million between the acquisition consideration and net assets of CAF arises in the pro forma balance sheet which has been presented as intangible assets.

It is assumed in the pro forma balance sheet that deferred tax assets relating to carry forward tax losses of PIH and CAF will be available to the Post Scheme CAF Group in full. However, the ability for the Post Scheme CAF Group to utilise existing carry forward tax losses will be subject to meeting certain requirements under taxation law which have not yet been fully determined. It is possible that a portion or all of the carry forward tax losses will not be available to the Post Scheme CAF Group which would result in a reduction in the deferred tax asset currently shown in the pro forma balance sheet.

(b) Transaction costs associated with the merger

Estimated transaction costs associated with the Proposed Merger have been adjusted in the pro forma balance sheet. PIH has estimated transaction costs of the Proposed Merger for legal, due diligence, independent expert report and the success fee payable to an Associate of David Johnstone (refer section 11.1) of \$870k which are considered tax deductible over five years and give rise to a deferred tax asset. This includes \$620k paid in cash and 140,719 redeemable preference shares issued at a fair value of \$250k.

CAF has estimated cash transaction costs of the Proposed Merger for legal, due diligence, accounting and other of \$690k, \$392k of which had been accrued at 30 June 2010. These costs are not tax deductible but form part of the cost base of the capital gains tax asset.

(c) Return of capital to CAF shareholders

As part of the terms of the Implementation Deed, CAF and PIH have agreed that CAF will pay a return of capital to its shareholders (excluding PIH shareholders who become CAF shareholders as a consequence of the Merger) of 2.5 cents per share on a pre-consolidation basis (being 17.5 cents on a post-consolidation 1:7 basis) by way of capital reduction being approximately \$4.1 million.

(d) PIH Redeemable Preference Shares issue

Since 30 June 2010, PIH has issued 422,157 redeemable preference shares to Grahame Evans and an Associate of David Johnston at nil consideration. These shares are recognised as an expense and increase in share capital at fair market value of the shares being \$501k for shares issued to G Evans and \$250k for shares issued to D Johnstone. The shares issued to David Johnstone are part of his success fee arrangement in connection with the Scheme (refer section 11.1).

Professional Invest
Holdings Consolidated
BALANCE SHEET -
Detailed Notes
As at 30 June 2010
Consolidated

	Consolidated PIH Jun 2010 \$	AUDITED CAF Jun 2010 \$	Acquisition Adj's	Merged
ASSETS				
Total Cash	16,726,256	25,615,000	(5,345,275)	36,995,981
Trade and Other Receivables	32,938,772	69,889,000		102,827,772
Inventory	36,000,000			36,000,000
Derivative financial instrument		21,000		21,000
Other Assets	4,323,746	257,000		4,580,746
Total Current Assets	89,988,774	95,782,000	(5,345,275)	180,425,499
Receivables	14,780,265			14,780,265
Investments	2,787,334	2,000		2,789,334
Investments accounted for using the Equity Method	43,282			43,282
Deferred Tax Assets	9,224,277	506,000	261,144	9,991,421
Property Plant and Equipment	2,406,243	342,000		2,748,243
Intangible Assets	9,086,903		2,466,940	11,553,843
Other Assets	1,831,463			1,831,463
Total Non Current Assets	40,159,767	850,000	2,728,084	43,737,851
TOTAL ASSETS	130,148,541	96,632,000	(2,617,191)	224,163,350

LIABILITIES

Trade and Other payables	43,712,538	15,921,000	(392,002)	59,241,536
Interest-bearing loans and borrowings	36,850,197	50,511,000		87,361,197
Employee Benefits	1,078,924			1,078,924
Provisions	6,089,647	302,000		6,391,647
Income Tax Payable	284,121	47,000		331,121
Total Current Liabilities	88,015,427	66,781,000	(392,002)	154,404,425
Trade and Other Payables	2,409,109			2,409,109
Interest Bearing Liabilities	4,770,238			4,770,238
Employee Benefits	900,086			900,086
Provisions	2,898,952	103,000		3,001,952
Total Non Current Liabilities	10,978,385	103,000	-	11,081,385
Total Liabilities	98,993,812	66,884,000	(392,002)	165,485,810
Net Assets	31,154,729	29,748,000	(2,225,189)	58,677,540

EQUITY

Issued Capital	36,861,683	63,069,000	(34,435,894)	65,494,789
Foreign Currency Translation Reserve	(1,074,945)			(1,074,945)
Fair Value Reserve	36,958	479,000	(479,000)	36,958
Share Option Reserve	196,243			196,243
Retained Earnings	(11,661,969)	(33,800,000)	32,689,704	(12,772,265)
Total Equity Attributable to Equity Holders of the Parent	24,357,970	29,748,000	(2,225,189)	51,880,781
Minority Interests	6,796,759		-	6,796,759
Total Equity	31,154,729	29,748,000	(2,225,189)	58,677,540

7 Tax implications of the Scheme

7.1 Introduction

The following is a general summary of the potential Australian CGT consequences for PIH Shareholders disposing of PIH Shares under the Scheme. This summary is based on the law and practice in effect on the date of this Scheme Booklet. However, the summary is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every PIH Shareholder. In particular, the summary is only relevant to PIH Shareholders who hold PIH Shares on capital account for investment purposes, as opposed for example to PIH Shares held for trading. The summary only considers the Australian tax position. PIH Shareholders who

are residents of or subject to taxation in other countries will also need to obtain advice on the tax consequences of that country.

A shareholder's own individual circumstances will determine how tax laws apply to them. A shareholder should obtain tax advice from a professional adviser on these issues. The Directors are not licensed under the tax agent services regime and cannot provide tax advice to shareholders.

All PIH Shareholders are advised to seek independent professional advice about their particular circumstances including for non resident shareholders on the foreign tax consequences.

7.2 Australian residents – CGT consequences

CGT event on disposal of PIH Shares

The disposal of PIH Shares will constitute a CGT event for Australian resident PIH Shareholders. This CGT event will occur on the Implementation Date.

PIH Shareholders will derive a capital gain on the disposal of their PIH Shares to the extent the market value of the CAF Shares received exceeds the tax cost base of their PIH Shares. Conversely, PIH Shareholders will incur a capital loss on the disposal of their PIH Shares to the extent that the market value of the CAF Shares received is less than the reduced tax cost base of their PIH Shares. In calculating any capital gain or loss, the market value of each CAF Share should be calculated as the volume weighted average price of the CAF Share on the Implementation Date. CAF will provide this market value to PIH Shareholders as soon as practicable after that day to PIH Shareholders.

Cost base and capital gain calculation

Generally, the tax cost base of any PIH Shares will be equal to the consideration paid to acquire the PIH Shares. In addition, other incidental costs of acquiring the PIH Shares (such as borrowing costs and stamp duty) may be included in the cost base.

Any PIH Shareholder that acquired their PIH Shares before 11.45am (by legal time in the Australian Capital Territory) on 21 September 1999 may index the cost base of their PIH Shares to take account of inflation between the calendar quarter in which the PIH Shares were acquired and the calendar quarter ended 30 September 1999.

If a PIH Shareholder that is an individual, the trustee of a trust or a complying superannuation entity chooses to index the cost base of PIH Shares, then the CGT discount (referred to below) will not be available. Note that the cost base of PIH Shares cannot be indexed in working out the amount of any capital loss.

The sum of a PIH Shareholder's capital gain for an income year reduced by any capital loss incurred during the year or carried forward from prior years (known as the net capital gain), should be included in the assessable income of the PIH Shareholder.

A PIH Shareholder will alternatively make a capital loss equal to the amount by which the reduced cost base of the PIH Shares the subject of the Scheme is more than the Scheme Consideration. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests applicable to companies and trusts.

CGT discount

Any Australian resident PIH Shareholder who is an individual, the trustee of a trust or a complying superannuation entity may be entitled to claim the CGT discount in calculating any capital gain if:

- (a) the PIH Shares were acquired at least 12 months before disposal under the Scheme; and
- (b) the PIH Shareholder did not choose to index the cost base of their PIH Shares (see above).

The CGT discount is applied to the capital gain after any available capital losses are first offset against that capital gain.

A PIH Shareholder that is an individual or the trustee of a trust may discount the capital gain by 50% and include 50% of the capital gain in the taxable income of that individual or trust.

A PIH Shareholder that is a complying superannuation entity may discount the capital gain by 33 1/3% and include 66 2/3% of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is not available to a PIH Shareholder that is a company. PIH Shareholders will make a capital gain equal to the amount by which the Scheme Consideration is more than the cost base of the PIH Shares the subject of the Scheme. Subject to the availability of CGT relief and any losses available to be offset against the capital gain, this amount will be included in the PIH Shareholder's taxable income.

Availability of CGT rollover relief

If a PIH Shareholder would make a capital gain on the disposal of the PIH Shares, they should be eligible to make a choice whether or not to seek CGT rollover relief.

If a PIH Shareholder elects to seek CGT rollover relief, a capital gain that they would otherwise make on the disposal of their PIH Shares will be disregarded.

Where rollover relief is chosen, the tax cost base of the CAF Shares received by the PIH Shareholder should equal the tax cost base of the PIH Shares disposed of. This tax cost base will be allocated on a proportionate basis across the CAF Shares received. For any subsequent determination of the application of the CGT discount, the date on which the PIH Shareholders will be deemed to have acquired the CAF Shares will be the day they acquired their PIH Shares.

The benefit of choosing scrip for scrip rollover relief will depend on the individual circumstances of each PIH Shareholder and therefore PIH Shareholders should discuss this with their tax advisers.

In order to choose rollover relief, PIH Shareholders will be required to make the choice prior to lodging their income tax return for the income year in which the CGT event occurred.

CAF as the acquirer can choose to prevent PIH Shareholders obtaining scrip for scrip rollover relief but to do so must notify a PIH shareholder in writing of this prior to the exchange of shares. CAF has advised that it will not make this choice to prevent PIH shareholders obtaining scrip for scrip rollover relief.

7.3 Australian residents – Implications of holding CAF Shares

Subsequent disposal of CAF Shares

If a PIH Shareholder sells their CAF Shares after the Implementation Date, any gain or loss will be subject to CGT as the CAF Shares received by the PIH Shareholder will be an asset for CGT purposes.

For PIH Shareholders who elect for scrip for scrip rollover relief to apply, the cost base or reduced cost base for the CAF Shares will reflect the cost base or reduced cost base for the PIH Shares that were exchanged by the PIH Shareholder. For the purposes of determining the availability of the CGT discount, the acquisition date for PIH Shareholders who elected for scrip for scrip rollover relief to apply will be the date of their original acquisition of their PIH Shares. However, any shareholder with an interest of 10% or more in CAF should seek specific advice about the impact of the Proposal on their ability to access the CGT discount on CAF Shares.

If a scrip for scrip election is not made, the cost base of the CAF Shares will be equal to the value of the replacement CAF Shares. The CGT discount provisions will only be available once the 12 month holding period rule has been satisfied for the CAF Shares (i.e. not the date of acquisition of the PIH Shares).

Dividends from CAF

Any dividends and franking credits received from CAF should be included in the assessable income of the shareholder. Where the shareholder is a resident individual or complying superannuation fund, and the shareholder has excess franking credits available for the income year, those excess franking credits may be refunded to the shareholder.

Whilst corporate shareholders may not receive such a refund of excess franking credits, they may be entitled to convert any excess into a loss that may be utilised in future years (subject to the loss utilisation rules).

It is noted that shareholders are generally required to have held their shares "at risk" for 45 days in order to be eligible for the franking benefits outlined above. Taxpayers should obtain their own advice on the application of these rules to their circumstances.

7.4 Stamp Duty

The transfer of PIH Shares will not give rise to any stamp duty liabilities for existing PIH Shareholders. CAF will pay the stamp duty, if any, in connection with the transfer of PIH Shares under the Scheme.

7.5 Goods and Services Tax (GST)

The sale of PIH Shares by existing shareholders as contemplated will not attract GST. Similarly, no GST will be payable on the acquisition of CAF Shares.

Where shareholders are registered or required to be registered for GST, any GST incurred on expenses that relate to the sale of existing shares or acquisition of new shares may not be recoverable if the individual shareholder exceeds the financial acquisitions threshold as defined under Division 189 of the GST Act. However, a Reduced Input Tax Credit equal to 75% of the GST incurred may still be available if the acquisition constitutes a reduced credit acquisition as defined under Division 70 of the GST Act.

Where PIH Shareholders are not registered, or required to be registered for GST, no GST implications should arise in relation to the Offer.

7.6 Foreign Residents – Australian Income Tax Considerations

Australian Capital Gains Tax – Foreign Residents

PIH Shareholders that are not resident in Australia for income tax purposes and that do not carry on business in Australia at or through a permanent establishment should generally not be subject to Australian CGT on their disposal of their PIH Shares (provided that together with their associates they have not held 10% or more (by value) of the issued PIH Shares at the time of disposal of the shares for any continuous twelve month period within two years preceding the disposal).

If 10% or more (by value) of PIH is held by foreign resident shareholders, a disposal of PIH Shares by a foreign resident may be subject to Australian CGT where the shares represent an indirect Australian real property interest or an asset used in carrying on a business through an Australian permanent establishment.

It is noted that if a capital gain is made on disposal of the PIH Shares by a PIH Shareholder that is a foreign resident (because the PIH Shares represent an indirect Australian real property interest in which the PIH Shareholder holds an associate-inclusive 10% or more interest), scrip rollover relief is available to the PIH Shareholder only if the CAF Shares are regarded as an indirect Australian real property interest just after the CAF Shares are issued.

PIH Shareholders that are foreign residents should consult their own tax adviser for further advice in this regard.

Dividends from CAF – Foreign Residents

Foreign resident PIH Shareholders are not subject to Australian income and withholding tax in respect of dividends paid by CAF to the extent that those dividends are franked.

If the dividends are not franked or only partially franked, foreign resident PIH Shareholders are subject to a dividend withholding tax on the unfranked portion of the dividend at the rate of 30% or a reduced rate of dividend withholding tax under an applicable double tax treaty, where relevant.

8 Implementation of the Scheme

8.1 Scheme Meetings

On the date of this Scheme Booklet, the Court ordered that four separate Scheme Meetings, one for each class of PIH Shares, be convened as specified in the notices of Scheme Meeting in Annexure K, Annexure L, Annexure M and Annexure N and Stephen Murphy be appointed to chair the Scheme Meetings. The Scheme Meetings will begin at 9.00am on 22 November 2010.

Each PIH Shareholder registered on the PIH Share register at 9.00am on 20 November 2010 may attend and vote at the relevant Scheme Meeting, either in person or by proxy or attorney or, in the case of a body corporate, by its corporate representative appointed under section 250D Corporations Act. Voting at the Scheme Meeting will be by poll.

The resolution in favour of the Scheme must be passed at each Scheme Meeting by:

- (a) a majority in number (more than 50%) of PIH Shareholders in the relevant class present and voting at the Scheme Meeting (in person or by proxy); and
- (b) at least 75% of the votes cast on the resolution at that Scheme Meeting.

Instructions on how to attend and vote at the Scheme Meeting (in person or by proxy), are set out in the 'How to Vote' section and in the notes for the notice of Scheme Meeting.

8.2 Second Court Hearing

If:

- (a) the Scheme is approved by the requisite majorities of PIH Shareholders at each Scheme Meeting;
- (b) all Conditions Precedent have been satisfied or waived, including all regulatory approvals required for the Scheme have been obtained; and
- (c) the Constitution Amendment Resolution is passed by the requisite majority of PIH Shareholders at each Class Meeting and the Extraordinary General Meeting,

then PIH will apply to the Court for orders approving the Scheme. PIH expects the Second Court Date to be 29 November 2010.

Each PIH Shareholder has the right to appear at the Second Court Hearing.

8.3 Effective Date

The Scheme will become effective on the date an office copy of a Court order from the Second Court Hearing approving the Scheme is lodged with ASIC (**Effective Date**).

8.4 Record Date

Those PIH Shareholders on the register on the Record Date (i.e. 8.00 pm on the second Business Day after the Effective Date) will become entitled to the Scheme Consideration for the PIH Shares they hold at that time.

8.5 Deciding persons entitled to Scheme Consideration

Dealings on or before the Record Date

To work out eligibility for Scheme Consideration, dealings in PIH Shares will only be recognised if PIH receives registrable transfers on or before the Record Date.

PIH must register transfers received by the Record Date. PIH will not accept registration or otherwise recognise any transfer of PIH Shares received after the Record Date.

Dealings after the Record Date

The PIH Share register will solely decide entitlements to Scheme Consideration.

From the Record Date, all certificates for PIH Shares cease to have effect as documents of title.

8.6 Implementation Date

On the Implementation Date, which PIH expects will be 13 December 2010, 1.4921 CAF Shares per PIH Share that the relevant PIH Shareholder holds at the Record Date (rounded to the nearest share) will be transferred to the PIH Shareholder and all PIH Shares will be transferred to CAF. The Implementation Date is the Business Day after the Record Date.

8.7 Stamp duty

CAF will pay any stamp duty on the transfer of PIH Shares under the Scheme.

8.8 Warranties by PIH Shareholders

The Schemes provide that each PIH Shareholder is deemed to have warranted to CAF that:

- (a) all of their PIH Shares (including any rights and entitlements attaching to those shares) transferred to CAF under the relevant Scheme will, on the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise (but acknowledging that a security interest holder may potentially have an interest in the Scheme Consideration in accordance with the terms of such security interest); and
- (b) subject to any restrictions in the terms of issue, they have the full power and capacity to sell and transfer their PIH Shares (including any rights and entitlements attaching to those shares).

9 Key terms of the Implementation Deed

9.1 Overview

PIH and CAF entered into the Implementation Deed on 24 August 2010. The terms of the Implementation Deed included the following:

- (a) the Conditions Precedent to the Scheme (refer to section 9.2 of part A);
- (b) the steps that each party must take to implement the Scheme (refer to section 8 of part A);
- (c) the 'no shop' and 'no talk' arrangements (refer to section 9.5 of part A); and
- (d) the ability to terminate the Implementation Deed (refer to section 9.7 of part A).

The Implementation Deed is set out in full as Annexure B.

9.2 Conditions Precedent

Implementation of the Scheme is subject to the satisfaction or waiver of the following Conditions Precedent:

- (a) **(Regulatory consents)** All approvals or consents required from any government agency or judicial entity or authority to implement the Schemes (other than the approval by the Court of the Schemes under section 411(4)(b) of the Corporations Act) having been obtained or deemed obtained before 8:00am on the Second Court Date, including ASIC and ASX providing all consents and approvals and doing other acts which PIH and CAF agree are necessary or reasonably desirable to implement the Schemes (including the ASX approval required for the official quotation of the CAF Shares to be issued as part of the Scheme Consideration, subject only to customary pre-quotation listing conditions). PIH and CAF are in the process of procuring these approvals;
- (b) **(No prohibitive orders)** Prior to 8.00am on the Second Court Date, there being no temporary, preliminary or permanent injunction or other order issued by any Court or other legal restraint or prohibition preventing the Scheme from being completed;
- (c) **(Orders convening Scheme Meetings)** The Court orders the convening of the Scheme Meetings, under section 411(1) of the Corporations Act;
- (d) **(Shareholder approval)** PIH Shareholders resolving to approve:
 - (i) at the Scheme Meetings:
 - (A) the Scheme; and
 - (B) the Constitution Amendment Resolution; and
 - (ii) at the Extraordinary General Meeting, the Constitution Amendment Resolution, by the requisite majorities in accordance with the Corporations Act;

- (e) **(Independent Expert's Report)** the Independent Expert concluding that the Scheme is fair and reasonable and therefore in the best interests of PIH Shareholders, in the absence of a superior proposal (refer to the Independent Expert's Report);
- (f) **(PIH significant transactions)** Neither PIH nor a Subsidiary of PIH acquiring or disposing of a substantial business or asset exceeding \$500,000 in value between the date of the Implementation Deed and 8.00am on the Second Court Date, unless CAF consents to the transaction or the transaction is disclosed by PIH to CAF prior to execution of the Implementation Deed;
- (g) **(CAF significant transactions)** Neither CAF nor a Subsidiary of CAF acquiring or disposing of a substantial business or asset exceeding \$500,000 in value between the date of the Implementation Deed and 8.00am on the Second Court Date, unless the transaction is in the ordinary course of business, PIH consents to the transaction or the transaction is disclosed by CAF to PIH prior to execution of the Implementation Deed;
- (h) **(Approval of all resolutions at the CAF general meeting)** CAF shareholder approval is obtained to approve all resolutions at the CAF general meeting by the requisite majority in accordance with the Corporations Act and the ASX listing rules;
- (i) **(Court approval of Schemes)** The Court approves the Schemes in accordance with section 411(4)(b) of the Corporations Act;
- (j) **(PIH Warranties)** PIH Warranties being true and correct on the date of the Implementation Deed and at 8.00am on the Second Court Date;
- (k) **(CAF Warranties)** CAF Warranties being true and correct on the date of the Implementation Deed and at 8.00am on the Second Court Date;
- (l) **(No change of Board recommendation)** No Director changing their recommendation to PIH Shareholders to vote in favour of the Schemes;
- (m) **(No competing proposal)** PIH not having entered into any document, arrangement or understanding with a third party in relation to a competing proposal;
- (n) **(Prescribed occurrence and material adverse change not occurring)** Between the date of the Implementation Deed and 8.00am on the Second Court Date, none of the following occurring:
 - (i) PIH Prescribed Occurrence;
 - (ii) CAF Prescribed Occurrence;
 - (iii) PIH Material Adverse Change; or
 - (iv) CAF Material Adverse Change;
- (o) **(Market fall)** As at the close of trading on any Business Day between the date of the Implementation Deed and the Business Day before the Second Court Date, the All Ordinaries Index published by ASX is 15% or more below its level as at the close of trading on the date of the Implementation Deed;
- (p) **(Third party consents)** Before 8:00am on the Second Court Date, PIH obtaining third party consents to certain agreements to which PIH or one of its subsidiaries is a party. This Condition Precedent relates to certain agreements material to PIH's business which

contain change of control provisions that will be triggered on implementation of the Scheme;

- (q) **(Substantial Holding)** As at 8.00am on the Second Court Date, a competitor of PIH or any of its subsidiaries does not have a Substantial Holding in CAF;
- (r) **(Convertible Note Subscription Agreement)** As at 8.00am on the Second Court Date, there are no subsisting events of default under the Convertible Note Subscription Agreement;
- (s) **(ASIC enforceable undertaking)** As at 8.00am on the Second Court Date, if required in writing by ASIC to do so, PIH having agreed to an enforceable undertaking with ASIC in relation to ASIC's areas of concerns;
- (t) **(PIH insurance policies)** As at 8.00am on the Second Court Date, PIH having in place professional indemnity insurance policies on terms reasonably satisfactory to CAF and that are in compliance with ASIC Policy;
- (u) **(No CAF securities issues or distributions)** Prior to 8.00am on the Second Court Date, no CAF Shares or options over unissued CAF Shares have been issued by CAF and no existing options over CAF Shares have been exercised and CAF has not announced, declared or paid any dividend, bonus or other distribution of profits or assets to its members; and
- (v) **(No PIH securities issues or distributions)** Prior to 8.00am on the Second Court Date, no shares or options over unissued shares in PIH have been issued by PIH and no existing options over PIH shares have been exercised, and PIH has not announced, declared or paid any dividend, bonus or other distribution of profits or assets to its members.

CAF and PIH may jointly waive the Conditions Precedent in paragraphs 7.2 (a), (b), (c), (h) and (g) at their discretion. PIH must give CAF a certificate about the status of the Conditions Precedent that have not been waived immediately before implementation of the Scheme (refer to section 8.6 of part A).

9.3 Conditions of the Schemes

A summary of the conditions of the Schemes is set out below:

- (a) each Scheme is conditional on the lodgement with ASIC of an office copy of any Court orders approving the other Schemes; and
- (b) the Scheme is conditional on:
 - (i) the Implementation Deed having not been terminated as at 8.00am on the Second Court Date;
 - (ii) the satisfaction or waiver of all of the Conditions Precedent set out in clause 3.1 of the Implementation Deed (other than the condition relating to Court approval of the Schemes); and
 - (iii) the approval by the Court of each of the Schemes, with or without modification as accepted by PIH, pursuant to section 411(4)(b) of the Corporations Act.

9.4 Status of conditions

As at the date of this Scheme Booklet, PIH is not aware of any circumstances which would cause the Conditions Precedent summarised in section 7.2 not to be satisfied. PIH will, prior to the Scheme Meetings, advise Shareholders of the status of the various conditions by an announcement on PIH's website.

9.5 Appointing directors

The Implementation Deed requires that as soon as practicable on the Implementation Date, the board of CAF will be comprised of six members, being three representatives from each of PIH and CAF. Mr Rick Nelson, the current chairman of CAF, will act as chairperson after the implementation of the Scheme until a mutually agreed independent chairperson is appointed, at which time one representative from each of PIH and CAF will resign to leave a board comprised of five members. Mr Tony Robinson will remain in the position of managing director.

9.6 Exclusivity

Subject to exceptions in respect of where certain actions are required for PIH Directors to act in accordance with their fiduciary or statutory duties, the Implementation Deed restricts PIH, its subsidiaries and their respective directors, employees, officers, agents or advisers from soliciting, discussing, encouraging or inducing any negotiations with a view to obtaining any expression of interest, offer or proposal from any other person to acquire all or a substantial part of the assets or business of the PIH Group, or to acquire control of or otherwise acquire or merge with the PIH Group, from the date of the Implementation Deed to the earlier of:

- (a) 28 February 2011;
- (b) the date the Schemes become Effective; or
- (c) the date the Implementation Deed is terminated.

Details of PIH's obligations relating to exclusivity are provided below.

No shop

PIH must ensure that PIH does not directly or indirectly solicit, discuss, encourage, or induce any enquiries, negotiations or discussions, or communicate any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any other person in relation to any proposal or offer to acquire all or a substantial part of the assets or business of PIH received from any person other than CAF.

No talk

PIH must ensure that PIH does not directly or indirectly, negotiate or enter into, participate in negotiations or discussions with any other person regarding any proposal or offer to acquire all or a substantial part of the assets or business of PIH received from any person other than CAF. PIH must not grant any other person any right of access to conduct due diligence investigations in respect of PIH even if that proposal was not solicited.

Notification of approaches

If PIH is approached by any person to engage in any activity that would breach its 'no shop' and 'no talk' obligations under the Implementation Deed, PIH must promptly inform CAF of that fact without necessarily identifying the relevant person to CAF.

9.7 Termination

The Implementation Deed may be terminated at any time prior to 8.00am on the Second Court Date in certain circumstances, including by either PIH or CAF if:

- (a) the other party is in material breach of any material term of the Implementation Deed or there has been a material breach of a warranty;
- (b) on the date of the first court hearing, ASIC foreshadows that:
 - (i) it proposes to oppose any part of the Scheme; or
 - (ii) it proposes not to provide a statement under section 411(17)(b) of the Corporations Act in relation to the Scheme;

provided that PIH and CAF have first met and consulted in good faith as to whether they wish to proceed with the Scheme;

- (c) there is a breach or non-fulfilment of a Condition Precedent of which the terminating party has the benefit and the parties are unable to reach agreement on extending the time for satisfaction of the Condition Precedent or on alternative means or methods by which the Schemes may proceed; or
- (d) the Schemes are not effective by 8:00pm on the Sunset Date and PIH and CAF are unable to reach agreement on extending the Sunset Date or on alternative means or methods by which the Schemes may proceed.

The Implementation Deed will terminate immediately in certain circumstances, including:

- (a) if either the CAF shareholders or the PIH Shareholders fail to approve the Schemes by the requisite majority at the Scheme Meetings;
- (b) the Court refuses to grant an order convening the Scheme Meetings or approving the Schemes and either:
 - (i) PIH and CAF fail to agree to conduct an appeal in accordance with clause 6.5 of the Implementation Deed; or
 - (ii) PIH and CAF agree to conduct an appeal but it is unsuccessful;
- (c) the Schemes are not approved by the Court under section 411(4)(b) of the Corporations Act on or before the Sunset Date; or
- (d) the Independent Expert issues its report which concludes that the Scheme is not in the best interests of PIH Shareholders.

9.8 Cost Recovery

If the Scheme is not implemented by 28 February 2011, a reimbursement fee is payable as follows:

- (a) if the PIH Shareholders do not approve of the Scheme by the requisite majority under the Corporations Act or the Scheme is not implemented for any reason solely attributable to the actions of PIH or its Board (including where PIH breaches a condition of the Implementation Deed), PIH must pay CAF \$500,000; and

- (b) if the CAF Shareholders do not approve the Scheme or the Scheme is not implemented for any reason solely attributable to the actions of CAF or the board of directors of CAF (including where CAF breaches a condition of the Implementation Deed), CAF must pay PIH \$300,000.

9.9 Sunset Date

PIH and CAF have committed to implement the Scheme on or before the Sunset Date. If the Scheme is not effective by the Sunset Date, either PIH or CAF may terminate the Implementation Deed in which case the Scheme will not proceed.

9.10 Deed Polls

Under the terms of the Deed Polls, CAF agrees in favour of those persons who hold PIH Shares at the Record Date to observe and perform all obligations under the Scheme which relate to it, including the obligation to pay the Scheme Consideration under the terms of the Scheme.

A copy of:

- (a) the Ordinary Shares Deed Poll is set out in Annexure C to the Scheme Booklet;
- (b) the A Class Shares Deed Poll is set out in Annexure E to the Scheme Booklet;
- (c) the Z Class Shares Deed Poll is set out in Annexure G to the Scheme Booklet; and
- (d) the Redeemable Preference Shares Deed Poll is set out in Annexure I to the Scheme Booklet.

10 Key terms of the Convertible Note Subscription Agreement

10.1 Overview

There is an existing relationship between CAF and PIH in that CAF has agreed to provide an advance of \$7.5 million to PIH (subject to satisfaction or waiver of certain conditions precedent) by way of subscription by CAF for the Convertible Notes in accordance with the terms of the Convertible Note Subscription Agreement.

PIH must use the proceeds of the advances exclusively for any purpose connected with the normal business operations of PIH.

The Convertible Notes are an unsecured debt obligation of PIH. PIH will pay to CAF interest at the rate of 8% per annum until the Convertible Notes are either:

- (a) redeemed on or before 30 November 2011 pursuant to repayment by PIH; or
- (b) converted into Ordinary Shares in PIH in the event that the Scheme will not be implemented.

10.2 Redemption by PIH

PIH may redeem all the Convertible Notes by paying CAF an amount equal to the total principal amount outstanding on the Convertible Notes, together with all accrued but unpaid interest on that amount, in the following circumstances:

- (a) within 30 days of the Implementation Deed being terminated;
- (b) the parties agreeing the Schemes will not be implemented for any reason;
- (c) all the Schemes not being supported by the Independent Expert's Report; or
- (d) the Schemes not being approved or becoming effective by 28 February 2011.

In the event of early repayment or redemption of the Convertible Notes, PIH is required to pay CAF a fee of \$325,000.

10.3 Conversion or required repayment by CAF

The Convertible Notes can be required to be repaid by CAF or converted into Ordinary Shares in PIH prior to 30 November 2011 (but subject to PIH's right of early repayment) in the following events:

- (a) the Implementation Deed is terminated;
- (b) the parties agree that the Schemes will not be implemented for any reason;
- (c) all the Schemes are not supported by the Independent Expert's Report;
- (d) the Schemes are not approved or do not become effective by 28 February 2011; or
- (e) there is an event of default by PIH (in which case PIH will not have an early repayment right).

If all of the Convertible Notes are converted CAF will have a 12% holding of the fully diluted share capital of PIH.

10.4 PIH Board representation

Subject to conversion of any of the Convertible Notes, CAF will be entitled to appoint:

- (a) two people to the Board of PIH if CAF holds at least 7.5% of PIH's share capital; or
- (b) one person if CAF holds at least 5% of PIH's share capital.

If all of the Convertible Notes are converted CAF will have a 12% holding of the fully diluted share capital of PIH. The PIH Board will generally be limited to six directors.

10.5 Joint Supervisory Committee

PIH will form a 'Joint Supervisory Committee' which will comprise equally of PIH and CAF representatives. The Joint Supervisory Committee will be mandated to determine the future strategy of PIH, including meeting any obligations imposed by ASIC and identification of cost reduction measures.

10.6 Implications of failure to approve the Scheme

If the Scheme is not approved by the PIH Shareholders and the Court, the consequences in relation to the Convertible Notes include:

- (a) the Convertible Notes may be required to be repaid by CAF or converted resulting in CAF holding 12% of the fully diluted share capital of PIH;
- (c) subject to conversion of any of the Convertible Notes, CAF will be entitled to appoint up to two directors to the board;
- (d) PIH may only redeem all the Convertible Notes by paying CAF an amount equal to the total principal amount outstanding on the Convertible Notes, together with all accrued but unpaid interest on that amount; and
- (e) in the event of early repayment or redemption by PIH of the Convertible Notes, PIH will be required to pay CAF a fee of \$325,000.

11 Additional information

11.1 Interests of Directors

Except as set out below, no Director has any material interest in the Scheme.

PIH Shares

The Directors are not required under the Constitution to hold any PIH Shares.

No Director has a relevant interest in any PIH Shares or holds options in PIH other than as set out in the table below:

Director	Number of shares			% Voting Power		
	A	Ord	RPS	A	Ord	RPS
Stephen John Murphy	-	558,882	-	-	2.05%	-
Robert John Bennetts	2,188	4,623,842	-	0.03%	16.97%	-
Christopher John Castles	55,007	6,507	20,000	0.65%	0.02%	0.18%
Kenneth Bruce Butler	4,360	1,724,319	-	0.05%	6.33%	-
Grahame David Evans	63,759	7,543	291,038	0.76%	0.03%	2.55%
Gregory Joseph Whimp	152,994	-	36,000	1.82%	-	0.32%

CAF securities

There are no marketable securities of CAF held by or for any Directors as at the date of this Scheme Booklet.

Payments or other benefits to Directors, secretaries or executive officers

Except as set out below, no payment or other benefit is proposed to be made or given to any Director, secretary or executive officer of PIH or of its related bodies corporate as compensation for loss of, or as consideration for or in connection with their retirement from, office in PIH or any related bodies corporate in connection with the Scheme.

Agreements or arrangements with Directors, secretaries or executive officers

Except as set out below, there are no other agreements or arrangements made between any Director and another person, including CAF, in connection with or conditional upon the outcome of the Scheme.

PIH has entered into an arrangement whereby if the Scheme is successfully completed, Doak Pty Ltd as trustee for The Johnstone Investment Trust, an Associate of David Johnstone, Chief Executive Officer of PIS, will be paid a success fee in the amount of:

- (a) \$250,000 plus GST in cash; and
- (b) 140,719 Redeemable Preference Shares.

Interests of Directors in contracts entered into by CAF

Except as set out below, no Director has any interest in a contract entered into by CAF.

Grahame Evans, Managing Director, and Robert Bennetts, Chief Executive Officer will continue to be employed by PIH after implementation of the Scheme and Grahame Evans will hold a position on the CAF board of directors.

11.2 CAF's relevant interests in PIH Shares

Except as set out below, at the date of this Scheme Booklet:

- (a) no PIH Shares are held by or for any CAF's directors;
- (b) CAF has no relevant interest in any of the PIH Shares on issue; and
- (c) aside from the Convertible Notes, CAF has no voting power in PIH.

Noel Griffin holds an interest in 5,333 PIH Shares and Rick Nelson holds an interest in 19,200 PIH Shares.

11.3 Escrow Arrangements

The operation of the Escrow Arrangements would in the absence of the exemption contained in section 611(17) of the Corporations Act, result in CAF holding a relevant interest in the CAF Shares that will (if the Scheme is approved) be subject to the Escrow Arrangements. However, the exemption of section 611(17) applies and there is therefore no relevant interest created by the Escrow Arrangements.

11.4 Ancillary arrangements

CAF and PIH have an ancillary arrangement in place by which CAF has agreed to provide an advance of \$7.5 million to PIH (subject to satisfaction or waiver of certain conditions precedent) by way of CAF subscribing to the Convertible Notes in accordance with the terms of the Convertible Note Subscription Agreement. PIH has currently drawn down \$5 million. An amount of \$2.5 million remains undrawn and may or may not be drawn down in the future.

The Convertible Notes are an unsecured debt obligation of PIH. PIH will pay to CAF interest at the rate of 8% per annum until the Convertible Notes are:

- (a) redeemed on or before 30 November 2011 pursuant to repayment by PIH; or
- (b) converted into Ordinary Shares in PIH in the event that the Scheme will not be implemented.

If all of the Convertible Notes are converted CAF will have a 12% holding of the fully diluted share capital of PIH.

11.5 Dealings in PIH Shares

Other than as specified in the Implementation Deed, neither CAF nor any Associate of CAF has given, or agreed to give, consideration for any PIH Shares under a purchase or agreement during the four months ended on the day immediately before the date of this Scheme Booklet.

Other than as specified in the Implementation Deed, during the period of four months ended on the day immediately before the date of this Scheme Booklet, neither CAF nor any Associate has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to:

- (a) vote in favour of the Scheme; or
- (b) dispose of PIH Shares,

and the benefit has not been offered to all PIH Shareholders.

11.6 Consents to be named

The Independent Expert has consented to the inclusion of the Independent Expert's Report in Annexure A and to the references to the Independent Expert's Report in this Scheme Booklet being made in the form and context in which each such reference is included and has not withdrawn that consent before the date of this Scheme Booklet. Other than in respect of the Independent Expert's Report and any other statements attributed to the Independent Expert, the Independent Expert has not authorised or caused the issue of this Scheme Booklet, and has not made, or purported to make, any statement in this Scheme Booklet.

McCullough Robertson has given and has not withdrawn its consent to be named as legal adviser to PIH in the form and context in which it is named and has not withdrawn that consent before the date of this Scheme Booklet. Other than in respect of those statements attributed to McCullough Robertson, McCullough Robertson has not authorised or caused the issue of this Scheme Booklet, and has not made, or purported to make, any statement in this Scheme Booklet.

CAF has consented to the inclusion of the CAF Information in the form and context in which that information appears and has not withdrawn that consent before the date of this Scheme Booklet. Other than in respect of those statements attributed to CAF, CAF has not authorised or caused the issue of this Scheme Booklet, and has not made, or purported to make, any statement in this Scheme Booklet.

11.7 Information disclosed lodged with ASIC

PIH continuous disclosure

PIH is an 'unlisted disclosing entity' for the purposes of the Corporations Act and is subject to periodic reporting and continuous disclosure obligations.

Publicly disclosed information about PIH is available at its website: www.profinvest.com.au

In addition, PIH is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by PIH may be obtained from, or inspected at, ASIC offices.

PIH documents

PIH will make available free of charge, to any PIH Shareholder who requests it before the Meetings, a copy of:

- (a) the audited financial report of PIH and its controlled entities for the most recently ended financial year that has been lodged with ASIC;
- (b) the most recent half yearly report lodged with ASIC by PIH; and
- (c) each continuous disclosure notification made by PIH under section 675 of the Corporations Act after lodgement with ASIC of the annual report referred to above and before the Scheme Meeting.

11.8 Lodgement of this Scheme Booklet

This Scheme Booklet was given to ASIC on 4 October 2010 as required by section 411(2)(b) of the Corporations Act.

11.9 No unacceptable circumstances

The Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any PIH Shareholder that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

11.10 Other material information

Other than as contained or referred to in this Scheme Booklet there is no information material to the making of a decision by PIH Shareholders whether or not to vote in favour of the Scheme that is known to any Director and which has not previously been disclosed to PIH Shareholders.

11.11 Foreign selling restrictions

This document does not constitute an offer of securities in any jurisdiction in which it would be unlawful. CAF Shares may not be offered or sold in any country outside Australia unless PIH and CAF determine that:

- (a) it is lawful and not unduly onerous or impractical to issue the Foreign Shareholder with CAF Shares if the Scheme becomes implemented; or
- (b) it is lawful for the Foreign Shareholder to participate in the Scheme by the law of the relevant place outside Australia and its external territories or New Zealand, including but not limited to Singapore and the United Kingdom on the basis set out below.

Singapore

This Scheme Booklet and any other materials relating to the Schemes have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Scheme Booklet and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CAF Shares, may not be issued, circulated or distributed, nor may the CAF Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the 'SFA'), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Scheme Booklet has been given to you on the basis that you are (i) an existing holder of PIH Shares, (ii) an 'institutional investor' (as defined in the SFA) or (iii) a 'relevant person' (as defined under section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the CAF Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire CAF Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

United Kingdom

Neither the information in this Scheme Booklet nor any other document relating to the Schemes has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ('FSMA')) has been published or is intended to be published in respect of the Scheme

Consideration. This document is issued on a confidential basis to 'qualified investors' (within the meaning of section 86(7) of FSMA). This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of s.21 FSMA) received in connection with the issue or sale of the Shares has only been communicated, and will only be communicated, in the United Kingdom in circumstances in which s.21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ('FPO'); (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or (iii) to whom it may otherwise be lawfully communicated (together 'relevant persons'). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

11.12 Sale of CAF Shares by a Sale Agent

Ineligible Foreign Shareholders will not receive CAF Shares in connection with the Scheme. Instead the CAF Shares that would otherwise have been issued to Ineligible Foreign Shareholders will be issued to the Sale Agent on the Implementation Date.

CAF will:

- (a) procure that the Sale Agent sells all of the CAF Shares issued to the Sale Agent within 15 Business Days after the Implementation Date; and
- (b) procure the remittance to the Ineligible Foreign Shareholders their proportion of the net proceeds. Receipt of this amount will satisfy in full the rights of each Ineligible Foreign Shareholder to the Scheme Consideration.

For each CAF Share to which an Ineligible Foreign Shareholder is entitled, the shareholder will receive an amount equivalent to the average price per CAF Share obtained by the Sale Agent. Any broker fees paid by the Sale Agent in respect of the sale of the CAF Shares issued to the Sale Agent that would otherwise have been issued to Ineligible Foreign Shareholders will be deducted from the sale proceeds payable to Ineligible Foreign Shareholders.

The CAF Shares will be sold on ASX on behalf of the Ineligible Foreign Shareholders in such manner and at such price and on such other terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Foreign Shareholder).

CAF, PIH and the Sale Agent give no assurance as to the price that will be achieved for the sale of CAF Shares described above. The proceeds that Ineligible Foreign Shareholders will receive may be more or less than the current market value of CAF Shares. Sale of the CAF Shares by the Sale Agent may result in a significant number of CAF Shares being offered for sale at the same time. This may have the effect of depressing the sale price of those shares.

The net proceeds of the sale of the CAF Shares will be paid to each relevant shareholder as soon as reasonably practicable following the sale of such shares by the Sale Agent, by making a deposit into an account with an Australian bank nominated by the shareholder with the CAF share registry as at the Record Date. If the relevant shareholder does not have a nominated Australian bank account with the CAF share registry as at the Record Date, the shareholder will

be sent a cheque drawn on an Australian bank in Australian currency for the net proceeds of the sale of the CAF Shares. If the relevant shareholder's whereabouts are unknown as at the Record Date, the relevant cash consideration will be paid into a separate bank account and held until claimed or applied under laws dealing with unclaimed moneys.

Under the Scheme, each Ineligible Foreign Shareholder appoints CAF as its agent to receive on its behalf any financial services guide or other notices which may be issued by the Sale Agent.

Part B – Constitution amendment

1 Key features

1.1 Requirement to approve the Constitution Amendment

Rule 9 of the Constitution provides that all PIH Shares (other than Redeemable Preference Shares) may be transferred by an instrument in writing in any usual or common form or in any other form approved by the Directors but the PIH Shareholders must first follow the pre-emption process set out in the Constitution before transferring the PIH Shares. The Directors may in their absolute discretion refuse to register any transfer of such shares or other securities in any circumstances, unless the transfer has been approved by a resolution in general meeting.

Rule 4.11(a)(iv) provides that Redeemable Preference Shares may not be transferred without the approval of the Board, unless the transfer has been approved by a resolution in general meeting. This approval may be subject to conditions.

Rule 9.6 provides that any PIH Shareholder (other than a holder of Redeemable Preference Shares) (**Vendor**) wishing to transfer their PIH Shares ('sale shares') must give a sale notice to the Board within the six week period following lodgement of PIH's annual or half yearly financial statements, or such other period determined by the Board. The transfer price of the sale shares will be a price nominated by the Vendor.

The Directors must give notice to all PIH Shareholders other than the Vendor stating the number and price of the sale shares and inviting them to purchase the sale shares within a specified period (such period to be at least 10 business days from the date of the notice). The sale shares will be allocated pro rata among PIH Shareholders who notify the Directors within the stated time period that they wish to purchase the sale shares. The Vendor must transfer the sale shares on receipt of payment.

If all sale shares are not allocated by this method, the Board must invite the PIH Shareholders to nominate a person who is not currently a PIH Shareholder to purchase the sale shares at a price not less than the price in the sale notice.

If not all of the sale shares are allocated under these methods, the Vendor may, within 6 months after the expiration of the time limit set by the Directors, transfer the sale shares to any person at the original price set by the Vendor on conditions no more favourable to the purchaser.

Rule 9.6(p) provides that the pre-emption rights do not apply to a transfer of A Class shares, Ordinary Shares or Redeemable Preference Shares from a PIH Shareholder to an existing PIH Shareholder owning shares in the same class if, before the transfer is executed, the parties obtain the prior written consent of PIH.

In addition, Rule 9.6(q) provides that certain transfers between related parties are not subject to pre-emption rights.

The Constitution Amendment amends the Constitution by inserting new Rule 8A, which has the effect that those restrictions, including the pre-emptive rights on the transfer of PIH Shares, do not apply to the proposed transfer of PIH Shares under the Scheme.

1.2 Key elements of the Constitution Amendment

The Constitution Amendment inserts new Rule 8(A) which states that, despite anything else contained in the Constitution, if the Scheme becomes effective, any transfer of PIH Shares under the Scheme is permitted as of right under the Constitution (and, for the avoidance of doubt, none of the restrictions in Rule 9 or Rule 4.11(a)(iv) of the Constitution will apply to such a transfer).

The Constitution Amendment Resolution, which is conditional on the Scheme being approved by the Court, is set out in the notices of Class Meeting and the notice of Extraordinary General Meeting set out below:

Rule 8A: Despite anything else in this Constitution, the restrictions in rules 4.11(a)(iv) or 9.6 of the Constitution will not apply to a transfer of any of the Company's securities under a scheme of arrangement.

1.3 Shareholder approval

Section 136(2) of the Corporations Act provides that a company may modify or repeal its constitution, or a provision of its constitution by a special resolution passed by a general meeting of its members.

Further, the proposed amendments to the Constitution result in a variation to the rights attaching to each class of PIH Share. Rule 4.5(b) of the Constitution provides that rights attached to any class of shares may only be varied in accordance with section 246B(2) of the Corporations Act. Section 246B(2) of the Corporations Act provides that class rights may only be varied or cancelled by a special resolution of the company and by a special resolution passed at a meeting of the shareholders in each affected class.

Accordingly, the Constitution Amendment must be approved by separate special resolutions of Ordinary Share Shareholders, A Class Share Shareholders, Redeemable Preference Share Shareholders and Z Class Share Shareholders at separate Class Meetings, in each case by those who hold at least 75% of the total number of relevant shares voted and by special resolution of PIH Shareholders at the Extraordinary General Meeting (in person or by proxy, attorney or corporate representative).

1.4 Directors' recommendation

The Directors unanimously recommend that PIH Shareholders approve the Constitution Amendment Resolution.

1.5 Why you may vote in favour of the Constitution Amendment Resolution

Approval of the Constitution Amendment is a condition to implementation of the Scheme

The Scheme is conditional on, and will not proceed without, PIH Shareholder approval of the Constitution Amendment. Therefore, the Directors consider that PIH Shareholders should vote in favour of the Constitution Amendment Resolution for the same reasons that the Directors consider that PIH Shareholders should vote in favour of the Scheme. Those reasons are set out in section 2.1 of part A.

Consequences of the Constitution Amendment not being approved

If the Constitution Amendment Resolution is not approved at each Class Meeting and at the Extraordinary General Meeting, the Scheme will not be implemented. Section 2.4 of part A sets out the consequences of the Scheme not being implemented.

1.6 Why you may vote against the Constitution Amendment Resolution

The Scheme is conditional on, and will not proceed without, PIH Shareholder approval of the Constitution Amendment. The factors which may lead you to vote against the Constitution Amendment Resolution may be the same factors which lead you to vote against the Scheme. Those factors are set out in section 2.1 of part A.

Glossary

AAP	Associated Advisory Practices Limited (ACN 118 000 150).
AAP2	Associated Advisory Practices (No.2) Limited (ACN 126 371 346).
A Class Share	means a fully paid A class share in the capital of PIH.
A Class Share Shareholder	means a person who is the registered holder of one of more A Class Shares.
AFSL	Australian Financial Services Licence, as defined in section 760A of the Corporations Act.
ALCo	Australian Loan Company Ltd (ACN 100 947 804).
All Star Funds	means: All Star IAM Australian Share Fund ARSN 126 274 762; All Star Income KFM Fund ARSN 126 274 575; All Star Nomura China Fund ARSN 134 111 845; IAM Small Companies Fund ARSN 134 111 890; All Star Maple Brown Abbott Listed Property Fund ARSN 136 686 845; All Star High Growth Fund ARSN 136 685 759; and All Star Balanced Fund ARSN 136 685 795.
Annexure	means an annexure to this Scheme Booklet.
ASIC	Australian Securities and Investments Commission.
Associate	has the meaning given to that term in section 9 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691).
Authorised Representative	means any of the following: (a) a body corporate authorised by an entity in accordance with section 916A of the Corporations Act; (b) an Australian financial services licensee (as that term is defined in section 761A of the Corporations Act) that subscribes (or proposes or intends to subscribe) to an entity's financial services and that has an agreement, arrangement or understanding with an entity under which it shares with that entity the revenue generated by the licensee from the provision of financial services or any similar agreement, arrangement or understanding; or (c) an associate (as defined in each of sections 10 to 17 of the Corporations Act) of either (a) or (b).
Bidder Distribution	means a distribution by CAF to its shareholders (excluding PIH Shareholders) of 2.5 cents per share on a pre-consolidated basis in the form of a capital reduction for approximately \$4.1 million.
Branch Agreement	means agreements between PIH and professional services firms of the type described in section 4.12 of this Scheme Booklet.

Board	means the board of directors of PIH.
Business Day	has the meaning given to that term in the Implementation Deed.
CAF	Centrepoint Alliance Limited ACN 052 507 507.
CAF Information	means information in sections 1.6, 3.2, 5, 6, and 11.2 of part A.
CAF Material Adverse Change	has the meaning given to the term 'Bidder Adverse Material Change' in clause 1.1 of the Implementation Deed.
CAF Option	an option to subscribe for CAF Shares.
CAF Prescribed Occurrence	has the meaning given to the term 'Bidder Prescribed Occurrence' in clause 1.1 of the Implementation Deed.
CAF Share	means an ordinary share in CAF.
CAF Warranties	has the meaning given to the term 'Bidder Warranties' in clause 1.1 of the Implementation Deed.
CEO	Chief Executive Officer.
CFP	Certified Financial Planner.
Class Meetings	means meetings of A Class Shareholders, Ordinary Share Shareholders, Redeemable Preference Share Shareholders and the Z Class Share Shareholders to consider and if thought fit approve the Constitution Amendment Resolution and Class Meeting means any one of those meetings.
Conditions Precedent	means the conditions precedent in clause 3.1 of the Implementation Deed, a summary of which are set out in section 9.2 of part A.
Constitution	means the constitution of PIH.
Constitution Amendment	means the amendment to the Constitution set out in section 1 of part B.
Constitution Amendment Resolution	means the resolution about the Constitution Amendment, set out in section 1.2 of part B.
Convertible Note	means unsecured convertible loan notes, each with a face value of \$750,000, issued by PIH to CAF, having the rights and being subjected to the restrictions in the Convertible Note Subscription Agreement.
Convertible Note Subscription Agreement	means the convertible note subscription agreement dated 24 August 2010 between CAF and PIH.
Corporations Act	The <i>Corporations Act</i> 2001 (Cth).
Court	means the New South Wales registry of the Federal Court of Australia.
Deed Polls	means the deed polls signed by CAF and set out in Annexure C, Annexure E, Annexure G and Annexure I.
DFP	Diploma of Financial Planning.
Director	means a director of PIH (from time to time).
Effective Date	means the date on which an office copy of a Court order under section 411(10) of the Corporations Act approving the Scheme is lodged with ASIC.

Escrow Arrangements

means the escrow arrangements that will apply to 50% of the CAF Shares received by PIH Shareholders under the Scheme (**Escrowed CAF Shares**) which prevent disposal of those CAF Shares received by PIH Shareholders for the following periods:

- (a) 50% of the Escrowed CAF Shares received to be subject to escrow for the period of time beginning on the Implementation Date and ending on 20 June 2012; and
- (b) the other 50% of the Escrowed CAF Shares to be subject to escrow for the period of time beginning on the Implementation Date and ending on 20 June 2013 unless the relevant PIH Shareholder becomes an Authorised Representative of an entity other than PIS, in which case, the escrow period ends on 20 June 2015.

Extraordinary General Meeting

means the general meeting of PIH Shareholders, notice of which is set out in Annexure S.

First Court Hearing

means the hearing of the application made to the Court for orders pursuant to section 411(1) of the Corporations Act to convene the Scheme Meetings and approving this Scheme Booklet.

HFS

Horwath Financial Services Ltd (Hong Kong).

Implementation Date

means the next Business Day after the Record Date.

Implementation Deed

means the merger implementation deed dated 24 August 2010 between CAF and PIH, set out in Annexure B.

Independent Expert

means Deloitte Corporate Finance Pty Ltd ACN 003 833 127.

Independent Expert's Report

means the report of the Independent Expert about the Proposal, set out in Annexure A.

Ineligible Foreign Shareholder

means a PIH Shareholder who has an address in a place other than Australia and its external territories and New Zealand excluding those persons determined to be lawful recipients of CAF Shares under section 11.11 of part A.

Investment Diversity

Investment Diversity Limited (ABN 21 096 137 156).

McCullough Robertson

means McCullough Robertson lawyers.

Meetings

means one or more, or all, of the Scheme Meetings, the Class Meetings and the Extraordinary General Meeting, as the context requires.

Mentor

Mentor Investment Services Limited (ACN 098 095 133).

Ordinary Shares

means a fully paid ordinary share in the capital of PIH.

Ordinary Share Shareholder

means a person who is the registered holder of one of more Ordinary Shares.

PIAS

Professional Investment Advisory Services Pte Ltd (Singapore).

PIH

means Professional Investment Holdings Limited (ACN 074 949 429).

PIH Group

means PIH and each of its Related Bodies Corporate.

PIH Information

means the information in this Scheme Booklet, other than the CAF Information and the Independent Expert's Report in

	Annexure A.
PIH Material Adverse Change	has the meaning given to the term 'Target Material Adverse Change' in clause 1.1 of the Implementation Deed.
PIH Prescribed Occurrence	has the meaning given to the term 'Target Prescribed Occurrence' in clause 1.1 of the Implementation Deed.
PIH Share	means a fully paid share of any class in PIH.
PIH Shareholder	means a person who is the registered holder of one of more PIH Shares.
PIH Warranties	has the meaning given to the term 'Target Warranties' in clause 1.1 of the Implementation Deed.
PIHNZ	Professional Investment Holdings (NZ) Limited.
PIS	Professional Investment Services Pty Limited (ACN 074 608 558).
PISNZ	Professional Investment Services (NZ) Limited, a Subsidiary of PIHNZ.
Post Scheme CAF Group	means CAF and its subsidiaries after the implementation of the Scheme.
Proposal	means the proposed acquisition of PIH Shares by CAF under the Scheme.
Record Date	means 8.00 pm on the second Business Day after the Effective Date.
Redeemable Preference Share	means a fully paid redeemable preference share in the capital of PIH.
Redeemable Preference Share Shareholder	means a person who is the registered holder of one of more Redeemable Preference Shares.
Related Body Corporate	has the meaning given to that term in section 9 of the Corporations Act.
Sale Agent	means a nominee holding an AFSL appointed by CAF and agreed to by PIH.
Scheme	means the schemes of arrangement in Annexure D, Annexure F, Annexure H and Annexure J.
Scheme Booklet	means this scheme booklet, issued under section 412 of the Corporations Act.
Scheme Consideration	means 1.4921 CAF Shares per PIH Share that the relevant PIH Shareholder holds at the Record Date (rounded to the nearest share).
Scheme Meetings	means the meetings of A Class Shareholders, Ordinary Share Shareholders, Redeemable Preference Share Shareholders and the Z Class Share Shareholders to consider and if thought fit approve the Scheme, ordered by the Court to be convened under section 411(1) of the Corporations Act and Scheme Meeting means any one of those meetings.
Second Court Date	means the first day on which the Second Court Hearing is heard.
Second Court Hearing	means, in respect of the Scheme, the hearing of an application

	made to the Court for an order approving the Scheme under section 411(4)(b) of the Corporations Act.
SFP	Standard Financial Planner Sdn Bhd (Malaysia).
Subsidiary	has the meaning given to that term in section 9 of the Corporations Act.
Substantial Holding	has the meaning given to that term in section 9 of the Corporations Act.
Sunset Date	means 28 February 2011.
Ventura	Ventura Investment Management Ltd (ACN 092 375 258).
Ventura Funds	means: Ventura Retail Capital Stable Fund ARSN 099 691 086; Ventura Retail Diversified 50 Fund ARSN 099 690 418; Ventura Retail Growth 70 Fund ARSN 099 690 356; Ventura Retail Australian Share Fund ARSN 099 689 728; Ventura Retail International Share Fund ARSN 099 688 945; Ventura Capital Stable Fund ARSN 099 584 826; Ventura Diversified 50 Fund ARSN 099 585 092; Ventura Growth 70 Fund ARSN 099 584 988; Ventura Australian Shares Fund ARSN 099 585 350; Ventura International Shares Fund ARSN 099 585 145; Ventura Australian Opportunities Fund ARSN 112 398 991; Ventura High Growth 100 Fund ARSN 128 856 226; and Ventura Global Opportunities Fund ARSN 128 855 916.
Z Class Share	means a fully paid Z class share in the capital of PIH.
Z Class Share Shareholder	means a person who is the registered holder of one of more Z Class Shares.

Annexure A

Independent Expert's Report

Deloitte.

**Professional Investment
Holdings Limited**

**Independent expert's report and
Financial Services Guide**

14 October 2010



Financial services guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us.

What financial services are we licensed to provide?

We are authorised to provide general financial product advice or to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes and government debentures, stocks or bonds.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

Deloitte will receive a fee of approximately \$145,000 exclusive of GST in relation to the preparation of this report. This fee is based on time spent at our normal hourly rates and is not contingent upon the success or otherwise of the proposed transaction between Professional Investment Holdings Limited and Centrepont Alliance Limited (the Proposed Merger).

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately owned by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The only work performed by Deloitte and Deloitte Touche Tohmatsu (and other entities related to Deloitte Touche Tohmatsu) (together Deloitte Australia) for Professional Investment Holdings Limited over the past two years is a check of anti-money laundering policies and procedures, which is unrelated to the Proposed Merger.

Neither we, or any other member of Deloitte Australia, nor any partner or employee thereof has any financial interest in the outcome of the Proposed Merger which could be considered to affect our ability to render an unbiased opinion in this report.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Fax: +61 2 9255 8434

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
info@fos.org.au
www.fos.org.au
Tel: 1300 780 808
Fax: +61 3 9613 6399

What compensation arrangements do we have?

Deloitte Touche Tohmatsu holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).



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The Directors
Professional Investment Holdings Limited
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Bundall QLD 4217

14 October 2010

Dear Directors

Independent expert's report

Introduction

On 30 April 2010, Centrepont Alliance Limited (Centrepont) announced its intention to merge with Professional Investment Holdings Limited (PIH) through an all scrip offer to be undertaken by a scheme of arrangement (the Proposed Merger). On 25 August 2010, a Merger Implementation Deed was executed between Centrepont and PIH which proposed the following inter-conditional schemes of arrangement (the Proposed Schemes):

- Target ordinary share scheme
- Target A class share scheme
- Target Z class share scheme
- Target redeemable preference share scheme.

Under the terms of the Proposed Schemes, each of the four classes of shares on issue by PIH, being ordinary, A class, Z class and redeemable preference shares (collectively the PIH Shares), will be acquired by Centrepont on identical terms such that the holders of the PIH Shares (PIH Shareholders) will receive approximately 1.49 Centrepont shares for each PIH Share held (rounded to the nearest share).

If the Proposed Schemes are approved and the Proposed Merger is implemented, the PIH Shareholders will hold 75% of the merged entity, being a combination of both PIH and Centrepont (the Proposed Merged Entity); on a fully diluted basis and PIH will become the wealth management arm of the Proposed Merged Entity alongside Centrepont's existing insurance premium funding division.

The board of PIH has prepared a scheme booklet containing the detailed terms of the Proposed Merger (the Scheme Booklet) and an overview of the Proposed Merger is provided in Section 2 of our report.

Purpose of the report

The directors of PIH (the Directors) have requested that Deloitte Corporate Finance Pty Limited (Deloitte) prepare an independent expert's report advising whether, in our opinion:

- the Target ordinary share scheme is fair and reasonable and therefore in the best interests of ordinary shareholders of PIH

- the Target A class share scheme is fair and reasonable and therefore in the best interests of A class shareholders of PIH
- the Target Z class share scheme is fair and reasonable and therefore in the best interests of the Z class shareholder of PIH
- the Target redeemable preference share scheme is fair and reasonable and therefore in the best interests of redeemable preference shareholders of PIH.

Whilst an independent expert's report in respect of the Proposed Schemes is not required to meet any statutory obligations, an independent expert's report is required under the Merger Implementation Deed dated 25 August 2010 between PIH and Centrepont.

This independent expert's report has been prepared in a manner consistent with Part 3 of Schedule 8 of the Corporations Regulations 2001 (Cth) (Part 3) to assist PIH Shareholders in their consideration of the Proposed Schemes. We have prepared this report having regard to Part 3 and the relevant Australian Securities and Investments Commission (ASIC) Regulatory Guides.

This report is to be included in the Scheme Booklet to be sent to PIH Shareholders and has been prepared for the exclusive purpose of assisting PIH Shareholders in their consideration of the Proposed Schemes. We are not responsible to you, or anyone else, whether for our negligence or otherwise, if the report is used by any other person for any other purpose.

Basis of evaluation

Schemes of arrangement can include many different types of transactions, including being used as an alternative to a takeover under Chapter 6 of the Corporations Act 2001 (Cth) (the Corporations Act). The basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction.

We consider the following attributes of the Proposed Merger are relevant to our selected basis of evaluation of the Proposed Schemes:

- the Proposed Merger represents a reverse takeover of Centrepont given that the Proposed Schemes will have a material effect on control of the offeror company, Centrepont rather than the target, PIH¹. PIH Shareholders will collectively hold 75% of the issued share capital of Centrepont following implementation of the Proposed Merger
- there will be no material change in control of PIH as a result of the Proposed Merger as PIH Shareholders will collectively retain a 75% interest in PIH's assets
- no single shareholder will obtain or lose a controlling interest in the Proposed Merged Entity as a result of the Proposed Merger. The largest shareholder in PIH currently holds a 19.3% interest in PIH. Assuming no change in individual holdings, the same shareholder will be the largest shareholder in the Proposed Merged Entity with a 14.4% interest.

Consequently, PIH Shareholders will, as a result of the Proposed Merger, effectively replace their minority interest holding in PIH for a minority interest holding in the Proposed Merged Entity.

There is no specific guidance on how to determine if a reverse takeover is in the best interests of target shareholders in these circumstances. RG 60 identifies that issues that may be raised under a reverse takeover achieved by a scheme of arrangement are similar to those raised in relation to a reverse takeover under Chapter 6 of the Corporations Act. In addition, ASIC Regulatory Guide 111 (RG 111), which provides guidance as to the content of expert reports, notes where a control transaction by way of a scheme of arrangement has the same effect as a takeover, the form of

¹ ASIC Regulatory Guide 60 (RG 60) states that a scheme of arrangement results in a reverse takeover if:

- the consideration offered to members of the company proposing the scheme (the target company) is shares in the offeror company; and
- the scheme of arrangement results in a change in control of the offeror company or has a material effect on control of the offeror company.

analysis used by the expert should be substantially the same as for a takeover bid, however, the opinion reached should be whether the proposed scheme is 'in the best interests of the members of the company'. Although we do not consider the Proposed Merger to be a control transaction, we consider this guidance to be relevant to our evaluation given it is a takeover offer, albeit a takeover offer that does not result in a change in control of the target.

Section 640 of the Corporations Act (Section 640) requires an independent expert's report in connection with a takeover offer to state whether, in the expert's opinion, the takeover offer is fair and reasonable. Accordingly, if an expert were to conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposed scheme is in the best interests of the members of the company. In addition, RG 111 notes that if the expert were to conclude that the proposal was not fair but reasonable; the expert would also be able to conclude that the scheme is in the best interests of members of the company.

Based on this guidance, we have adopted the test of whether each of the Proposed Schemes is fair and reasonable, not fair but reasonable, or neither fair nor reasonable in order to assess whether the Proposed Schemes are in the best interests of PIH Shareholders.

Under RG 111, a transaction is:

- fair, when the value of the consideration is equal to or greater than the value of the securities subject to the proposed scheme
- reasonable, if it is fair, or despite not being fair, after considering other significant factors, securityholders should accept the offer under the proposed scheme, in the absence of any higher bids.

As no single shareholder will obtain a controlling interest in the Proposed Merged Entity and PIH Shareholders will replace their minority interest holding in PIH for a minority interest holding in the Proposed Merged Entity, we consider it appropriate to undertake our assessment of the fairness of the Proposed Merger on an equivalent, minority basis rather than including a control premium in the market value of a PIH Share. Accordingly, we have assessed whether the Proposed Schemes are fair by comparing the value of a PIH Share on a minority basis with the value of the consideration to be received from Centrepont, being a minority share in the Proposed Merged Entity.

We have assessed the value of each PIH Share by estimating the current market value of PIH on a minority basis and dividing this value by the number of PIH's ordinary, A class and redeemable preference shares on issue. We have treated these classes of PIH Shares on a consistent basis as they rank equally and have common rights. We have not allocated any of the value of PIH on a minority basis to PIH's one Z class share on the basis that it has no rights to a return of capital, dividends or to participate in a distribution of surplus assets on wind up and no rights to vote. We have considered the value, if any, of the Z class share separately in our evaluation of the Proposed Schemes.

We have assessed whether the Proposed Schemes are reasonable and therefore in the best interests of PIH Shareholders by considering whether the advantages to PIH Shareholders of the Proposed Schemes being implemented outweigh the disadvantages.

In addition, as each of the Proposed Schemes is inter-conditional, we have assessed the fairness and reasonableness of each of the schemes on the basis of whether all of the Proposed Schemes are collectively implemented.

Summary and conclusion

In our opinion, in the absence of a superior proposal:

- the Target ordinary share scheme is fair and reasonable and therefore is in the best interests of ordinary shareholders of PIH
- the Target A class share scheme is fair and reasonable and therefore is in the best interests of A class shareholders of PIH
- the Target Z class share scheme is fair and reasonable and therefore is in the best interests of the Z class shareholder of PIH
- the Target redeemable preference share scheme is fair and reasonable and therefore is in the best interests of redeemable preference shareholders of PIH.

In arriving at this opinion, we have had regard to the following factors:

The Proposed Schemes are fair

RG 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities being the subject of the offer. Set out in the table below is a comparison of our assessment of the fair market value of a PIH Share with the consideration offered by Centrepont.

Ordinary, A class and redeemable preference shares

Table 1: Evaluation of fairness

	Low value per share (\$)	High value per share (\$)
Estimated fair market value of an ordinary, A class or redeemable preference share in PIH	1.67	1.88
Estimated fair market value of consideration offered by Centrepont	1.57	1.87

Source: Deloitte analysis

The value of the consideration offered by Centrepont overlaps the range of our estimate of the fair market value of an ordinary, A class and redeemable preference share in PIH. Accordingly it is our opinion that the Proposed Merger is fair to the holders of ordinary, A class and redeemable preference shares in PIH.

We note that there is a 95.2% overlap between our value range of the consideration and the value range for the relevant PIH Shares which we consider is sufficient overlap to conclude that the Proposed Merger is fair to the holders of ordinary, A class and redeemable preference shares in PIH notwithstanding that the mid-point of our valuation of the consideration offered by Centrepont is 3.1% below the mid-point of our valuation of these classes of PIH Shares. However, if PIH Shareholders formed the view that the value of these shares was above \$1.87 per share, which represents the upper 4.8% of our valuation range, they may not consider the Proposed Merger to be fair.

Z class share

The holder of PIH's one fully paid Z class share will receive the same consideration as PIH's ordinary, A class and redeemable preference shares. As set out above, we have therefore estimated the value of the consideration offered by Centrepont for the one fully paid Z class share to be in the range from \$1.57 to \$1.87.

We do not consider that the Z class share has any fair market value on the basis that:

- it has no rights to a return of capital or distribution of surplus assets on the winding up of PIH, no rights to participate in any dividends and no rights to vote at general meetings of PIH
- in our view, the only substantial right attached to the Z class share, being the right (but not the obligation) to appoint directors to the PIH board to ensure that the directors of PIH nominated by the holder of the Z class share represent the same proportion as the aggregate proportion of PIH Shares held by the Z class shareholder (currently 19.3%), merely formalises what would otherwise be considered common market practice for board representation by a significant shareholder in a company
- the board rights provided by the Z class share, representing approximately 20% of board positions, provide the holder of the Z class share with some influence but no control over the PIH board
- the holder of the Z class share, Aviva Overseas Holdings Limited, has never exercised its right to appoint directors to the PIH board.

The consideration offered by Centrepont is above our estimate of the fair market value of the Z class share in PIH. Accordingly it is our opinion that the Proposed Merger is fair to the holder of the Z class share in PIH.

The Proposed Schemes are reasonable

In accordance with RG 111 an offer is reasonable if it is fair. On this basis, in our opinion the Proposed Merger is reasonable. We have also considered the following factors in assessing the reasonableness of the Proposed Merger:

Advantages of the Proposed Schemes

The Proposed Merger provides PIH Shareholders with liquidity

PIH is currently an unlisted public company with certain pre-emptive rights in place that further restrict trading of the PIH Shares (refer to part A section 4.16 of the Scheme Booklet). All transactions in PIH Shares require the consent of the PIH Board in some form and, in some cases, these pre-emptive rights restrict PIH Shareholders to two trading periods each year. Over the past 12 months, PIH has facilitated two transactions involving total of approximately 158,000 shares (or less than 0.5% of the issued shares in PIH).

Notwithstanding the near term escrow restrictions to be imposed over 50% of the PIH Shareholders' interests in the Proposed Merged Entity (as discussed below); we consider that the Proposed Merger will offer enhanced liquidity to PIH Shareholders which they may not have otherwise had access to by continuing to hold PIH Shares in its current unlisted company structure.

Favourable corporate structure

Prior to the announcement of the Proposed Merger, PIH was considering a variety of options in relation to its corporate structure including a compliance listing on the Australian Securities Exchange (ASX). The Proposed Merger provides PIH with the opportunity to list on the ASX via the reverse takeover of Centrepont which is already an ASX listed entity.

As Centrepont has been a listed entity since 2002, the directors and key management of Centrepont have experience in managing a listed entity including knowledge surrounding the necessary regulatory disclosures and financial reporting requirements.

Further to this, the Proposed Merger provides PIH with access to the surplus cash of Centrepont and with greater flexibility in sourcing new capital on market.

Disadvantages of the Proposed Merger

The likely disadvantages to PIH Shareholders if the Proposed Merger is approved include:

Escrow restrictions

If the Proposed Merger is implemented, 25% of the Centrepoint shares issued to PIH Shareholders will be subject to escrow restrictions that prevent disposal of those Centrepoint shares for a period of two years from the date of issue and a further 25% of the Centrepoint shares issued to PIH Shareholders will be subject to the same escrow restrictions for a period of at least three years from the date of issue.

Notwithstanding these near term escrow restrictions, the Proposed Merger will offer enhanced liquidity to PIH Shareholders which they may not have otherwise had access to by holding shares in PIH as an unlisted company. Further to this, we consider that PIH Shareholders are no worse off by entering into escrow restrictions over a listed Centrepoint shareholding than holding shares in an unlisted company.

Illiquidity of Centrepoint shares

As discussed in Section 9.3.2, Centrepoint's shares are currently illiquid and a risk exists that this lack of liquidity may transfer to the Proposed Merged Entity. Notwithstanding the escrow restrictions, such illiquidity may restrict the ability of PIH Shareholders to exit from the company in a timely manner or to realise full value on exit.

However, the liquidity of the shares in the Proposed Merged Entity should be enhanced because the Proposed Merged Entity will have a significantly expanded shareholder base compared to Centrepoint, and the Proposed Merged Entity will also be significantly larger and have a broader operating base than Centrepoint.

Dilution of existing ownership

If the Proposed Merger is implemented, PIH Shareholders will hold 75% of the Proposed Merged Entity. Despite the Proposed Merger being classified as a reverse takeover, PIH Shareholders will be somewhat diluted due to 25% of the Proposed Merged Entity being held by existing Centrepoint shareholders and will have reduced ability to share in the opportunities of PIH in the future. However, this dilution is mitigated by PIH Shareholders holding a slightly reduced stake in an enlarged Proposed Merged Entity and will gain an interest in the future opportunities of Centrepoint.

Tax consequences

Acceptance of the Proposed Scheme may result in adverse tax consequences for PIH Shareholders. The Australian tax implications of the Proposed Scheme are outlined in part A section 7 of the Scheme Booklet. PIH Shareholders should consult their tax adviser regarding their personal circumstances.

Other matters

If the Proposed Merger is not implemented Centrepoint may acquire 12% equity in PIH for \$7.5 million via conversion of the Convertible Notes

As discussed in Section 2.1.2, PIH and Centrepoint have entered into an agreement ancillary to the Proposed Merger whereby Centrepoint may advance up to \$7.5 million to PIH through subscription for two tranches of convertible notes (the Convertible Notes). As at the date of our report, only the first \$5.0 million tranche of the Convertible Notes has been taken up by Centrepoint.

If the Proposed Merger is implemented, the Convertible Notes will remain in place but will merely be an intra-group financing arrangement between Centrepont and its wholly-owned subsidiary, PIH. Accordingly, the Convertible Notes will have no effect on the Proposed Merged Entity on a consolidated basis.

However, the termination of the Proposed Merger will trigger Centrepont's conversion rights. On conversion of the Convertible Notes, Centrepont may acquire up to a 12% interest in PIH for, effectively, consideration of \$7.5 million. This conversion right implies a value of PIH of \$62.5 million which is below our assessed value of PIH of \$78.3 to \$88.3 million on a minority basis. In addition, Centrepont will be entitled to two board positions on conversion of the notes.

Alternatively, if the Proposed Merger is not implemented, PIH may repay the Convertible Notes within 30 days of termination of the Merger Implementation Deed. In this event of early repayment, PIH will also be required to pay Centrepont a fee of \$325,000.

Break fees

A break fee of \$500,000 is payable by either PIH or Centrepont, in certain circumstances, should the Proposed Merger not be implemented.

Ineligible foreign shareholders

PIH Shareholders with registered addresses outside Australia, New Zealand, Singapore and the United Kingdom may not be entitled to receive Centrepont shares issued as part of the Proposed Merger.

The Centrepont shares that would have otherwise been issued to these ineligible foreign shareholders will be collectively sold on the ASX by a sales agent with the average sale proceeds (after deduction of any applicable brokerage, duties or other charges) distributed to the affected PIH Shareholders. Accordingly, these PIH Shareholders will be restricted from rolling over their interest in PIH to Centrepont shares and will incur brokerage and other costs, including potentially having to pay tax on any profit on that disposal in their country of residence.

However, should these PIH Shareholders wish to retain an interest in Centrepont, they can acquire Centrepont shares with the sales proceeds received following the Proposed Merger. In this scenario, these PIH Shareholders will, however, be exposed to the market price risk that the net proceeds received may not enable an equivalent number of Centrepont shares to be acquired.

PIH Shareholders expected to be affected by these provisions represent less than 0.3% of PIH's Shares.

No alternative offers received

As at the date of our report, PIH had not received any alternative offers.

Opinion

In our opinion, in the absence of a superior proposal:

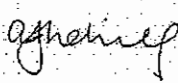
- the Target ordinary share scheme is fair and reasonable and therefore in the best interests of ordinary shareholders of PIH
- the Target A class share scheme is fair and reasonable and therefore in the best interests of A class shareholders of PIH
- the Target Z class share scheme is fair and reasonable and therefore in the best interests of the Z class shareholder of PIH
- the Target redeemable preference share scheme is fair and reasonable and therefore in the best interests of redeemable preference shareholders of PIH.

An individual PIH Shareholder's decision in relation to the Proposed Schemes may be influenced by his or her particular circumstances. If in doubt the individual PIH Shareholder should consult an independent adviser.

This opinion should be read in conjunction with our report which sets out our scope and findings.

Yours faithfully

DELOITTE CORPORATE FINANCE PTY LIMITED



Andrew Nehill
Director



Robin Polson
Director

Contents

2	Terms of the Proposed Merger	11
2.1	Summary	11
2.2	Centrepoint's intentions	12
2.3	Key conditions of the Proposed Merger	12
3	Scope of the report	14
3.1	Purpose of the report	14
3.2	Basis of evaluation	14
3.3	Limitations and reliance on information	17
4	Profile of PIH	18
4.1	Company history	18
4.2	Organisational structure	19
4.3	Regulation	22
4.4	Board of directors	22
4.5	Capital structure and shareholders	23
4.6	PIH share trading	25
4.7	Financial performance	26
4.8	Financial position	30
5	Profile of Centrepoint	32
5.1	Company history	32
5.2	Organisational structure	33
5.3	Principal activities	33
5.4	Board of directors	35
5.5	Capital structure and shareholders	35
5.6	Centrepoint share trading	38
5.7	Financial performance	39
5.8	Financial position	40
6	Profile of the Proposed Merged Entity	41
6.1	Principal activities of the Proposed Merged Entity	41
6.2	Capital structure and shareholders of the Proposed Merged Entity	42
7	Valuation methodology	43
7.1	Valuation methodologies	43
7.2	Selection of valuation methodologies	44

8	Valuation of PIH	46
8.1	Overview	46
8.2	Capitalisation of maintainable earnings	46
9	Valuation of the Proposed Merged Entity	53
9.1	Overview	53
9.2	Value of PIH	53
9.3	Value of Centrepont	53
9.4	Value of the Proposed Merged Entity	57
10	Evaluation and conclusion	58
10.1	Valuation of consideration	58
10.2	Fairness	59
10.3	Reasonableness	60
10.4	Conclusion	62
 Appendices		
	Appendix 1: Glossary	63
	Appendix 2: Industry Overview	65
	Appendix 3: Comparable entities	74
	Appendix 4: Comparable transactions	78
	Appendix 5: Sources of information	79
	Appendix 6: Qualifications, declarations and consents	80

2 Terms of the Proposed Merger

2.1 Summary

2.1.1 The Proposed Schemes

On 30 April 2010, Centrepont announced its intention to merge with PIH. On 25 August 2010, a Merger Implementation Deed was executed between Centrepont and PIH which proposed the following inter-conditional schemes of arrangement:

- Target ordinary share scheme
- Target A class share scheme
- Target Z class share scheme
- Target redeemable preference share scheme.

Under the terms of the Proposed Schemes, each of the four classes of shares on issue by PIH, being the PIH Shares, will be acquired by Centrepont on identical terms such that the PIH Shareholders will receive approximately 1.49 Centrepont shares for each PIH Share held (rounded to the nearest share).

If the Proposed Schemes are approved and the Proposed Merger is implemented, PIH Shareholders will hold 75% of the Proposed Merged Entity, on a fully diluted basis and PIH will become the wealth management arm of the Proposed Merged Entity alongside Centrepont's existing insurance premium funding division.

Further to this, if the Proposed Merger is implemented, 50% of the Centrepont shares issued to PIH under the Proposed Merger will be subject to escrow restrictions as follows:

- 25% of the Centrepont shares issued to PIH Shareholders under the Proposed Merger will be subject to escrow restrictions that prevent disposal of those Centrepont shares prior to 20 June 2012
- a further 25% of the Centrepont shares issued to PIH Shareholders under the Proposed Merger will be subject to escrow restrictions that prevent disposal of those Centrepont shares prior to 20 June 2013, unless the relevant shareholder becomes an authorised representative of an entity other than Professional Investment Services Pty Limited (PIS), in which case the escrow period ends on 20 June 2015.

Full details of the Proposed Merger are provided in part A section 1 of the Scheme Booklet.

2.1.2 Convertible Notes

Ancillary to the Proposed Merger, PIH and Centrepont have entered into an agreement whereby Centrepont may advance up to \$7.5 million to PIH by way of subscription for two tranches of convertible notes of \$5.0 million and \$2.5 million, respectively to be issued by PIH. As at the date of our report, only the first tranche of the Convertible Notes has been taken up by Centrepont.

The Convertible Notes are unsecured, and have an 8.0% per annum interest rate payable by PIH until the Convertible Notes are either:

- redeemed by way of repayment by PIH of the principal and accrued but unpaid interest outstanding prior to 30 November 2011
- converted into ordinary shares in PIH on the earlier of 30 November 2011 or within 30 days of the Merger Implementation Deed being terminated.

In the event of early repayment of the Convertible Notes by PIH, PIH is required to pay Centrepont a fee of \$325,000.

If both tranches of the Convertible Notes are converted, Centrepont will hold 12% of the fully diluted ordinary share capital of PIH. If only tranche one of the Convertible Notes is converted, Centrepont will hold 8% of the fully diluted ordinary share capital of PIH. In addition, conversion of the Convertible Notes will entitle Centrepont to appoint one board member to the PIH board if Centrepont holds at least 5% of the PIH Shares on issue or two board members if Centrepont holds at least 7.5% of the PIH Shares on issue.

Accordingly, should the Proposed Merger not be implemented, Centrepont may obtain up to a 12% interest in PIH and be entitled to two board positions, unless PIH repays the (up to) \$7.5 million advance and early repayment fee within 30 days of termination of the Merger Implementation Deed.

If the Proposed Merger is implemented, the Convertible Notes will remain in place but will merely be an intra-group financing arrangement between Centrepont and its wholly-owned subsidiary, PIH. Accordingly, the Convertible Notes will have no effect on the Proposed Merged Entity on a consolidated basis.

2.2 Centrepont's intentions

If the Proposed Merger is implemented, PIH Shareholders will hold 75% of the Proposed Merged Entity on a fully diluted basis and PIH will become the wealth management arm of Centrepont alongside its existing insurance premium funding division.

Centrepont initially intends to continue to carry on the existing businesses of PIH in the manner in which it is presently conducted under the existing management and executives of PIH. In the longer term, Centrepont's stated intention is to build a significant business through a strategy of acquiring and building businesses that operate in the financial services industry.

Prior to the implementation of the Proposed Schemes, Centrepont will seek approval from the shareholders of Centrepont at a general meeting, with the intention of undertaking:

- a distribution of 2.5 cents per ordinary share in the form of a capital reduction to Centrepont shareholders
- a one for seven consolidation of the issued capital in Centrepont.

The general meeting of Centrepont shareholders is intended to occur in November 2010.

Further details of Centrepont's intentions are set out in part A section 6 of the Scheme Booklet.

2.3 Key conditions of the Proposed Merger

The Proposed Merger is subject to various key conditions including:

- implementation of a proposed Constitution Amendment Resolution to amend PIH's Constitution to enable the transfer of the PIH Shares to Centrepont under the Proposed Schemes
- the Proposed Merger being approved by the requisite majority of PIH Shareholders, being 50% by number and 75% by value
- all approvals and consents required from any Government Agency or judicial entity or authority
- Court approval for the Proposed Schemes
- no material adverse changes or prescribed occurrences prior to the implementation of the Proposed Schemes.

A break fee of \$500,000 is payable by either PIH or Centrepont, in certain circumstances, should the Proposed Merger not be implemented.

A detailed listing of the conditions precedent of the Proposed Merger is contained in part A section 1.11 of the Scheme Booklet.

3 Scope of the report

3.1 Purpose of the report

Section 411 of the Corporations Act (Section 411) regulates schemes of arrangement between companies and their shareholders. Part 3 prescribes the information to be provided to shareholders in relation to schemes of arrangement.

The Directors have requested that Deloitte prepare an independent expert's report advising whether, in our opinion:

- the Target ordinary share scheme is fair and reasonable and therefore in the best interests of ordinary shareholders of PIH
- the Target A class share scheme is fair and reasonable and therefore in the best interests of A class shareholders of PIH
- the Target Z class share scheme is fair and reasonable and therefore in the best interests of the Z class shareholder of PIH
- the Target redeemable preference share scheme is fair and reasonable and therefore in the best interests of redeemable preference shareholders of PIH.

Whilst an independent expert's report in respect of the Proposed Schemes is not required to meet any statutory obligations, an independent expert's report is required under the Merger Implementation Deed dated 25 August 2010 between PIH and Centrepoint.

This independent expert's report has been prepared in a manner consistent with Part 3 to assist PIH Shareholders in their consideration of the Proposed Schemes.

This report is to be included in the Scheme Booklet to be sent to PIH Shareholders and has been prepared for the exclusive purpose of assisting PIH Shareholders in their consideration of the Proposed Schemes.

We are not responsible to you, or anyone else, whether for our negligence or otherwise, if the report is used by any other person for any other purpose.

3.2 Basis of evaluation

3.2.1 Guidance

In our determination as to whether the Proposed Schemes are fair and reasonable and therefore in the best interests of PIH Shareholders, we have had regard to common market practice, RG 60 in relation to schemes of arrangement and RG 111 in relation to the content of independent expert's reports.

RG 60 provides guidance for companies and their advisers involved in, or affected by, schemes of arrangement between a company and its members under the Corporations Act. RG 111 provides guidance in relation to the content of independent expert's reports prepared for transactions under Chapters 5, 6 and 6A of the Corporations Act, in relation to a number of transactions including takeover bids and schemes of arrangements.

Schemes of arrangement can include many different types of transactions, including being used as an alternative takeover under Chapter 6 of the Corporations Act. The basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction.

We consider the following attributes of the Proposed Merger are relevant to our selected basis of evaluation of the Proposed Schemes:

- the Proposed Merger represents a reverse takeover of Centrepont given that the Proposed Schemes will have a material effect on control of the offeror company, Centrepont rather than the target, PIH. PIH Shareholders will collectively hold 75% of the issued share capital of Centrepont following implementation of the Proposed Merger
- there will be no material change in control of PIH as a result of the Proposed Merger as PIH Shareholders will collectively retain a 75% interest in PIH's assets
- no single shareholder will obtain or lose a controlling interest in the Proposed Merged Entity as a result of the Proposed Merger. The largest shareholder in PIH currently holds a 19.3% interest in PIH. Assuming no change in individual holdings, the same shareholder will be the largest shareholder in the Proposed Merged Entity with a 14.4% interest.

Consequently, PIH Shareholders will, as a result of the Proposed Merger, effectively replace their minority interest holding in PIH for a minority interest holding in the Proposed Merged Entity.

There is no specific guidance on how to determine if a reverse takeover is in the best interests of target shareholders in these circumstances. RG 60 identifies that issues that may be raised under a reverse takeover achieved by a scheme of arrangement are similar to those raised in relation to a reverse takeover under Chapter 6 of the Corporations Act. In addition, RG 111 notes where a control transaction by way of a scheme of arrangement has the same effect as a takeover, the form of analysis used by the expert should be substantially the same as for a takeover bid, however, the opinion reached should be whether the proposed scheme is 'in the best interests of the members of the company'. Although we do not consider the Proposed Merger to be a control transaction, we consider this guidance to be relevant to our evaluation given it is a takeover offer, albeit a takeover offer that does not result in a change in control of the target.

Section 640 requires an independent expert's report in connection with a takeover offer to state whether, in the expert's opinion, the takeover offer is fair and reasonable. Accordingly, if an expert were to conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the proposed scheme is in the best interests of the members of the company. In addition, RG 111 notes that if the expert were to conclude that the proposal was not fair but reasonable; the expert would also be able to conclude that the scheme is in the best interests of members of the company.

Based on this guidance, we have adopted the test of whether each of the Proposed Schemes is fair and reasonable, not fair but reasonable, or neither fair nor reasonable in order to assess whether the Proposed Schemes are in the best interests of PIH Shareholders.

In addition, as each of the Proposed Schemes is inter-conditional, we have assessed the fairness and reasonableness of each of the schemes on the basis of whether all of the Proposed Schemes are collectively implemented.

3.2.2 Fairness

RG 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities the subject of the offer.

As no single shareholder will obtain a controlling interest in the Proposed Merged Entity and PIH Shareholders will replace their minority interest holding in PIH for a minority interest holding in the Proposed Merged Entity, we consider it appropriate to undertake our assessment of the fairness of the Proposed Merger on an equivalent, minority basis rather than including a control premium in the market value of a PIH Share. Accordingly, we have assessed whether the Proposed Schemes are fair by comparing the value of a PIH Share on a minority basis with the

value of the consideration to be received from Centrepont, being a minority share in the Proposed Merged Entity.

We have assessed the value of each PIH Share by estimating the current market value of PIH on a minority basis and dividing this value by the number of PIH's ordinary, A class and redeemable preference shares on issue. We have treated these classes of PIH Shares on a consistent basis as they rank equally and have common rights. We have not allocated any of the value of PIH on a minority basis to PIH's one Z class share on the basis that it has no rights to a return of capital, dividends or to participate in a distribution of surplus assets on wind up and no rights to vote. We have considered the value, if any, of the Z class share separately in our evaluation of the Proposed Schemes.

The PIH Shares and the shares in the Proposed Merged Entity have been valued at fair market value, which we have defined as the amount at which the shares would be expected to change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither of whom is under any compulsion to buy or sell. Special purchasers may be willing to pay higher prices to reduce or eliminate competition, to ensure a source of material supply or sales, or to achieve cost savings or other synergies arising on business combinations, which could only be enjoyed by the special purchaser. Our valuation of a PIH Share and a share in the Proposed Merged Entity has not been premised on the existence of a special purchaser.

3.2.3 Reasonableness

RG 111 considers an offer in respect of a control transaction, to be reasonable if either:

- the offer is fair
- despite not being fair, but considering other significant factors, securityholders should accept the offer in the absence of any higher bid before the close of the offer.

To assess the reasonableness of the Proposed Schemes we considered the following significant factors in addition to determining whether the Proposed Schemes are fair:

- any significant shareholdings in PIH
- the likely price and liquidity of PIH Shares if the Proposed Merger is unsuccessful
- cash flows or other benefits available to the Proposed Merged Entity upon achieving 100% ownership of PIH
- any special value of PIH to Centrepont
- the value to an alternative bidder and the likelihood of an alternative offer being made
- other implications associated with PIH Shareholders rejecting the Proposed Merger.

3.2.4 Individual circumstances

We have evaluated the Proposed Schemes for PIH Shareholders as a whole and have not considered the effect of the Proposed Merger on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Proposed Merger from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Proposed Schemes are fair and reasonable and therefore in the best interests of PIH Shareholders. If in doubt investors should consult an independent adviser.

3.3 Limitations and reliance on information

The opinion of Deloitte is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. This report should be read in conjunction with the declarations outlined in Appendix 6.

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the Accounting Professional and Ethical Standards Board Limited (APESB).

Our procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board (AUASB) or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

4 Profile of PIH

PIH is the holding company for a number of companies operating within the financial services industry. PIH's principal operations are through its wholly-owned subsidiary, PIS, which provides support services to financial advisers and accountants, and distributes financial products through a network of advisers.

Through various wholly and partly owned subsidiaries, PIH is also involved in the provision of other products and services in the financial services industry, including funds management, platform administration services, lending and financial facilities and the provision of support services to independently licensed dealers in the industry.

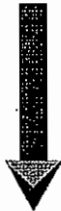
4.1 Company history

An overview of the company history of PIH is provided below.

Figure 1: Company history

1996	- PIH and PIS established - PIS obtained a Dealer's Licence on 6 August 1996
2001	- New Zealand operations established - Singapore operations established - Mentor Investment Services Limited (MIS) established
2002	Ventura Investment Management Limited (Ventura) established
2003	- Australian Loan Company Limited (ALCo) commenced operations in June 2003 - PIS obtained its Australian Financial Services Licence (AFSL) on 8 December 2003
2004	Brand Smart Riverbank Property Syndicate (Brand Smart Syndicate) commenced in April 2004. A subsidiary of PIS, Arc Funds Management, acted as the responsible entity
2005	Malaysia operations established
2006	- Associated Advisory Practices Limited (AAP) established - Litigation commenced against PIS by Slater and Gordon on behalf of investors in Westpoint Group (Westpoint) - Canada operations established - China operations established - Arc Funds Management, the responsible entity for the Brand Smart Syndicate, was sold
2007	- Hong Kong operations established - Purchased Bongiorno Financial Advisers, a network of 41 authorised representatives, with offices in New South Wales, Victoria, Queensland and South Australia
2008	- Brand Smart Riverbank Centre property independently valued. The devalued asset level triggered a breach of debt covenants - Brand Smart Riverbank Centre property acquired by a subsidiary of PIH. PIS agreed to pay unitholders of the Brand Smart Syndicate 80% of their investment in instalments over three years - PIH issued with a 'Statement of Concerns' by ASIC in relation to internal complaints handling practices, reporting systems and general compliance issues
2009	- Canada operations disposed - Brand Smart Riverbank Centre property further impaired following a review of a number of independent reports

2010



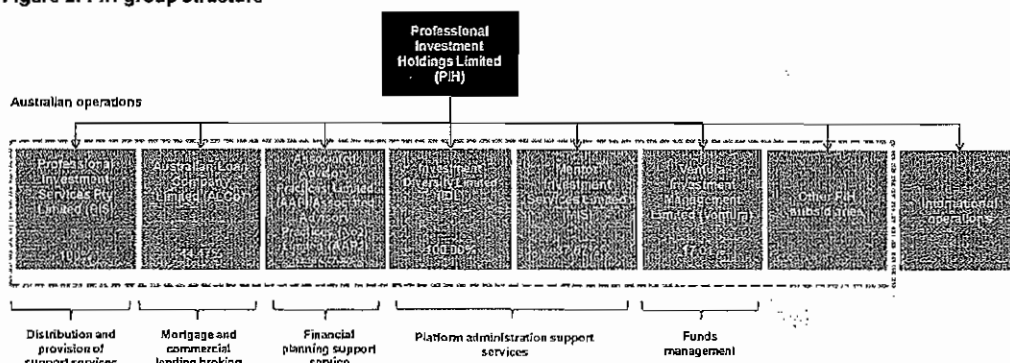
- Proposed to acquire the remaining shares in Ventura it did not own on 18 February 2010. However, the proposal did not proceed
- Proposed Merger announced on 30 April 2010
- Merger Implementation Deed in relation to the Proposed Merger and the Convertible Note Subscription Agreement executed on 25 August 2010
- Contract for sale of Brand Smart Riverbank Centre property executed on 30 August 2010.

Source: PIH annual reports, PIH shareholder announcements

4.2 Organisational structure

PIH has a large number of subsidiaries and shareholdings in companies within the financial services industry. A simplified group structure of PIH is set out below.

Figure 2: PIH group structure



Source: Deloitte analysis

The principal operations of each of the companies in the PIH group are discussed below.

Professional Investment Holdings Limited

PIH acts as the holding company for the group. Through its subsidiaries, PIH principally offers the following services:

- financial planning services and the distribution of financial products via a network of financial advisers and accountants, through its wholly owned subsidiary, PIS
- mortgage broking and commercial lending services, through its 44.47% interest in ALCO
- provision of supporting functions for independent financial planners and other licensed dealers, through its 58.16% interest in AAP and 87.36% interest in AAP2
- platform administration services, through its wholly-owned subsidiary, IDL and a 37.57% interest in MIS
- funds management, primarily through an association with and 17.01% interest in Ventura.

Professional Investment Services Pty Limited

PIS is an AFSL holder and provider of support services to financial advisers and accountants. PIS was established in 1996 by a group of five financial planners and seven accountants.

PIS' core operations cover the provision of financial advice and distribution of financial products from product manufacturers to its client base through its distribution network.

PIS is one of the largest networks of accountants, advisers and life insurance brokers in Australia comprising in excess of 1,000 financial advisers servicing an extensive client base through a referrer base of more than 1,300 associated professional services firms.

PIS provides services to financial advisers and accountants including:

- financial planning and business management software
- product and strategy research
- compliance with requirements under the AFSL
- ongoing training and professional development
- newsletters and other marketing tools and concepts
- business development
- para-planning services
- business management and succession planning.

The PIS business model involves the establishment of relationships with accountants and then arranging for a PIS financial planner to provide services to the accountant's clients. Over time, other financial services are added including mortgage broking and insurance services from other companies in the PIH group. Communication with potential customers is established through the relationships of the accountants with the customers and also through client seminars held throughout the year. Accordingly, PIS' business model is reliant upon the relationships it holds with its referrer base of accountants and other financial service providers and the provision of quality advice by its financial planners to the referred client base. PIS has no direct equity interest in the businesses of its referrer base.

This referral model drives two revenue streams for PIH; product margins through the distributor and reseller status of PIH and a share of the commissions in respect of products placed and advice provided by its network of authorised representatives.

Australian Loan Company Limited

ALCo commenced operations in 2003 and is owned by PIH (44.47%), MTS Finance Pty Limited (44.47%) and a number of minority shareholders.

ALCo specialises in residential mortgage broking, commercial lending and asset equipment finance within the broking industry.

ALCo's marketing strategy involves identifying key persons and businesses within the PIH group's advice network who either actively write or refer finance business to third parties. ALCo also aims to attract brokers who are not currently part of PIH's distribution network. ALCo maintains lender accreditation agreements with a range of organisations, including various banks, credit unions and other financial institutions.

Associated Advisory Practices Limited and Associated Advisory Practices (No. 2) Limited

PIH provides support services to a large number of boutique AFSL holders through its interests in AAP and AAP2, comprising:

- AAP, which was established in 2006 and is owned 58.16% by PIH
- AAP2, which was established in 2007 and is owned 87.36% by PIH.

The remaining interests in AAP and AAP2 are held by a consortium of independent AFSL holders.

AAP and AAP2 are primarily involved in providing back office services and other business development support services to entities which have their own AFSL. Generally these boutique AFSL holders comprise less than six financial advisers. As well as providing these boutique dealers access to PIS' approved product lists, AAP and AAP2 provide assistance in the areas of compliance with AFSL licensing requirements, financial planning and business management software, product and strategy research, professional development and training, business development support and business management support.

Investment Diversity Limited

IDL is a wholly owned subsidiary of PIH that develops investment platform solutions for financial advisers and their clients.

IDL, in its role as promoter, is responsible for the specification and distribution of the investment platform. The investment platform is then separately administered by third parties. IDL earns revenue based on the funds under management and/or advice (FUMA) on the platforms it promotes.

IDL acts as promoter for two investment platforms, Investment Exchange and Mentor.

The Investment Exchange investment platform is an online service and external database that enables advisers to implement transactions, record and report on certain instruments within self managed funds and traditional public offer superannuation services. The investment platform is administered by Colonial First State Customs Solutions.

The Mentor investment platform provides superannuation and investment platform services and is administered by the ING Group, with platforms including Mentor Superannuation Master Trust, Mentor Portfolio Service, Mentor Personal Superannuation Plan and Mentor Employer Superannuation Plans. IDL took over as promoter of new FUMA for the Mentor investment platform in December 2007. PIH also has an interest in the previous platform promoter, MIS, as discussed below.

Mentor Investment Services Limited

As discussed above, IDL became the promoter of the Mentor investment platform in December 2007. Prior to this MIS, a special purpose distribution company in which PIH currently holds a 37.57% interest, was the promoter of the Mentor investment platform service.

MIS continues to receive revenue in relation to the portion of FUMA on the Mentor investment platform which was originated when MIS was the promoter.

Ventura Investment Management Limited

PIH is the largest shareholder in Ventura with a 17.01% interest. The remaining 82.99% is owned by a range of other companies, financial planners, accountants and the general public.

Ventura is a special purpose funds management company operating under its own AFSL which offers a number of retail and wholesale funds to a broad base of clients. All underlying assets of the funds offered by Ventura are under external management by Australian and international fund managers.

Management of the Ventura funds is outsourced to an external party, Russell Investment Management Limited, although Ventura acts as the responsible entity for its funds. In total, Ventura has in excess of \$850 million of funds under management.

International operations

PIH also has a presence internationally with operations in:

- Singapore, which were established in September 2001 as Professional Investment Advisory Services Pte Limited, which has a distribution network of 300 advisers
- New Zealand, which were established in 2001 and has a distribution network of approximately 66 financial advisers
- Malaysia, which were established in 2005 when PIH acquired a stake in Standard Financial Planner Sdn.Bhd., which provides services to 160 advisers and employs 11 staff
- Hong Kong, which comprise the financial planning division of Horwaths which was acquired in April 2007
- China, which were established in April 2007. PIH is entitled to 80% of profits earned from operations in China.

4.3 Regulation

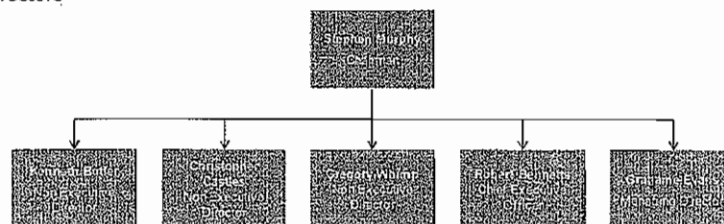
As discussed in Appendix 2, being a participant in the financial services industry, PIH is subject to extensive legislative and regulatory requirements and to supervision by state and federal regulatory organisations.

We understand that PIS was subject to ASIC's ongoing surveillance in the year ended 30 June 2010 in respect of matters relating to its AFSL. PIS is currently negotiating with ASIC a framework by which it will address matters that have been raised by ASIC. ASIC has no obligation and has made no commitment to accept any particular mechanism and has a number of options available to it including imposition of conditions in respect of PIS' AFSL licence.

4.4 Board of directors

The Directors of PIH are outlined in the figure below.

Figure 3: PIH directors



Source: Scheme Booklet

4.5 Capital structure and shareholders

As at the date of this report, PIH had the following securities on issue:

- 27,246,701 fully paid ordinary shares
- 8,428,583 fully paid A class shares
- 11,406,402 fully paid redeemable preference shares
- 1 fully paid Z class share.

The number of PIH securities on issue includes 140,719 redeemable preference shares that have been issued to Mr David Johnstone as part of a success fee payable if the Proposed Schemes are successfully completed. Should the Proposed Schemes not be implemented, these shares will be redeemed by PIH for nil consideration under the terms of the arrangement.

4.5.1 Ordinary, A class and redeemable preference shares

The following table lists the top five holders of ordinary, A class and redeemable preference shares in PIH (on a combined basis) as at the date of this report.

Table 2: Top five fully paid shareholders of PIH

Fully paid shareholders	Ordinary shares	A class shares	Redeemable preference shares	Total shares	% Interest
Aviva Overseas Holdings Limited	5,667,351	1,495,761	1,900,381	9,063,493	19.3%
Bellglow Pty Limited atf Bennetts Family Trust	4,623,842	2,188	-	4,626,030	9.8%
Soba Pty Limited	1,723,986	-	-	1,723,986	3.7%
Aviva Limited	-	1,300,000	-	1,300,000	2.8%
Weinglass, Benjamin Boris & Marianne atf BB Weinglass Superannuation Fund	1,155,589	-	32,000	1,187,589	2.5%
Total of top five shareholdings	13,170,768	2,797,949	1,932,381	17,901,098	38.0%
Other	14,075,933	5,630,634	9,474,021	29,180,588	62.0%
Total	27,246,701	8,428,583	11,406,402	47,081,686	100.0%

Source: Company share register provided by PIH

The Constitution of PIH contains details of the terms of each class of shares. The ordinary, A class and redeemable preference shares rank equally and have the following common rights:

- the right to a return of capital in proportion to the amount of the total issue price paid or credited as being paid on the share on a winding up of PIH
- the right to participate in a distribution of surplus assets on the winding up of PIH
- the right to participate in any dividends
- the right to vote at general meetings of PIH.

In addition, the redeemable preference shares may be redeemed at the discretion of the Directors and may not be transferred, assigned or sold without the prior approval of the Directors in their absolute discretion.

There are no differences between the rights of the A class shares and the ordinary shares of PIH.

4.5.2 Z class share

PIH also has one fully paid Z class share on issue which is held by Aviva Overseas Holdings Limited.

The only substantial right attached to the Z class share is the right (but not the obligation) to appoint directors to the PIH board to ensure that the directors of PIH nominated by the holder of the Z class share represent the same proportion as the aggregate proportion of shares held in PIH by the holder of the Z class share (currently 19.3%). Any such director of PIH appointed by the holder of the Z class share is not subject to retirement by rotation.

The Z class share has no rights to a return of capital or distribution of surplus assets on a winding up of PIH, no rights to participate in any dividends and no rights to vote at general meetings of PIH.

4.5.3 Share conversion

On the occurrence of a trigger event certain share conversions will take place including that all A class shares and redeemable preference shares will be converted to ordinary shares on the basis of one ordinary share for every A class share or redeemable preference share held.

Trigger events are defined in the Constitution of PIH to be when:

- a majority decision is made by the Directors where the Directors reasonably believe that control of the company may pass to a person or where a person may acquire a relevant interest of 20% or more of the total number of issued shares in the company
- a majority decision is made by the Directors where the Directors have resolved to apply within three months for the listing of the company on the ASX.

Assuming the current number of ordinary, A class and redeemable preference shares, the number of ordinary shares post-conversion under a trigger event is set out in the table below.

Table 3: PIH ordinary shares post-conversion under a trigger event

Share class	Number of shares prior to trigger event	Number of shares post trigger event
Ordinary shares	27,246,701	47,081,686
A class	8,428,583	n/a
Redeemable preference shares	11,406,402	n/a
Total ordinary shares	47,081,686	47,081,686

Source: Company share register provided by PIH, Deloitte analysis

PIH's single Z class share is not subject to conversion to ordinary or any other class of share under PIH's Constitution. Accordingly, the Z class share will remain following the occurrence of a trigger event.

4.6 PIH share trading

In addition to PIH being an unlisted public company, the PIH Shares also have certain pre-emptive rights in place that restrict trading of the PIH Shares (refer to part A section 4.16 of the Scheme Booklet). All transactions in PIH Shares require the consent of the PIH Board in some form and, in some cases; these pre-emptive rights restrict PIH Shareholders to two trading periods each year.

Cumulatively, the number of shares issued or traded in the 12 months prior to the announcement of the Proposed Merger represents less than 0.5% of the PIH Shares on issue. The only trading of PIH Shares in this period was the sale of 155,979 ordinary shares at \$1.90 per share in October/November 2009 and the sale of 1,000 ordinary shares and 1,000 A class shares at \$4.50 per share in May 2010. This last trade represented only approximately 3% of the shares that were offered for sale by PIH Shareholders at the time. In addition, in the 12 months prior to the announcement of the Proposed Merger, PIH has issued 17,498 redeemable preference shares at \$1.25 per share.

In accordance with the pre-emptive rights attached to the PIH Shares, PIH Shareholders were most recently invited to nominate to acquire the following PIH Shares offered for sale by other PIH Shareholders at prices nominated by the respective vendors:

- 110,649 ordinary shares at prices ranging from \$1.90 to \$4.25 per share
- 82,721 A class shares at prices ranging from \$1.90 to \$5.50 per share.

However, no applications were received prior to closure of the offer period on 30 September 2010.

4.7 Financial performance

The audited income statement of PIH and its controlled entities for the financial years (FY) ended 30 June 2007 (FY2007) to FY2010 and the forecast income statement for FY2011 are summarised in the table below.

Table 4: PIH financial performance

	Actual 12 months FY2007 (\$'000)	Actual 12 months FY2008 (\$'000)	Actual 12 months FY2009 (\$'000)	Actual 12 months FY2010 (\$'000)	Forecast 12 months FY2011 (\$'000)
Trading revenue	53,073	66,948	46,678	48,536	52,506
Revenue growth (%)	32.4%	26.1%	(30.3)%	4.0%	8.2%
EBITDA²	6,973	(1,669)	(14,637)	6,413	14,194
Margin (%)	13.1%	(2.5)%	(31.4)%	13.2%	27.0%
Depreciation and amortisation	(916)	(1,540)	(2,064)	(1,646)	(1,484)
EBIT³	6,057	(3,209)	(16,700)	4,767	12,710
Margin (%)	11.4%	(4.8)%	(35.8)%	9.8%	24.2%
Net interest income/(expense)	1,132	265	(1,274)	(1,213)	574
Profit before tax	7,189	(2,944)	(17,975)	3,554	13,284
Income tax (expense)/benefit	(1,958)	132	(3,086)	(2,239)	(1,063)
NPAT⁴	5,231	(2,812)	(21,061)	1,315	12,221
Minority interests	1,756	1,040	1,168	1,140	491
NPAT attributable to members of the parent entity	3,475	(3,852)	(22,230)	175	11,730

Source: 2008, 2009, 2010 PIH annual report, PIH FY2011 forecast

Notes:

1. EBITDA – earnings before interest, tax, depreciation and amortisation
2. EBIT – earnings before interest and tax
3. NPAT – net profit after tax

We provide the following commentary in relation to PIH's historical income statements:

- PIH recorded negative revenue growth in FY2009 following the downturn in financial markets through the global financial crisis. As a result of a reduction in both clients' asset values and new business written, trading revenue fell by \$20.3 million (30.3%) during FY2009. However, trading revenue increased slightly in FY2010 to \$48.5 million
- EBITDA margins declined significantly in FY2008 and FY2009 to loss making positions primarily due to:
 - an impairment expense of \$5.2 million in FY2008 and \$12.4 million in FY2009 principally relating to a write down of the property value and loan associated with the

Brand Smart Riverbank Centre in Parramatta, New South Wales, held by a wholly-owned subsidiary of PIH

- recognition of additional provisions for client claims of \$19.8 million in FY2008 and \$6.7 million in FY2009 primarily relating to litigation involving PIS following the collapse of Westpoint
- a decline in trading revenue in FY2009 during the global financial crisis
- EBITDA has increased to \$6.4 million (margin of 13.2%) in FY2010 due to a reduction in impairment and client claim expenses and the partial recovery of trading revenue during the period. In FY2010, the prior period impairment of the Brand Smart Riverbank Centre was partly reversed (\$3.7 million) following agreement to sell the property. As a result, PIH recorded EBIT of \$4.8 million and NPAT of \$1.3 million in FY2010
- PIH management is forecasting EBIT of \$12.7 million in FY2011, and NPAT of \$12.2 million reflecting continued growth in revenue and further reductions in operating expenditure, particularly following the sale of the Brand Smart Riverbank Centre property and settlement or recognition of all known, large client claims in prior periods
- PIH management's FY2011 forecast reflects approximately \$4 million of operational cost savings expected to be achieved from recent business restructuring, including redundancies.

The NPAT results presented in Table 4 above are affected by a number of unusual, non-recurring items. In Table 5 we have removed these items to present a normalised level of NPAT.

Table 5: PIH normalised financial performance

	Actual 12 months FY2007 (\$'000)	Actual 12 months FY2008 (\$'000)	Actual 12 months FY2009 (\$'000)	Actual 12 months FY2010 (\$'000)	Forecast 12 months FY2011 (\$'000)
Reported EBITDA	6,973	(1,669)	(14,637)	6,413	14,194
Foreign exchange loss/(gain)	(13)	774	(1,112)	(128)	-
Loss/(gain) on sale of investments/controlled entities	-	-	(157)	(366)	-
Net trading loss/(gain) on biological assets	(46)	167	-	-	-
Impairment expense/(recovery)	-	5,153	12,369	(3,679)	-
Provision for claims	11,582	17,026	3,852	2,737	212
Professional fees	(1,374)	1,370	1,310	2,367	1,309
International operations	(419)	3,091	4,906	3,330	778
Net holding costs relating to Brand Smart Riverbank Centre property	300	300	300	347	542
Normalised EBITDA	17,004	26,212	6,832	11,021	17,034
Margin %	32%	39%	15%	23%	32%
Depreciation and amortisation	(916)	(1,540)	(2,064)	(1,646)	(1,484)
Normalised EBIT	16,088	24,673	4,768	9,374	15,550
Margin %	30%	37%	10%	19%	30%
Net financial income/(expense)	1,375	426	(1,254)	(1,133)	574
Normalised NPBT	17,463	25,099	3,514	8,242	16,125
Margin %	33%	37%	8%	17%	31%
Normalised tax (30%)	(5,239)	(7,530)	(1,054)	(2,473)	(4,837)
Normalised NPAT	12,224	17,569	2,460	5,769	11,287
Margin (%)	23%	26%	5%	12%	21%
Minority interest	1,756	1,040	1,168	1,140	491
Normalised NPAT attributable to members of the parent entity	10,468	16,529	1,292	4,629	10,796

Source: PIH and its controlled entities 2007, 2008, 2009, 2010 annual report, PIH forecast for the twelve months ending 30 June 2011 and Deloitte analysis

Several non-recurring items have been identified and normalised as discussed below:

- foreign exchange gains and losses primarily relate to Australian bank accounts which hold foreign currencies (United States of America (US), Canadian and New Zealand dollars). These bank accounts were established for the purpose of paying invoices that were

denominated in a foreign currency (i.e. the purpose of business travel throughout the US). In addition, foreign exchange gains and losses were as a result of realised gains/losses on loan receivables to an overseas subsidiary which were converted to equity. As foreign exchange movements are by nature difficult to predict, their impact has been normalised

- gain on sale of investments of \$0.2 million in FY2009, reflects the sale of shares in Fifth Floor held by Professional Advisory Holdings and \$0.4 million in FY2010 due to the sale of PIH's Canadian operations
- earnings relating to biological assets have been adjusted as this business is no longer trading. Professional Investment Cattle Pty Limited, a trading entity controlled by PIH, operated a cattle business but sold all property, plant and equipment and discontinued operations in June 2008
- impairment expense of \$5.2 million in FY2008 primarily relates to the write down of loans receivable owing from the Brand Smart Syndicate. These loans were impaired as the future estimated cash flows from the assets did not support the recoverability of carrying amounts at the time. A further impairment expense of \$12.4 million in FY2009 also primarily relates to the Brand Smart Riverbank Centre property investment. In FY2010, this impairment was partly reversed (\$3.7 million) following agreement to sell the property. The property is currently subject to an unconditional contract for sale which is expected to be completed in November 2010. Accordingly, it is not expected to be part of PIH's normal operating business going forward
- PIS has been exposed to a number of legal claims in recent years that it considers to be non-recurring in nature and above the level it would expect to incur in normal business operations. In particular, PIS was previously the respondent/defendant in a representative action in the New South Wales Supreme Court in relation to the collapse of Westpoint, which has now been settled. PIS is also subject to a significant number of specific claims in relation to advice provided by one of its former financial advisers. Provisions were raised for settlement of these claims in FY2008 (principally Westpoint), FY2009 and FY2010. After adjustment to remove the expenses associated with these claims, PIH's adjusted earnings still reflects a level of expense (\$2.8 million per annum) that it would reasonably expect to incur in relation to client claims in the ordinary course of business
- professional fees increased 169% in FY2008 to \$4.4 million, and remained relatively steady in FY2009. In FY2010, professional fees increased a further 24.5% to \$5.4 million. Professional fees have been unusually high over this period due to legal and other costs associated with the Westpoint claims, other significant claims against PIS, costs incurred in relation to internal restructuring of PIS and ASIC surveillances. PIH's earnings have been adjusted to reflect a level of a professional services fees (\$3.0 million per annum) that it would reasonably expect to incur in the ordinary course of business
- losses incurred from international operations have been normalised as PIH expects its international operations to, at least, break even in FY2011 and future periods
- net holding costs relating to the Brand Smart Riverbank Centre property have been adjusted as this property is currently being divested and is therefore not expected to form part of PIH's operating business going forward.

4.8 Financial position

The audited balance sheet of PIH as at 30 June 2008, 30 June 2009 and 30 June 2010 is summarised in the table below.

Table 6: Financial position of PIH

	Actual 30 June 2008 (\$'000)	Actual 30 June 2009 (\$'000)	Actual 30 June 2010 (\$'000)
Cash	36,506	11,676	16,726
Receivables	56,305	40,272	32,939
Inventory	-	-	36,000
Other	5,721	11,130	4,324
Total current assets	98,532	63,078	89,989
Receivables	19,148	17,153	14,780
Deferred tax assets	12,409	11,024	9,224
Inventory	-	32,000	-
Intangible assets	13,680	12,669	9,087
Other	7,810	7,171	7,068
Total non-current assets	53,047	80,018	40,160
Total assets	151,579	143,096	130,149
Payables	38,346	39,434	43,713
Loans and borrowings	9,730	20,756	36,850
Provisions	24,627	8,846	6,090
Other	3,424	1,075	1,363
Total current liabilities	76,128	70,110	88,015
Loans and borrowings	9,577	29,000	4,770
Provisions	11,807	5,165	2,899
Other	808	7,077	3,309
Total non-current liabilities	22,191	41,242	10,978
Total liabilities	98,319	111,352	98,994
Net assets	53,260	31,744	31,155

Source: 2009, 2010 PIH annual report

Commentary on PIH's financial position is set out below:

- PIH's net assets decreased from \$53.3 million at 30 June 2008 to \$31.7 million at 30 June 2009, and remained relatively unchanged at 30 June 2010 at \$31.2 million
- cash decreased significantly in FY2009 to \$11.7 million at 30 June 2009 as a result of the decline in earnings associated with the global financial crisis combined with the commencement of cash settlements in relation to Westpoint claims (\$5.2 million), the payout of investors in the Brand Smart Syndicate (\$13.0 million) and part repayment of a loan also in relation to the Brand Smart Riverbank Centre property (\$10.0 million). Cash has recovered

moderately to \$16.7 million at 30 June 2010, following the stabilisation of trading revenues and an Australian Tax Office refund received in April 2010 of \$5.0 million

- following a decline in financial advice revenue in FY2009, total receivables decreased by 23.9% to \$57.4 million as at 30 June 2009. The majority of both current receivables relate to commissions and product margin revenue. Current receivables decreased to \$32.9 million as at 30 June 2010. Non-current receivables primarily relate to interest bearing loans to several agriculture managed investment schemes. Non-current receivables decreased 21.7% to \$14.8 million at 30 June 2010 due to interest bearing loan receivable repayments by agriculture managed investment scheme clients
- the Brand Smart Riverbank Centre property has been reclassified from non-current inventory to current inventory as at 30 June 2010 as a result of PIH entering into a contract of sale with Meriton Group to dispose the asset for \$36.5 million. The contract of sale is unconditional, and is expected to be completed in November 2010. Proceeds from the transaction will be used to extinguish all outstanding external debt relating to this property (\$29.0 million) and associated transaction costs
- payables remained relatively unchanged at 30 June 2009 relative to 30 June 2008 despite the reclassification of \$29.4 million of provisions for settlement with former unitholders in the Brand Smart Syndicate during FY2009. These liabilities have been settled through regular instalments during FY2009 and FY2010 such that the balance of payables at 30 June 2010 included approximately \$12.0 million outstanding to the Brand Smart Syndicate. Following payment of the third instalment in July 2010, one final settlement instalment of \$6.5 million will fall due in June 2011
- total loans and borrowings increased from \$19.3 million as at 30 June 2008 to \$49.8 million as at 30 June 2009. During FY2009, PIH assumed \$39.0 million of loans in relation to the Brand Smart Riverbank Centre property, of which \$10.0 million was subsequently repaid in the same period. As discussed above, the remaining balance will be repaid from the proceeds of the sale of the asset on completion which is expected in November 2010. As a result, the remaining \$29.0 million loan has been reclassified as current as at 30 June 2010. PIH breached certain loan covenants in FY2009 resulting in \$11.9 million non-current borrowings being reclassified as current. Covenants have since been renegotiated and a portion of these loans have subsequently been reclassified as non-current borrowings as at 30 June 2010
- provisions, which principally relate to potential legal claims, decreased from \$36.4 million as at 30 June 2008 to \$14.0 million as at 30 June 2009. This decline is principally as a result of reclassifying \$29.4 million of settlement provisions to the Brand Smart Syndicate to payables following agreement to settle. Provisions as at 30 June 2010 have decreased to \$8.9 million, and comprise \$4.2 million relating to specific claims, with the remaining portion relating to general claims.

Since 30 June 2010, PIH has issued \$5.0 million of Convertible Notes to Centrepoint.

5 Profile of Centrepont

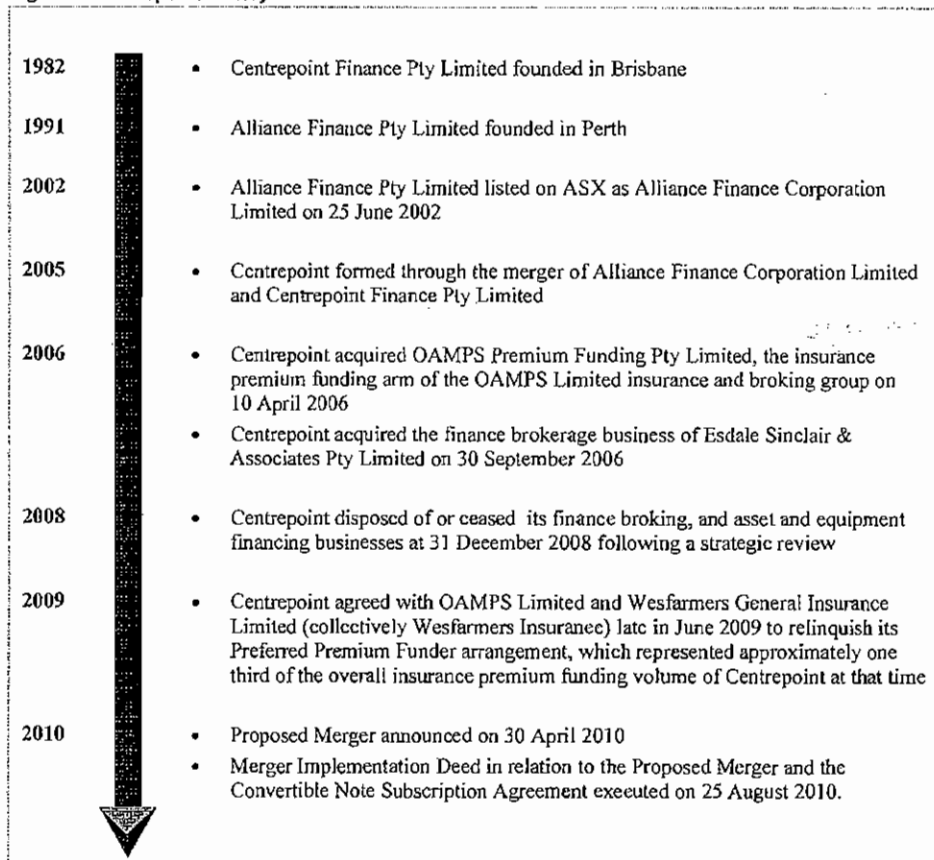
Centrepont is an ASX listed entity with a market capitalisation of \$22.5 million as at 24 September 2010.

Following a restructure in FY2009, Centrepont's sole operation is the provision of finance to fund insurance premiums to corporate clients using insurance brokers and agents as intermediaries.

5.1 Company history

A brief history of Centrepont is outlined in the figure below.

Figure 4: Centrepont history

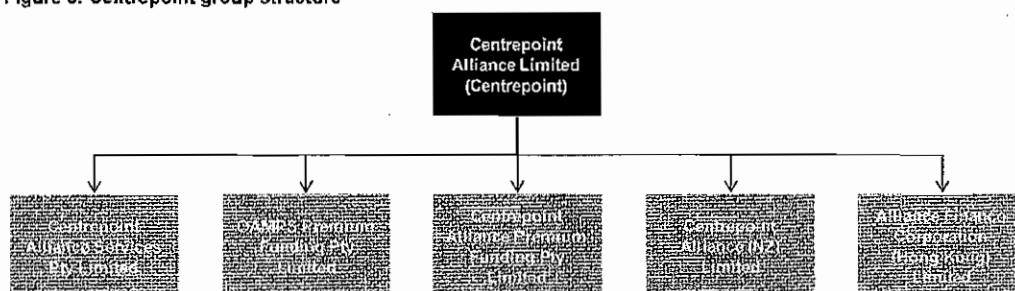


Source: Centrepont 2006, 2007 and 2009 annual reports, ASX announcements

5.2 Organisational structure

Figure 5 below sets out a simplified group structure for Centrepont.

Figure 5: Centrepont group structure



Source: Centrepont FY2010 annual report

Centrepont Alliance Limited listed on the ASX on 25 June 2002 and is the holding company for the group and contains the insurance premium funding operations. Centrepont Alliance Services Pty Limited acts as trustee for the Centrepont Alliance Employee Share Plan (CAESP). The remaining entities in the Centrepont group are either dormant or have ceased operations.

5.3 Principal activities

Centrepont is involved in the provision of finance to corporate customers to fund insurance premiums. Insurance premium funding allows companies to pay their insurance premiums in equal monthly instalments, instead of a lump sum payment at the commencement of the underlying insurance inception date. Funding terms are typically between six and twelve months.

Premium funding is distributed by insurance brokers and their authorised representatives, with the brokers paid commissions based on the amount loaned.

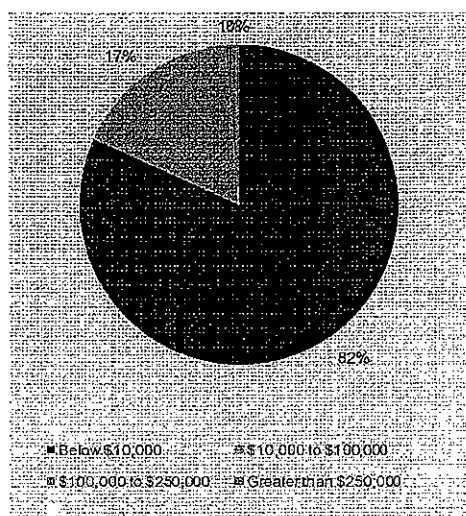
Centrepont's network comprises in excess of 300 insurance brokers and is also party to a joint venture agreement with Insurance Brokers Network Australia.

Centrepont's insurance premium funding is not subject to any significant regulation. In particular, it is not governed by the existing or upcoming National Consumer Credit Code legislation.

As at June 2010, Centrepont had a loan portfolio comprising 7,542 fully amortising loans with an average term of ten months and an average initial loan amount of \$9,548.

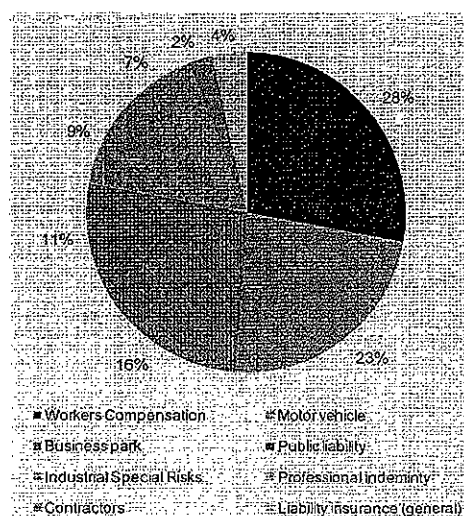
Details of Centrepont's insurance funding are set out in the figures below.

Figure 6: Funding receivable breakdown (by number) as at June 2010



Source: Centrepont

Figure 7: Top ten Centrepont insurance policies funded (by value) as at June 2010



Source: Centrepont

Approximately 76% of the insurance in the receivable pool as at June 2010 is cancellable and is effectively secured by an assignment right over the unexpired portion of the insurance policy's return premium from the obligor to Centrepont. In the event that the obligor fails to make loan payments as they fall due, Centrepont will cancel the underlying insurance policy, and recover the balance of the loan outstanding via the return premium paid by the insurance underwriter.

Since FY2008, Centrepont's operations have reduced significantly as a result of the following events:

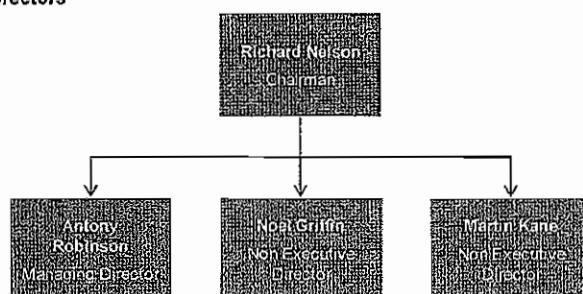
- Centrepont sold or ceased its finance broking and asset and equipment finance businesses in December 2008 as part of a strategy to focus on and develop its core insurance premium funding business
- Centrepont's Preferred Premium Funder agreement with Wesfarmers Insurance was terminated effective from 1 September 2009. This arrangement, through which Wesfarmers Insurance referred insurance premium funding opportunities from its clients to Centrepont on a preferred basis, represented approximately one third of the overall insurance premium funding volume of Centrepont at that time
- following termination of the Preferred Premium Funder agreement, Centrepont was also required to repay a \$6 million loan to Wesfarmers Insurance.

Centrepont subsequently appointed Tony Robinson as Managing Director and undertook a restructure of its operations and funding to reflect the reduction in size and change in its operations.

5.4 Board of directors

The directors of Centrepoint are set out in the figure below.

Figure 8: Centrepoint directors



Source: Centrepoint 2010 annual report

5.5 Capital structure and shareholders

As at 30 June 2010, Centrepoint had the following securities on issue:

- 160,921,844 fully paid ordinary shares
- 3,000,000 partly paid ordinary shares in escrow until the balance has been paid.

Centrepoint's ordinary fully paid shares includes approximately 6.0 million reserved shares held by an independent trust under the CAESP.

In addition, Centrepoint has a further 6.0 million share options on issue under a separate employee option plan.

Prior to the implementation of the Proposed Schemes, Centrepoint will seek approval from the shareholders of Centrepoint for a one for seven consolidation of the issued capital in Centrepoint. The table below sets out Centrepoint's current capital structure on a pre and approximate post consolidated basis:

Table 7: Proposed consolidation of Centrepoint capital

	Pre consolidation	Post consolidation
Fully paid ordinary shares	160,921,844	22,988,835
Partly paid ordinary shares	3,000,000	428,572
Options	6,000,000	857,143

Source: Scheme Booklet

Further details of the Centrepoint securities are set out below.

Fully paid ordinary shares

Fully paid ordinary shares carry one vote per share and the right to receive dividends.

The top five shareholders of Centrepont's fully paid ordinary shares as at 30 September 2010 are outlined in the table below.

Table 8: Top five Centrepont fully paid ordinary shareholdings

Shareholdings	Number of shares	Shareholding %
UBS Nominees	32,433,241	20.2%
HSBC Custody Nominees (Australia)	18,998,666	11.8%
Mr Rick Nelson	17,062,498	10.6%
Mr Tony Robinson ¹	9,500,000	5.9%
Wilson Asset Management Group	9,339,300	5.8%
Total of top five shareholdings	87,333,705	54.3%
Other shareholders	73,588,139	45.7%
Total²	160,921,844	100.0%

Source: Centrepont share registry 30 September 2010

Note:

1. Mr Tony Robinson's holdings comprise 6.5 million fully paid ordinary share and 3.0 million reserve shares. In addition, Mr Robinson holds 3.0 million partly paid ordinary shares which are not reflected in the table above
2. Centrepont's total ordinary fully paid shares includes approximately 6.0 million reserved shares held by an independent trust under the CAESP. Mr Tony Robinson has entitlements to 3.0 million reserve shares with the balance of the reserve shares held in trust for other Centrepont employees under the CAESP

Partly paid ordinary shares

All of Centrepont's 3.0 million partly paid ordinary shares were issued to Centrepont's Managing Director, Tony Robinson, on 21 December 2009.

The partly paid shares were issued at a price of \$0.18 per share, partly paid to \$0.03 per share and are held in escrow until the balance has been paid, which must be no later than 31 October 2012.

Following the proposed share conversion, Centrepont's partly paid ordinary shares will be consolidated into 428,572 ordinary shares issued at a price of \$1.26 per share partly paid to \$0.21.

Voting rights, dividends and other entitlements attached to the shares apply proportionally in accordance with the percentage of the issue price paid at the applicable date.

Reserved shares

The CAESP trust holds 6.0 million issued ordinary shares under the CAESP. These shares, called reserved shares, are subject to a set period during which the relevant employee can acquire the shares at a pre-determined exercise price. The employee's ability to acquire the shares ceases on the expiry date. On expiry, the reserved shares are held by the trust for later use in the CAESP. As part of the CAESP, Centrepont offers to finance the employee's acquisition of the reserved shares by a limited recourse loan.

Table 9: Terms of Centrepont reserved shares

	Number	Weighted average exercise price	Vesting date	Limited recourse	Vesting conditions
Reserved shares under the CAESP					
	1,000,000	\$0.30	27 October 2010	31 December 2012	Vested
	1,665,000	\$0.20	30 July 2010	31 December 2012	Vested
	1,665,000	\$0.20	30 July 2011	31 December 2012	Nil
	1,665,000	\$0.20	30 July 2012	31 December 2012	Nil

Source: PIH management

Options

Centrepont also had a further 6.0 million options on issue under an Employee Share Option Plan (ESOP) as at 30 June 2010. The terms of the options issued under the ESOP are set out in the following table.

Table 10: Terms of Centrepont options

	Number	Weighted average exercise price	Expiry date of option	Vesting conditions
Options under ESOP	6,000,000	\$1.25	27 November 2010	Vested

Source: Centrepont FY2010 annual report

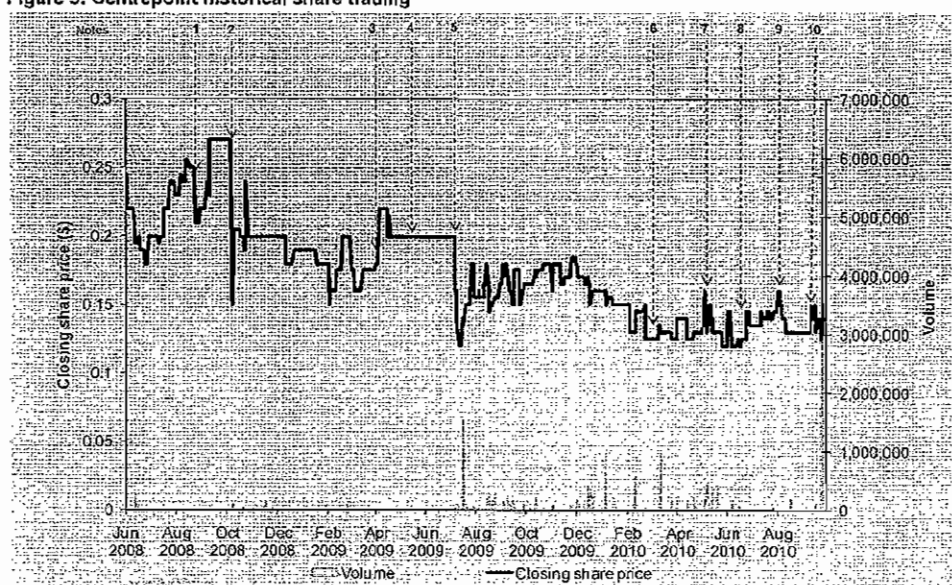
Following Centrepont's proposed share consolidation, these options will consolidate into 857,143 options with an exercise price of \$8.75 per option.

As these options are significantly 'out of the money' we do not consider the options will be exercised prior to their pending expiry date.

5.6 Centrepont share trading

Historical movement in Centrepont's share price is set out in the figure below, with key movements disused in Table 11.

Figure 9: Centrepont historical share trading



Source: Capital IQ, Deloitte analysis

Table 11: Factors affecting movement in Centrepont's shares

Notes	Date	Description
1	27 August 2008	Centrepont reported loss before tax of \$9.5 million, however the insurance premium funding business reported profit before tax of \$4.0 million
2	2 October 2008	Centrepont announced it was in discussions with employees in the finance brokerage business in relation to a potential restructure of that business and its ownership
3	31 March 2009	Centrepont announced renewal of the preferred funder joint venture agreement with IBNA Limited, for a further two years
4	May to June 2009	Centrepont voluntarily suspended from quotation on 30 April 2010, relating to consideration of Centrepont's funding, strategy and capital structure. Subsequently reinstated on 1 July 2009
5	1 July 2009	Announced termination of the preferred funder agreement with Wesfarmers Insurance
6	25 February 2010	Half year 2010 interim financial review released, reporting NPAT of \$1.04 million, an increase of 285% on the previous corresponding period
7	30 April 2010	Proposed Merger announced
8	25 June 2010	Centrepont announced completion of the due diligence in relation the Proposed Merger
9	3 August 2010	Centrepont announced a profit guidance update, reporting that break even guidance for the six months to 30 June 2010 was not achieved due to transaction costs (in excess of \$0.4 million post tax) in relation to the Proposed Merger
10	25 August 2010	Merger Implementation Deed and the Convertible Note Subscription Agreement executed in relation to the Proposed Merger

Source: ASX announcements, Deloitte analysis

5.7 Financial performance

The audited income statement of Centrepont for the periods FY2008 to FY2010 are summarised in the table below.

Table 12: Centrepont historical financial performance

	Actual 12 months FY2008 (\$'000)	Actual 12 months FY2009 (\$'000)	Actual 12 months FY2010 (\$'000)
Trading revenue ¹	29,157	29,493	15,006
Revenue growth (%)	(40.7)%	1.2%	(49.1)%
EBITDA	17,688	(13,930)	6,043
Margin (%)	60.7%	(47.2)%	40.3%
Depreciation and amortisation	(463)	(316)	(214)
EBIT	17,225	(14,246)	5,829
Margin (%)	59.1%	(48.3)%	38.8%
Interest expense ¹	(13,184)	(12,069)	(4,727)
Profit before tax from continuing operations	4,041	(26,315)	1,102
Income tax (expense)/benefit	(1,191)	(367)	(538)
Net profit/loss from continuing operations after tax	2,850	(26,682)	564
Loss from discontinued operations	(12,343)	(3,828)	(5)
Net profit/(loss) after tax	(9,493)	(30,510)	559

Source: 2009, 2010 Centrepont annual report

Note:

1. Interest revenue has been included in trading revenue, as this is a significant revenue stream of Centrepont

Commentary on Centrepont's historical income statements are as follows:

- Centrepont recorded NPAT of \$0.6 million in FY2010 following a \$30.5 million loss in FY2009 and a loss of \$9.5 million in FY2008
- the decline in revenue in FY2010 followed the cessation of the Preferred Premium Funder agreement with Wesfarmers Insurance from August 2009. As a result, new loans written decreased from \$552 million in FY2009 to \$245 million in FY2010
- the loss from discontinued entities of \$12.3 million in FY2008 related to the write down of goodwill associated with the finance broking and asset and equipment finance businesses that ceased in FY2009. Collection of loan receivables relating to discontinued entities continued in FY2010, though were insignificant relative to previous years
- EBITDA margins have improved in FY2010 to 40.3% from negative 47.2% in FY2009. EBITDA was significantly impacted in FY2009 as a result of the write down of goodwill (\$28.3 million) associated with the termination of the Wesfarmers Insurance agreement. Additional one-off costs of \$2.0 million in FY2009 were incurred as a result of Centrepont restructuring its funding arrangements and scaling back its operations following the significant reduction in the size of its business
- Centrepont incurred approximately \$0.4 million costs after tax in relation to the Proposed Merger in FY2010.

5.8 Financial position

The balance sheet of Centrepont as at 30 June 2008, 30 June 2009 and 30 June 2010 is summarised in the table below.

Table 13: Consolidated financial position of Centrepont

	Actual 30 June 2008 (\$'000)	Actual 30 June 2009 (\$'000)	Actual 30 June 2010 (\$'000)
Cash	21,357	30,423	25,615
Loans and advances	184,494	136,195	69,889
Goodwill and intangibles	28,343	-	-
Other	6,641	3,058	1,128
Total assets	240,835	169,676	96,632
Payables	43,239	11,261	15,921
Interest bearing liabilities	145,706	136,427	50,511
Other	345	589	452
Total liabilities	189,290	148,277	66,884
Net assets	51,545	21,399	29,748

Source: 2009, 2010 Centrepont annual report

We comment as follows on the financial position of Centrepont:

- Centrepont's cash balance includes both operating cash and cash held in a trust to fund Centrepont's insurance premium funding receivables. With the scaling back of Centrepont's insurance premium funding operations, the balance of cash held in trust has reduced by approximately \$17.1 million in FY2009 to \$10.5 million at 30 June 2010. Accordingly, although Centrepont's total cash balance has decreased to \$25.6 million as at 30 June 2010 the operating cash available to Centrepont has increased from \$1.8 million as at 30 June 2009 to \$15.6 million as at 30 June 2010. The increase in operating cash is due to Centrepont's placement of 50.0 million ordinary shares during the period which raised \$7.6 million as well as the collection of receivables as business operations have wound down. This operating cash is largely considered excess to Centrepont's current operating requirements
- loans and advances has consistently decreased across FY2009 and FY2010 to \$69.9 million as at 30 June 2010. This reduction follows discontinuation of Centrepont's finance brokerage and asset finance operations during FY2009 and termination of its Preferred Premium Funder agreement with Wesfarmers Insurance in June 2009. In addition, Centrepont repaid a \$6.0 million loan on termination of this agreement with Wesfarmers Insurance
- Centrepont wrote off its remaining balance of goodwill in FY2009 following the scaling back of its insurance premium funding business and termination of its arrangement with Wesfarmers Insurance in FY2009
- the decline in Centrepont's loans and advances is offset by a corresponding decline in interest bearing liabilities, which has decreased 63.0% in FY2010 to \$50.5 million. Centrepont funds its loan book through loan facilities with the National Australia Bank, which represents all of its interest bearing liabilities as at 30 June 2010.

6 Profile of the Proposed Merged Entity

On 25 August 2010, Centrepont and PIH executed a Merger Implementation Deed. If the Proposed Merger is implemented, existing PIH Shareholders will hold 75% of the issued share capital of the Proposed Merged Entity.

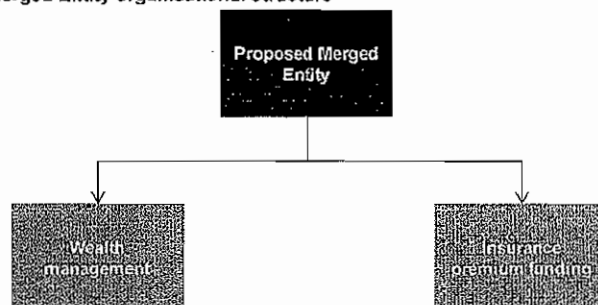
Details of the Proposed Merged Entity are in part A section 6 of the Scheme Booklet and summarised below.

6.1 Principal activities of the Proposed Merged Entity

Subsequent to the implementation of the Proposed Merger, PIH will become the wealth management arm of Centrepont. Centrepont will work to develop and grow PIH while continuing to expand the insurance premium funding business and pursuing further acquisitions.

The Proposed Merged Entity structure is outlined in the figure below.

Figure 10: Proposed Merged Entity organisational structure



Source: Scheme Booklet

Following completion of the Proposed Merger and appointment of an independent Chairman, the Board of Centrepont will comprise an equal representation from both Centrepont and PIH with two non-executive directors and two executive directors.

Key management of the Proposed Merged Entity is set out in part A, section 6.5 of the Scheme Booklet.

6.2 Capital structure and shareholders of the Proposed Merged Entity

PIH Shareholders will hold 75% of the Proposed Merged Entity on a fully diluted basis as set out in the table below.

Table 14: Capital structure of the Proposed Merged Entity

	Number of shares	Shareholding
Existing PIH Shareholders	70,252,219	75.00%
Existing Centrepont shareholders ¹	23,417,406	25.00%
Total	93,669,625	100.00%

Source: Centrepont annual reports, PIH annual reports, Deloitte analysis

Note:

1. Post the one for seven share consolidation on a fully diluted basis including the partly paid ordinary shares and reserved shares. Assumes none of the Centrepont options are exercised on the basis that they are significantly 'out of the money'

This implies a merger ratio of approximately 1.49 shares in the Proposed Merged Entity for each existing share in PIH.

If the Proposed Merger is implemented, 50% of the Centrepont shares issued to PIH Shareholders under the Proposed Merger will be subject to escrow restrictions as per the following:

- 25% of the Centrepont shares issued to PIH Shareholders under the Proposed Merger will be subject to escrow restrictions that prevent disposal of those Centrepont shares prior to 20 June 2012
- a further 25% of the Centrepont shares issued to PIH Shareholders under the Proposed Merger will be subject to escrow restrictions that prevent disposal of those Centrepont shares prior to 20 June 2013, unless the relevant shareholder becomes an authorised representative of another entity other than PIS, in which case the escrow period ends on 20 June 2015.

7 Valuation methodology

7.1 Valuation methodologies

To estimate the fair market value of the shares in PIH and the Proposed Merged Entity we have considered common market practice and the valuation methodologies recommended by RG 111, which deals with the content of independent expert's reports. These are discussed below.

7.1.1 Market based methods

Market based methods estimate a company's fair market value by considering the market price of transactions in its shares or the market value of comparable companies. Market based methods include:

- capitalisation of maintainable earnings
- analysis of a company's recent share trading history
- industry specific methods.

The capitalisation of maintainable earnings method estimates fair market value based on the company's future maintainable earnings and an appropriate earnings multiple. An appropriate earnings multiple is derived from market transactions or share trading involving comparable companies. The capitalisation of maintainable earnings method is appropriate where the company's earnings are relatively stable.

The most recent share trading history provides evidence of the fair market value of the shares in a company where they are publicly traded in an informed and liquid market.

Industry specific methods estimate market value using rules of thumb for a particular industry. Generally rules of thumb provide less persuasive evidence of the market value of a company than other valuation methods because they may not account for company specific factors.

7.1.2 Discounted cash flow methods

Discounted cash flow methods estimate market value by discounting a company's future cash flows to a net present value. These methods are appropriate where a projection of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

7.1.3 Asset based methods

Asset based methods estimate the market value of a company's shares based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method
- liquidation of assets method
- net assets on a going concern basis.

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the market values of the net assets of a company but does not take account of realisation costs.

These asset based methods ignore the possibility that the company's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements and goodwill. Asset based methods are appropriate when companies are not profitable, a significant proportion of a company's assets are liquid, or for asset holding companies.

7.2 Selection of valuation methodologies

Shares in PIH

We are of the opinion that the most appropriate methodology to value the shares in PIH is the capitalisation of maintainable earnings method due to the following factors:

- with the exception of certain abnormal expenditure, including amounts payable as a result of the Westpoint claims and events surrounding the Brand Smart Riverbank Centre property, and earnings impacts due to the downturn in global financial markets as a result of the global financial crisis, PIH has shown a relatively consistent pattern of historical earnings which are expected to continue in the future
- there is an adequate number of publicly listed companies with operations sufficiently similar to those of PIH to provide meaningful analysis
- PIH does not have a finite lifespan nor is it required to undertake significant capital expenditure in the near future
- there are no reliable long-term cash flow forecasts for PIH thus the discounted cash flow method is not appropriate.

We have also considered a range of crosschecks of our valuation conclusion. However, we do not consider any alternative approach to our valuation of the shares in PIH utilising the capitalisation of future maintainable earnings method provides a meaningful crosscheck given the lack of reliable cash flow forecasts, the lack of trading liquidity in PIH's unlisted shares and the lack of an appropriate 'rule of thumb' to benchmark its value.

Shares in the Proposed Merged Entity

We are of the opinion that the most appropriate methodology to value the shares in the Proposed Merger Entity is on a sum of the parts valuation as no material synergies or dis-synergies are expected as a result of the Proposed Merger. PIH will operate as the wealth management arm of the Proposed Merged Entity and will remain relatively separate from the existing insurance premium funding division of Centrepont.

The sum of the parts valuation includes the following key assets and valuation methodologies:

- PIH based on the capitalisation of maintainable earnings method as set out above
- Centrepont based on the net assets as a going concern method.

We consider the net assets as a going concern method to be the most appropriate methodology to value Centrepoint due to the following factors:

- the majority of Centrepoint's assets and liabilities are either cash, expected to convert to cash in the near term or sufficiently liquid so as to be capable of being converted to cash through normal business operations within a 12 months period
- following a recent restructure and downsizing of its operations, Centrepoint's business is not of a scale or complexity nor generates a level of profitability to expect it has significant value attributable to intangible assets.

We have also cross-checked our valuation of Centrepoint based on the net assets as a going concern method to an analysis of share trading to provide additional evidence of the fair market value of Centrepoint.

8 Valuation of PIH

8.1 Overview

Deloitte has estimated the fair market value of the ordinary, A class and redeemable preference shares in PIH to be in the range of \$1.67 to \$1.88 per share (on a minority basis).

For the purpose of our opinion fair market value is defined as the amount at which the shares would be expected to change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell. We have not considered special value in this assessment.

In determining this amount, we estimated the fair market value of PIH on a minority basis using the capitalisation of maintainable earnings method.

8.2 Capitalisation of maintainable earnings

The capitalisation of maintainable earnings method estimates fair market value by capitalising future earnings using an appropriate multiple, adding any surplus or non-operating assets or liabilities, and applying any necessary discounts for minority interests or premiums for control. To value PIH using the capitalisation of maintainable earnings requires the determination of the following:

- an estimate of future maintainable earnings
- an appropriate earnings multiple
- the value of any surplus assets or liabilities
- an appropriate discount or premium.

Our considerations on each of these are discussed separately below.

8.2.1 Future maintainable earnings

Future maintainable earnings represent the level of maintainable earnings that PIH could reasonably be expected to generate.

We have selected NPAT as an appropriate measure of earnings for PIH because NPAT includes the effects of net interest income or expense, and this is a key part of PIH's operations. This allows a better comparison with earnings multiples of other companies.

Our estimated future maintainable NPAT of PIH is set out below:

Table 15: PIH's normalised earnings history

		Actual FY2007 (\$'000)	Actual FY2008 (\$'000)	Actual FY2009 (\$'000)	Actual FY2010 (\$'000)	Forecast FY2011 (\$'000)	Maintainable earnings (\$'000)
Normalised NPAT attributable to members of the parent entity of PIH	4.7	10,468	16,529	1,292	4,629	10,796	10,000

Source: Deloitte analysis

Our assessment of the maintainable NPAT of PIH is based on:

- the normalised FY2007, FY2008, FY2009 and FY2010 results and the normalised FY2011 forecast
- discussions with PIH's management as to the current trading position of PIH and its future operations and growth prospects
- the anticipated recovery of PIH's earnings to a level that was achieved prior to the downturn in global financial markets as a result of the global financial crisis
- the level of impact the changes arising from the Australian Government's announced Future of Financial Advice reforms will have on PIH's earnings (which PIH does not expect will have a material impact on future earnings).

We have estimated the future maintainable NPAT of PIH to be \$10.0 million.

8.2.2 Earnings multiple

We have determined an NPAT earnings multiple appropriate to be applied to the future maintainable earnings of PIH to be in the range of 8.0 times to 9.0 times, on a minority basis.

In selecting these earnings multiples we have considered:

- earnings multiples derived from share market prices of comparable listed companies
- prices achieved in mergers and acquisitions of comparable companies.

These are discussed separately below.

Market trading multiples

The share market valuation of listed companies provides evidence of an appropriate earnings multiple for the business operations of PIH. The share price of a listed company represents the market value of a minority interest in that company.

We have identified a number of companies listed on the ASX whose business operations are comparable to PIH. The earnings multiples implied by the trading of their shares on the ASX as at 24 September 2010 are summarised below in the following table.

Table 16: Earnings multiples – market trading

Company	Market capitalisation (\$'million)	NPAT multiple FY2010 historical (times)	NPAT multiple FY2011 current (times)	NPAT multiple FY2012 forecast (times)
Financial planning and advisory services				
Count Financial Limited	291.5	12.2	11.4	10.4
DKN Financial Group Limited	84.4	11.7	9.6	8.6
Plan B Group Holdings Limited	57.3	17.0	n/a	n/a
Snowball Group Limited	60.0	16.4	8.3	7.8
Prime Financial Group Limited	26.0	7.1	n/a	n/a
Average		12.9	9.8	8.9
Diversified financial advisory services				
Challenger Financial Service Group Limited	2,144.6	7.6	9.0	8.6
TOWER Australia Group Limited	956.6	20.6	13.5	10.1
WHK Group Limited	281.1	12.0	9.6	8.9
Equity Trustees Limited	125.9	15.7	13.4	11.4
Austock Group Limited	12.5	n/m	n/a	n/a
Average		14.0	11.4	9.8
Funds management				
Platinum Asset Management	2,900.4	21.2	18.2	15.8
IOOF Holdings Limited	1,553.5	22.7	15.0	13.4
Perpetual Limited	1,306.4	14.4	16.8	14.5
Hunter Hall International Limited	139.7	12.0	10.3	11.9
Average		17.6	15.1	13.9
Overall low		7.1	8.3	7.8
Overall average		14.7	12.3	11.0
Overall median		14.4	11.4	10.4
Overall high		22.7	18.2	15.8

Source: Capital IQ, Deloitte analysis

Notes:

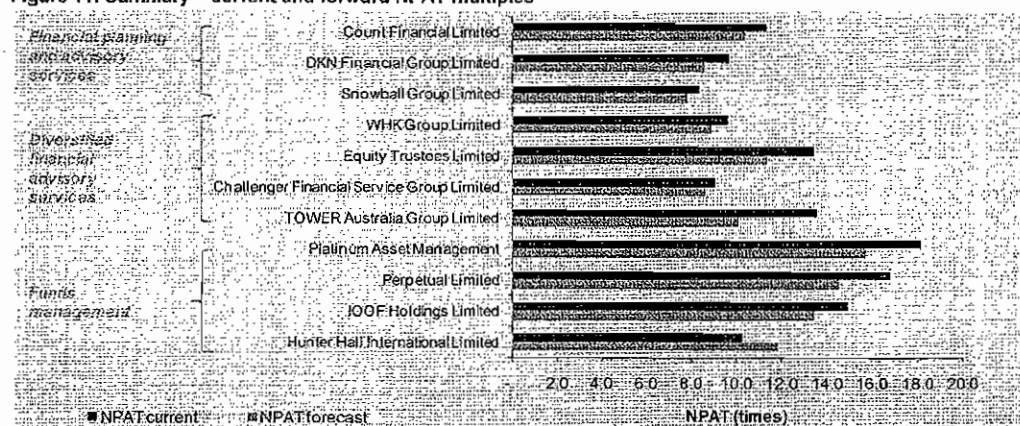
1. Market capitalisation as at 24 September 2010
2. NPAT multiple – market capitalisation divided by NPAT
3. n/a – not available
4. n/m – not meaningful due to negative earnings
5. TOWER Australia Group Limited has a financial year ending 30 September. As the 30 September 2010 results are not available as at the date of this report, we have used the 30 September 2009 results

Specific details regarding the above companies and the calculation of the earnings multiples are provided at Appendix 3.

We note the following in respect of the earnings multiples and companies in the table above:

- the market capitalisations quoted above were as at 24 September 2010. Historical earnings were taken from the last annual report and current and forecast earnings were sourced from Capital IQ
- on the whole, companies operating within the financial services industry were affected by the downturn in financial markets as a result of the global financial crisis in particular during FY2008 and FY2009. During FY2010, global financial markets demonstrated signs of recovery, with an improvement in the earnings outlook for FY2011 and FY2012 for companies operating within the financial services sector. As such, we have placed more reliance on the current and forecast NPAT multiples of the comparable companies listed above
- a summary of the current and forecast NPAT multiples for the above comparable companies is presented graphically below:

Figure 11: Summary – current and forward NPAT multiples



Source: Capital IQ and Deloitte analysis

Note:

- Comparable companies with insufficient data to derive current and forward NPAT multiples have been excluded
- overall, the current NPAT multiples for the comparable companies ranged from 8.3 times to 18.2 times, and forecast NPAT multiples ranged from 7.8 times to 15.8 times
 - some of the comparable companies, in particular the funds management companies, are substantially larger than PIH. Larger companies generally trade at higher multiples than smaller companies
 - PIH is primarily involved in the investment advice industry and therefore we consider the comparable companies offering financial planning and advisory services to be most comparable to PIH. As PIH also offers a variety of other services including mortgage and insurance brokerage and funds management, we have also considered the trading multiples of comparable companies that offer diversified financial advisory services and funds management

- we consider the funds management companies to be least comparable to PIH given PIH's exposure to pure funds management operations is limited to its investment in Ventura. In addition the comparable funds management companies have relatively higher average margins
- we consider that Count Financial Limited and DKN Financial Group Limited are most comparable to PIH in terms of their business operations, distribution networks and size. However, both companies have projected current and forecast NPAT margins of around 30% which are relatively higher than PIH's adjusted projected NPAT margin for FY2011 of approximately 20%. Companies that can generate higher margins generally trade at higher multiples relative to less profitable companies of similar size. Count Financial Limited and DKN Financial Group Limited's current NPAT multiples are 11.4 times and 9.6 times respectively and their forecast NPAT multiples are 10.4 times and 8.6 times respectively
- illiquid trading volumes in the shares of Snowball Group Limited and Plan B Group Holdings Limited have led us to consider them a unreliable guide to comparable market multiples.

Merger and acquisition multiples

The price achieved in mergers or acquisitions of comparable companies provides evidence of an appropriate earnings multiple for the business operations of PIH. The acquisition price of a company represents the market value of a controlling interest in that company. The difference between the market value of a controlling interest and a minority interest is referred to as a premium for control.

We compiled merger and acquisition multiples since 1 January 2008 for companies with business operations similar to PIH. These companies, along with the details regarding the calculation of merger and acquisition NPAT multiples are summarised in Appendix 4.

We considered a range of transactions involving companies in the financial planning and advisory sector. The NPAT multiples implied by the selected transactions are control multiples. Historical NPAT multiples of these transactions ranged from 3.0 times to 20.6 times, with an average of 10.9 times.

However, we were unable to identify any comparable transactions with public information which have occurred since September 2009. We consider comparable transactions which occurred during 2008 and 2009 were impacted by the downturn in global financial markets as a result of the global financial crisis and in our opinion, do not provide a meaningful benchmark for current transactions. For this reason, we have placed less reliance on this data for the purpose of our analysis.

Selected multiple

In selecting an appropriate multiple to apply to PIH's future maintainable NPAT we have considered the following:

- the average forecast NPAT multiple for companies with financial planning and advisory operations and companies with diversified financial advisory operations is 8.9 times and 9.8 times, respectively
- we consider Count Financial Limited and DKN Financial Group Limited are most comparable trading companies to PIH in terms of their business operations, distribution networks and NPAT size. However, we would expect these companies to trade at a higher NPAT multiple than PIH given their relative higher projected margins (of around 30% relative to PIH's adjusted projected NPAT margin of approximately 20% for FY2011). Count Financial Limited and DKN Financial Group Limited's current NPAT multiples are

11.4 times and 9.6 times respectively and their forecast NPAT multiples are 10.4 times and 8.6 times respectively.

As a result of these factors, we have selected a multiple of 8.0 times to 9.0 times NPAT on a minority basis to apply to the future maintainable earnings of PIH.

8.2.3 Surplus assets/liabilities

Surplus assets/liabilities are those assets owned by a company or liabilities due by a company that are surplus to its main operating activities, such as unused property, outstanding loans which are payable or investments. Such assets/liabilities should be valued separately from the main operating activities of the company, after adjusting operating results to remove the net income or expense provided by the surplus assets/liabilities.

We have identified the surplus assets/liabilities held by PIH as set out in the table below.

Table 17: Surplus assets/liabilities

	Value (\$'000)
Net proceeds from sale of the Brand Smart Riverbank Centre property	6,500
Net proceeds from sale of the De Run business	1,000
Net settlement of outstanding large claims	(13,250)
Value of tax losses	4,000
Total	(1,750)

Source: Deloitte analysis

Net proceeds from sale of the Brand Smart Riverbank Centre property

PIH has executed an unconditional contract of sale to divest the Brand Smart Riverbank Centre property to Meriton Group for \$36.5 million, with settlement expected in November 2010. Proceeds from the transaction will be applied to extinguish a loan in relation to this asset in the amount of \$29.0 million and fund associated transaction and carrying costs. PIH is expected to receive \$6.5 million net surplus proceeds following settlement of these associated costs and liabilities.

Net proceeds from sale of the De Run business

PIH holds a 56% interest in De Run Securities Pty Ltd (De Run), a boutique financial advisory business which is currently being marketed for sale. PIH's investment in De Run has not provided any significant contribution to PIH's earnings in the past and no contribution is reflected in PIH's FY 2011 forecast. We have adopted PIH's recorded book value for its investment in De Run of \$1.0 million as an estimate of the net proceeds that PIH may receive from the sale of the business after allowing for the uncertainty as to the timing and terms of any such disposal. This value is broadly in line with a recent offer made for the business that did not proceed.

Net settlement of outstanding large claims

As mentioned in Section 3.5, PIS has been exposed to a number of unusually large legal claims. In particular, PIH was previously the respondent/defendant in a representative action in the New South Wales Supreme Court in relation to the collapse of Westpoint, which has now been settled. A settlement agreement has been reached in relation to this matter, of which PIH has eight instalments remaining to be paid of \$500,000 each during FY2011 and FY2012. The net present value of these remaining instalments is approximately \$3.8 million.

PIH also has a remaining discounted provision amount of approximately \$3.0 million (net) in relation to other specific claims which are yet to be settled. PIH consider this provision to be an adequate estimation of the expected settlements to be paid in relation to these claims.

In addition, PIH has one remaining settlement instalment of \$6.5 million due to former unitholders in the Brand Smart Syndicate, which is payable in June 2011.

Tax losses

As at 30 June 2010, PIH had aggregate carry forward tax losses in excess of \$30.0 million which could be utilised to offset tax payable on future profits of PIH. The realisation of any value from these carry forward losses is dependent on the ability of an acquirer of PIH to continue to generate future profits and to satisfy the continuity of ownership or same business test. In determining the value of the accumulated tax benefits we have utilised a high level discounted cash flow methodology and applied a discount rate consistent with the midpoint of our selected multiple range. We then applied a probability factor of 50% to reflect that a potential willing buyer may not be able to utilise the accumulated tax benefits.

8.2.4 Valuation: capitalisation of maintainable earnings

The value of the ordinary, A class and redeemable preference shares in PIH derived from the capitalisation of maintainable earnings method is summarised below.

Table 18: Summary – capitalisation of maintainable earnings method

	Section		Low value	High value
Maintainable earnings	8.2.1	(\$'000)	10,000	10,000
Earnings multiple	8.2.2	times	8	9
Implied equity value (on a minority basis)		(\$'000)	80,000	90,000
Surplus assets/(liabilities)	8.2.3	(\$'000)	(1,750)	(1,750)
Equity value of PIH (on a minority basis)		(\$'000)	78,250	88,250
Number of shares on issue ^{1,2}	4.5.1	('000)	46,941	46,941
Value of a PIH share (on a minority basis) ¹			1.67	1.88

Source: Deloitte analysis

Note:

1. Comprises PIH's ordinary, A class and redeemable preference shares only. The value of PIH's one Z class share has been considered separately in Section 10.2
2. The number of shares on issue has been adjusted to reflect the redemption of 140,719 redeemable preference shares for nil consideration that will occur should the Proposed Schemes not be implemented. These shares have been issued to Mr David Johnstone as part of a success fee payable if the Proposed Schemes are successfully completed and, therefore, should be excluded from the analysis of the value of a PIH Share

9 Valuation of the Proposed Merged Entity

9.1 Overview

Deloitte has estimated the fair market value of a share in the Proposed Merged Entity to be in the range of \$1.05 to \$1.25 per share (on a minority basis) using a sum of the parts valuation approach.

The sum of the parts valuation includes:

- the value of PIH (on a minority basis) based on the capitalisation of maintainable earnings method as set out in Section 8.2.4
- the value of Centrepoint (on a minority basis) based on the net assets on a going concern method as set out in Section 9.3.1 below. We have also cross-checked our valuation of Centrepoint based on the net assets on a going concern method to an analysis of share trading to provide additional evidence of the fair market value of Centrepoint
- an appropriate discount or premium.

As PIH will remain relatively separate from the existing Centrepoint business we do not consider there will be any material synergies or dis-synergies as a result of the Proposed Merger.

9.2 Value of PIH

We are of the opinion that the fair market value of the equity of PIH on a minority basis is in the range from \$78.3 million to \$88.3 million as set out in Section 8.2.4.

9.3 Value of Centrepoint

We have assessed the fair market value of the net assets of Centrepoint on a going concern basis by aggregating the fair market value of its assets and liabilities. Accordingly, our assessment does not reflect any costs that would be incurred if the assets were to be disposed of in order to realise their value.

9.3.1 Net assets on a going concern basis

In order to estimate the fair market value of Centrepoint's net assets we have considered the audited balance sheet of Centrepoint as at 30 June 2010 and considered any adjustments required to reflect the difference between the fair market value and the book value of these net assets.

We have not made any fair market value adjustments to Centrepoint's net assets as at 30 June 2010, with the exception of the \$4.1 million cash distribution to Centrepoint shareholders which will be payable prior to implementation of the Proposed Merger and \$0.45 million receivable on the partly paid shares of Centrepoint, due to the following:

- the net asset position of Centrepoint principally consists of cash and cash equivalents, loans and advances (receivables) and interest bearing liabilities as discussed in Section 5.8
- cash and cash equivalents are recorded at face value and therefore their book value is equivalent to fair market value
- loans and advances relating to the insurance premium funding have an average term of 10 months but can extend to 12 months. Repayments are to be received monthly by Centrepoint in accordance with the loan contract. These receivables are carried at amortised cost less allowance for impairment, which we consider to approximate fair market value

- interest bearing liabilities are recorded at their carrying value which is assumed to approximate fair market value
- Centrepoint does not carry any intangible assets on its balance sheet
- there has been no significant changes to the Centrepoint business or material movements in its net asset position since 30 June 2010.

Minority interest discount

The value of Centrepoint derived from the net assets on a going concern basis reflects a control value of Centrepoint. The difference between the market value of a controlling interest and a minority interest is referred to as the premium for control. Australian studies indicate the premiums required to obtain control of companies range between 20% and 40% of the portfolio holding values. A minority interest discount is the inverse of a premium for control (*minority interest discount* = $1 - [1 / (1 + \text{control premium})]$) and generally ranges between 15% and 30%.

The owner of a controlling interest has the ability to do many things that the owner of a minority interest does not. These include:

- control the cash flows of the company, such as dividends, capital expenditure and compensation for directors
- determine the strategy and policy of the company
- make acquisitions, or divest operations
- control the composition of the board of directors.

The level of discount that should be applied to the value of a controlling interest in order to derive the value of a minority interest is somewhat subjective. As the net asset position of Centrepoint principally consists of assets and liabilities which are cash or are relatively easily realisable, we would not expect there to be a significant minority discount to its control value. Therefore we have applied a minority interest discount in the range from nil to 15.0% to the value of Centrepoint derived from the net assets on a control basis.

Conclusion: net assets on a going concern basis

The value of Centrepont (on a minority basis) derived from the net assets on a going concern method is summarised below.

Table 19: Summary of the current fair market value of Centrepont's net assets

		Low value	High value
Net asset position of Centrepont as at 30 June 2010 (on a control basis)	(\$'000)	29,748	29,748
Cash distribution to Centrepont shareholders	(\$'000)	(4,098)	(4,098)
Cash receivable on partly paid shares of Centrepont	(\$'000)	450	450
Adjusted net assets of Centrepont (on a control basis)	(\$'000)	26,100	26,100
Minority discount range from nil to 15%	(\$'000)	(3,915)	-
Adjusted net assets of Centrepont (on a minority basis)	(\$'000)	22,185	26,100
Number of shares on issue on a fully diluted basis (pre-share consolidation) ¹	('000)	163,922	163,922
Implied value of Centrepont share (on a minority basis)	(\$)	0.14	0.16

Source: Deloitte analysis

Note:

1. Comprises 160.9 million fully paid ordinary shares (including approximately 6 million reserve shares) and 3.0 million partly paid ordinary shares. Assumes none of the Centrepont options are exercised on the basis that they are significantly 'out of the money'

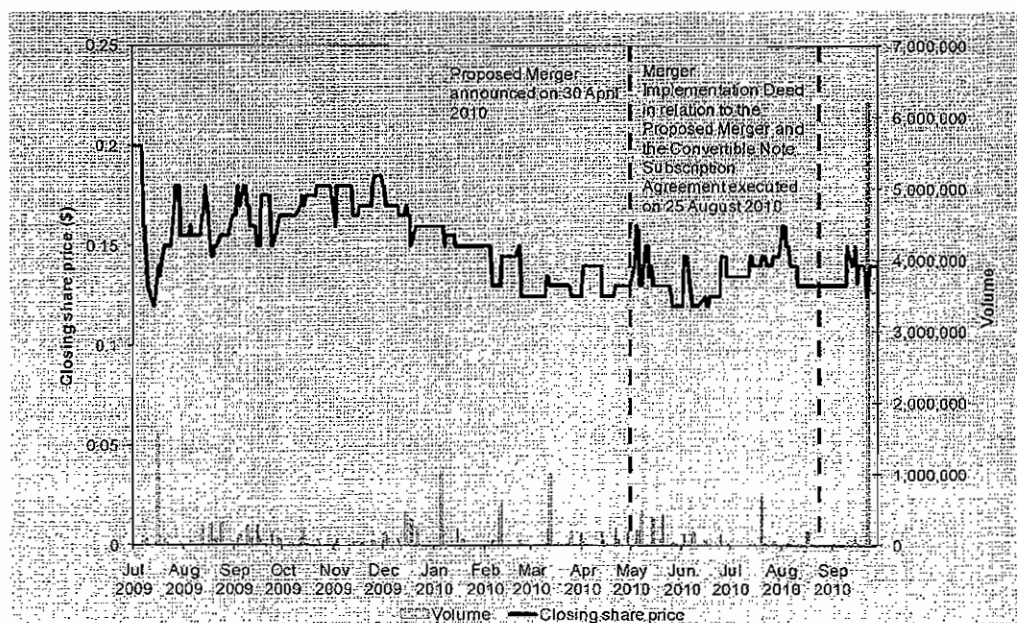
9.3.2 Analysis of share trading

We have also considered recent share market trading activity to provide additional evidence of the fair market value of Centrepont on a minority basis.

Based on the number of Centrepont shares currently on issue (prior to the proposed share one for seven consolidation), our assessed fair market value of Centrepont (on a minority basis) implies a value in the range from \$0.14 to \$0.16 per share on a fully diluted basis.

The recent trading in Centrepoint shares for the 12 months prior to the announcement of the Proposed Merger is set out below. For comparison, the recent trading in Centrepoint shares up to the date of our report is also included below.

Figure 12: Centrepoint's closing share price – 30 April 2009 to 27 September 2010



Source: Deloitte analysis

The average trading price of a Centrepoint share over the three months prior to the announcement of the Proposed Merger is \$0.13. The trading price of a listed company represents the market value of a minority interest in that company.

This average trading price implies a market capitalisation for Centrepoint of \$21.3 million on a minority basis which implies a minority interest discount of approximately 18% to our assessed control value of a share in Centrepoint. This discount is consistent with the lower bound of the range generally observed for minority interest discounts (refer Section 9.3.1).

However, during the 12 months prior to the announcement of the Proposed Merger, only 8% of the total issued shares in Centrepoint were traded demonstrating that the shares in Centrepoint are relatively illiquid. Accordingly, we consider the analysis of trading in Centrepoint's shares provides weak evidence of the fair market value of a minority share in Centrepoint.

Notwithstanding this, Centrepoint raised approximately \$8 million through a share placement of 50 million fully paid ordinary shares to institutional and professional investor clients of Bell Potter Securities Limited and Austock Securities Limited at a price of \$0.16 per share in November 2009. This share placement implies a market capitalisation for Centrepoint of \$25.7 million. This provides evidence that broadly supports our valuation conclusion.

9.3.3 Conclusion

Based on the foregoing, we are of the opinion that the fair market value of a Centrepoint (on a minority basis) is in the range from \$22.2 million to \$26.1 million.

9.4 Value of the Proposed Merged Entity

The value of the Proposed Merged Entity derived from the sum of the parts method is summarised below.

Table 20: Summary – sum of the parts method

	Section		Low value	High Value
Value of PIH on a minority basis	9.2	(\$'000)	78,250	88,250
Value of Centrepoint on a minority basis	9.3	(\$'000)	22,185	26,100
Valuation of the Proposed Merged Entity (on a minority basis)		(\$'000)	100,435	114,350
<i>Number of shares on issue post-share consolidation</i>	6.2	(<i>'000</i>)	93,670	93,670
Value of a share in the Proposed Merged Entity (on a minority basis)		(\$)	1.07	1.22
Assessed value of a share in the Proposed Merged Entity (on a minority basis)		(\$)	1.05	1.25

Source: Deloitte analysis

Based on the foregoing, we consider the value of a share in Proposed Merged Entity to be in the range from \$1.05 to \$1.25.

10 Evaluation and conclusion

10.1 Valuation of consideration

If the Proposed Merger is approved, PIH Shareholders will hold 75% of the issued shares in the Proposed Merged Entity, or 1.49 Centrepunt shares for each PIH Share currently held, upon completion.

In the table below we have set out the value of the consideration, being 1.49 shares in the Proposed Merged Entity for each PIH Share, using our assessed range of the value of a share in the Proposed Merged Entity.

Table 21: Valuation of consideration offered per PIH share

	Section	Value of consideration	
		Low	High
Value of a share in the Proposed Merged Entity (\$)	9.4	1.05	1.25
Merger ratio (number of shares in the Proposed Merged Entity to be issued for each PIH Share)	6.2	1.49	1.49
Value of consideration per PIH Share (\$)		1.57	1.87

Source: Deloitte analysis

The value of a share in the Proposed Merged Entity of between \$1.05 and \$1.25 per share implies that the consideration offered by Centrepunt pursuant to the Proposed Merger is in the range of \$1.57 to \$1.87 per PIH Share.

Regardless of the outcome of the Proposed Merger, the price of Centrepunt's shares will vary in the future, based on market movements, developments in the financial services industry and changes in Centrepunt's specific circumstances. We have assessed the fairness of the value of the consideration offered based on our assessment of the current fair market value of a share in the Proposed Merged Entity.

We have set out below the effective consideration per PIH Share for a range of possible market prices for a Proposed Merged Entity share, assuming the Proposed Merger is approved.

Table 22: Sensitivity of the value of consideration offered per PIH Share

Proposed Merged Entity share market price (\$)	Consideration per PIH Share (\$)
0.95	1.42
1.00	1.49
1.05	1.57
1.10	1.64
1.15	1.72
1.20	1.79
1.25	1.87
1.30	1.94
1.35	2.01

Source: Deloitte analysis

10.2 Fairness

RG 111 defines an offer as being fair if the value of the offer price is equal to or greater than the value of the securities being the subject of the offer. Set out in the table below is a comparison of our assessment of the fair market value of a PIH Share with the consideration offered by Centrepoint.

Ordinary, A class and redeemable preference shares

Table 23: Evaluation of fairness

	Low value per share (\$)	High value per share (\$)
Estimated fair market value of an ordinary, A class or redeemable preference share in PIH	1.67	1.88
Estimated fair market value of consideration offered by Centrepoint	1.57	1.87

Source: Deloitte analysis

The value of the consideration offered by Centrepoint overlaps the range of our estimate of the fair market value of an ordinary, A class and redeemable preference share in PIH. Accordingly it is our opinion that the Proposed Merger is fair to the holders of ordinary, A class and redeemable preference shares in PIH.

We note that there is a 95.2% overlap between our value range of the consideration and the value range for the relevant PIH Shares which we consider is sufficient overlap to conclude that the Proposed Merger is fair to the holders of ordinary, A class and redeemable preference shares in PIH notwithstanding that the mid-point of our valuation of the consideration offered by Centrepoint is 3.1% below the mid-point of our valuation of these classes of PIH Shares. However, if PIH Shareholders formed the view that the value of these shares was above \$1.87 per share, which represents the upper 4.8% of our valuation range, they may not consider the Proposed Merger to be fair.

Z class share

The holder of PIH's one fully paid Z class share will receive the same consideration as PIH's ordinary, A class and redeemable preference shares. As set out above, we have therefore estimated the value of the consideration offered by Centrepoint for the one fully paid Z class share to be in the range from \$1.57 to \$1.87.

We do not consider that the Z class share has any fair market value on the basis that:

- it has no rights to a return of capital or distribution of surplus assets on the winding up of PIH, no rights to participate in any dividends and no rights to vote at general meetings of PIH
- in our view, the only substantial right attached to the Z class share, being the right (but not the obligation) to appoint directors to the PIH board to ensure that the directors of PIH nominated by the holder of the Z class share represent the same proportion as the aggregate proportion of PIH Shares held by the Z class shareholder (currently 19.3%), merely formalises what would otherwise be considered common market practice for board representation by a significant shareholder in a company

- the board rights provided by the Z class share, representing approximately 20% of board positions, provide the holder of the Z class share with some influence but no control over the PIH board
- the holder of the Z class share, Aviva Overseas Holdings Limited, has never exercised its right to appoint directors to the PIH board.

The consideration offered by Centrepont is above our estimate of the fair market value of the Z class share in PIH. Accordingly it is our opinion that the Proposed Merger is fair to the holder of the Z class share in PIH.

10.3 Reasonableness

In accordance with RG 111 an offer is reasonable if it is fair. On this basis, in our opinion the Proposed Merger is reasonable. We have also considered the following factors in assessing the reasonableness of the Proposed Merger:

Advantages of the Proposed Merger

The likely advantages to PIH Shareholders if the Proposed Merger is approved include:

The Proposed Merger provides PIH Shareholders with liquidity

PIH is currently an unlisted public company with certain pre-emptive rights in place that further restrict trading of the PIH Shares (refer to part A section 4.16 of the Scheme Booklet). All transactions in PIH Shares require the consent of the PIH Board in some form and, in some cases, these pre-emptive rights restrict PIH Shareholders to two trading periods each year. Over the past 12 months, PIH has undertaken two transactions involving a total of approximately 158,000 shares (or less than 0.5% of the issued shares in PIH).

Notwithstanding the near term escrow restrictions to be imposed over 50% of the PIH Shareholders' interests in the Proposed Merged Entity (as discussed below); we consider that the Proposed Merger will offer enhanced liquidity to PIH Shareholders which they may not have otherwise had access to by continuing to hold PIH Shares in its current unlisted company structure.

Favourable corporate structure

Prior to the announcement of the Proposed Merger, PIH was considering a variety of options in relation to its corporate structure including a compliance listing on the ASX. The Proposed Merger provides PIH with the opportunity to list on the ASX via the reverse takeover of Centrepont which is already an ASX listed entity.

As Centrepont has been a listed entity since 2002, the directors and key management of Centrepont have experience in managing a listed entity including knowledge surrounding the necessary regulatory disclosures and financial reporting requirements.

Further to this, the Proposed Merger provides PIH with access to the surplus cash of Centrepont and with greater flexibility in sourcing new capital on market.

Disadvantages of the Proposed Merger

The likely disadvantages to PIH Shareholders if the Proposed Merger is approved include:

Escrow restrictions

If the Proposed Merger is implemented, 25% of the Centrepont shares issued to PIH Shareholders will be subject to escrow restrictions that prevent disposal of those Centrepont shares for a period of two years from the date of issue and a further 25% of the Centrepont shares issued to PIH Shareholders will be subject to the same escrow restrictions for a period of at least three years from the date of issue.

Notwithstanding these near term escrow restrictions, the Proposed Merger will offer enhanced liquidity to PIH Shareholders which they may not have otherwise had access to by holding shares in PIH as an unlisted company. Further to this, we consider that PIH Shareholders are no worse off by entering into escrow restrictions over a listed Centrepont shareholding than holding shares in an unlisted company.

Illiquidity of Centrepont shares

As discussed in Section 9.3.2, Centrepont's shares are currently illiquid and a risk exists that this lack of liquidity may transfer to the Proposed Merged Entity. Notwithstanding the escrow restrictions, such illiquidity may restrict the ability of PIH Shareholders to exit from the company in a timely manner or to realise full value on exit.

However, the liquidity of the shares in the Proposed Merged Entity should be enhanced because the Proposed Merged Entity will have a significantly expanded shareholder base compared to Centrepont, and the Proposed Merged Entity will also be significantly larger and have a broader operating base than Centrepont.

Dilution of existing ownership

If the Proposed Merger is implemented, PIH Shareholders will hold 75% of the Proposed Merged Entity. Despite the Proposed Merger being classified as a reverse takeover, PIH Shareholders will be somewhat diluted due to 25% of the Proposed Merged Entity being held by existing Centrepont shareholders and will have reduced ability to share in the opportunities of PIH in the future. However, this dilution is mitigated by PIH Shareholders holding a slightly reduced stake in an enlarged Proposed Merged Entity and will gain an interest in the future opportunities of Centrepont.

Tax consequences

Acceptance of the Proposed Scheme may result in adverse tax consequences for PIH Shareholders. The Australian tax implications of the Proposed Scheme are outlined in part A section 7 of the Scheme Booklet. PIH Shareholders should consult their tax adviser regarding their personal circumstances.

Other matters

If the Proposed Merger is not implemented Centrepont may acquire 12% equity in PIH for \$7.5 million via conversion of the Convertible Notes

As discussed in Section 2.1.2, PIH and Centrepont have entered into an agreement ancillary to the Proposed Merger whereby Centrepont may advance up to \$7.5 million to PIH through subscription for two tranches of the Convertible Notes. As at the date of our report, only the first \$5.0 million tranche of the Convertible Notes has been taken up by Centrepont.

If the Proposed Merger is implemented, the Convertible Notes will remain in place but will merely be an intra-group financing arrangement between Centrepont and its wholly-owned subsidiary, PIH. Accordingly, the Convertible Notes will have no effect on the Proposed Merged Entity on a consolidated basis.

However, the termination of the Proposed Merger will trigger Centrepont's conversion rights. On conversion of the Convertible Notes, Centrepont may acquire up to a 12% interest in PIH for, effectively, consideration of \$7.5 million. This conversion right implies a value of PIH of \$62.5 million which is below our assessed value of PIH of \$78.3 to \$88.3 million on a minority basis. In addition, Centrepont will be entitled to two board positions on conversion of the notes.

Alternatively, if the Proposed Merger is not implemented, PIH may repay the Convertible Notes within 30 days of termination of the Merger Implementation Deed. In this event of early repayment, PIH will also be required to pay Centrepont a fee of \$325,000.

Break fees

A break fee of \$500,000 is payable by either PIH or Centrepont, in certain circumstances, should the Proposed Merger not be implemented.

Ineligible foreign shareholders

PIH Shareholders with registered addresses outside Australia, New Zealand, Singapore and the United Kingdom may not be entitled to receive Centrepont shares issued as part of the Proposed Merger. The Centrepont shares that would have otherwise been issued to these ineligible foreign shareholders will be collectively sold on the ASX by a sales agent with the average sale proceeds (after deduction of any applicable brokerage, duties or other charges) distributed to the affected PIH Shareholders. Accordingly, these PIH Shareholders will be restricted from rolling over their interest in PIH to Centrepont shares and will incur brokerage and other costs, including potentially having to pay tax on any profit on that disposal in their country of residence.

However, should these PIH Shareholders wish to retain an interest in Centrepont, they can acquire Centrepont shares with the sales proceeds received following the Proposed Merger. In this scenario, these PIH Shareholders will, however, be exposed to the market price risk that the net proceeds received may not enable an equivalent number of Centrepont shares to be acquired.

PIH Shareholders expected to be affected by these provisions represent less than 0.3% of PIH Shares.

No alternative offers received

As at the date of our report, PIH had not received any alternative offers.

10.4 Conclusion

Based on the foregoing, we are of the opinion that, in the absence of a superior proposal:

- the Target ordinary share scheme is fair and reasonable and therefore in the best interests of ordinary shareholders of PIH
- the Target A class share scheme is fair and reasonable and therefore in the best interests of A class shareholders of PIH
- the Target Z class share scheme is fair and reasonable and therefore in the best interests of the Z class shareholder of PIH
- the Target redeemable preference share scheme is fair and reasonable and therefore in the best interests of redeemable preference shareholders of PIH.

Appendix 1: Glossary

Reference	Definition
AAP	Associated Advisory Practices Limited
AAP2	Associated Advisory Practices (No.2) Limited
ALCo	Australian Loan Company
AFSL	Australian Financial Services Licence
APESB	Accounting Professional and Ethical Standards Board Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Limited
AUASB	Auditing and Assurance Standards Board
Brand Smart Syndicate	Brand Smart Riverbank Property Syndicate
CAESP	Centrepont Alliance Employee Share Plan
Centrepont	Centrepont Alliance Limited
Convertible Notes, the	Two tranches of convertible notes that PIH issued to Centrepont of \$5 million and \$2.5 million
Corporations Act, the	Corporations Act 2001 (Cth)
Deloitte	Deloitte Corporate Finance Pty Limited
Deloitte Australia	Deloitte and Deloitte Touche Tohmatsu (and other entities related to Deloitte Touche Tohmatsu)
Deloitte Touche Tohmatsu	Deloitte member firm in Australia
De Run	De Run Securities Pty Limited
Directors, the	Directors of PIH
DTTL	Deloitte Touche Tohmatsu Limited
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ESOP	Employee Share Option Plan
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FSRA	Financial Services Reform Act
FUMA	Funds under management and/or advice
FY	Financial year
IBIS World	IBIS World Pty Ltd
IDL	Investment Diversity Limited
MIS	Mentor Investment Services Limited
NPAT	Net profit after tax
Part 3	Part 3 of Schedule 8 of the Corporations Regulations 2001 (Cth)
PIH	Professional Investment Holdings Limited
PIH Shareholders	Existing holders of PIH Shares
PIH Shares	The four classes of shares on issue by PIH, being ordinary, A class, Z class and redeemable preference shares
PIS	Professional Investment Services Pty Limited
Proposed Merger, the	Centrepont merger with PIH through an all scrip offer

Reference	Definition
Proposed Merged Entity, the	The merged entity, being a combination of Centrepoint and PIH
Proposed Schemes, the	Inter-conditional schemes of arrangement proposed by the Merger Implementation Deed between Centrepoint and PIH
RG 60	ASIC Regulatory Guide 60
RG 111	ASIC Regulatory Guide 111
SCG	Superannuation Contribution Guarantee
Scheme Booklet, the	Scheme booklet containing the detailed terms of the Proposed Merger
SOA	Statement of advice
Section 411	Section 411 of the Corporation Act
Section 640	Section 640 of the Corporations Act
SMSF	Self managed superannuation funds
US	United States of America
Ventura	Ventura Investment Management Limited
Wesfarmers Insurance	OAMPS Limited and Wesfarmers General Insurance Limited
Westpoint	Westpoint Group

Appendix 2: Industry Overview

PIH operates primarily in the Australian investment advice industry and has a particular focus on providing the following services:

- investment advice
- superannuation advice
- master trust and wrap services
- estate planning.

PIH also operates in the funds management, accounting advice and mortgage and insurance broking industries through its subsidiaries and investment companies.

Centrepont operates in the Australian insurance premium funding industry.

The following section provides an overview of the industries that PIH and Centrepont operate in.

The Australian investment advice industry

The investment advice industry provides personalised advice to individuals and businesses to assist in achieving their particular financial goals. The primary services provided by the industry include:

- *investment advice* – advice with regards to where and how to invest taking into account the investor's risk profile and investment time horizon
- *retirement planning* – to assist those who are approaching retirement or have reached retirement to structure their financial affairs to be tax effective and support them throughout their retirement
- *superannuation advice* – advice with respect to which superannuation funds to invest in, investment strategies, self managed superannuation funds (SMSF) set-up, administration and management, salary sacrificing, government co-contribution and other matters to help investors effectively build their retirement savings
- *salary packaging* – to help investors effectively increase their disposable income
- *master trust and wrap services* – provision of investment platforms that assist investors by providing consolidated accounting, reporting and tax services for all investments held through the platform
- *estate planning* – to help investors manage their possessions in case of death or incapacity
- *redundancy advice* – to help individuals who have been made redundant, and in particular, to manage lump-sum payouts.

Structure of industry

The top six participants in the Australian financial planning and investment advice industry account for approximately 48.0% of the market, and are primarily life insurance companies and banks². PIH has an estimated market share of 7.1%. Investment advisers generally operate under one of two structures, either as employees of businesses or as "authorised representatives" of businesses. Authorised representatives effectively operate a franchise, with head office usually providing services such as research materials, back office support and administrative support to the advisers.

The global financial crisis had a strong effect on the financial planning and investment advice industry, with total revenue decreasing 9.4% and 19.7% in FY2008 and FY2009. Total revenue generated in FY2010 is estimated to be \$4.5 billion; 2.6% higher than FY2009³. The industry has experienced revenue growth averaging negative 2.8% per annum over the five year period to FY2010⁴.

Revenue in the industry is generally derived in three distinct ways:

- *commissions and/or trailing fees* – many investment advisers receive recurring commission fees from providers of certain financial products in which their clients invest. Commonly referred to as trailing fees, they typically represent a percentage of FUMA, and are built into the management fees of the respective financial products. This trail is paid to the adviser as remuneration for administering the funds. The primary benefit of investment advice remunerated by trailing commissions is that nothing, or very little, needs to be paid upfront by investors. The primary disadvantage relates to independence, particularly as different financial product suppliers have different structures for adviser remuneration
- *initial or entry fee* – investment advisers may also charge commissions in the form of entry fees or initial contribution fees, whereby a percentage of an investor's investment in a product is paid to the adviser. Entry fees are generally charged at a rate less than 5.0%
- *fee for service* – in response to concerns about the commission and/or trail fee remuneration model, fee for service investment advice is becoming increasingly popular. Under this model, the investor will pay the investment adviser to prepare a financial plan, commonly referred to as a statement of advice (SOA), and to assist the investor in implementing the plan. The only remuneration the adviser receives is the upfront fee, and, as a result, they are not subject to the potential outside conflicts of interest associated with trailing fees or referral fees. The fee for service is generally charged on the basis of an hourly rate or as a percentage of assets subject to advice.

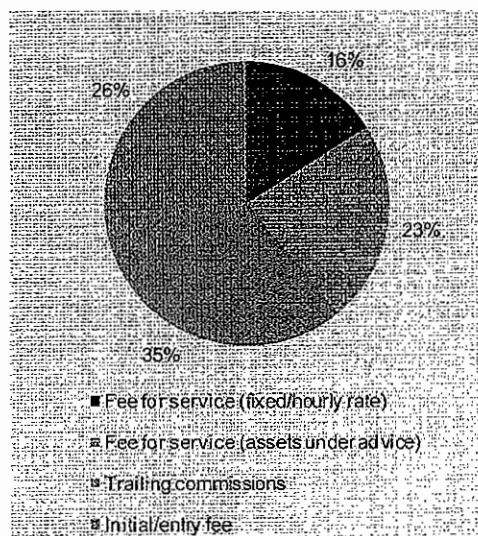
² IBIS World Pty Limited (IBIS World), 2010, Financial Planning & Investment Advice in Australia

³ Ibid

⁴ IBIS World, 2010, Financial Planning & Investment Advice in Australia

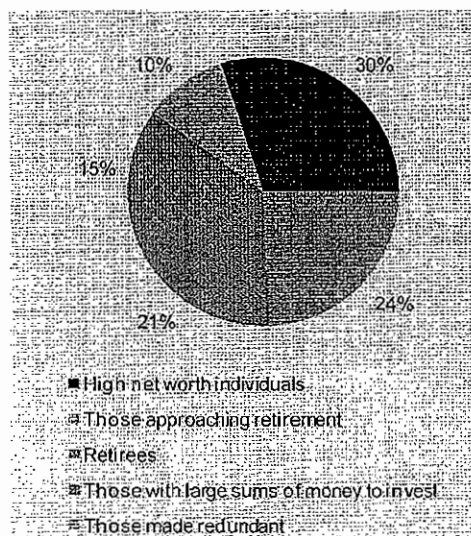
A breakdown of the above revenue types is shown in Figure 13.

Figure 13: Revenue type breakdown



Source: IBIS World, 2010, Financial Planning & Investment Advice in Australia

Figure 14: Major market segments



Source: IBIS World, 2009, Financial Planning & Investment Advice in Australia

Revenue generated in the investment advice industry is primarily being driven by high net worth individuals and those that are nearing retirement or have reached retirement as illustrated in Figure 14 above.

According to IBIS World, the investment advice industry is currently in the growth life cycle stage evidenced by consolidation amongst larger businesses, a steady increase in FUMA, increasing numbers of new participants, rapid growth in customer acceptance of new products.

Key sensitivities

The key sensitivities affecting the performance of the Australian investment advice industry include:

- *demographics* – the population age profile influences the level of demand for investment advice. The 55 years and over demographic is a key revenue driver, particularly as this group approaches retirement
- *consumer sentiment* – the degree of confidence that investors have in the stock market, the economy and its outlook will influence the level of demand for investment advice
- *government policies and regulations* – this will affect the level of demand for investment advice as consumers seek advice on how to best comply with legislative requirements. The key legislative driver of the investment advice industry has been the Superannuation Contribution Guarantee (SCG) which mandates compulsory retirement savings
- *disposable income* – the level of an investor's disposable income will influence their ability to invest
- *consumer awareness* – the level of consumer awareness influences the level of demand for investment advice, particularly as financial literacy improves and consumers become more aware of how personalised investment advice can assist them in achieving their financial goals

- *downstream demand* – growth in the funds management industry influences downstream demand on the investment advice industry due to investor's needs to seek financial advice on placement of funds with investment managers.

Critical success factors

Factors key to success in the investment advice industry include:

- *communication* – strong communication skills are important to be able to effectively communicate complex concepts and strategies to clients and also to be able to communicate the importance and benefits of financial planning and particular plans and strategies
- *negotiation* – the ability to negotiate effectively is important to ensuring both the appropriate fee structures are agreed with clients and better fee structures are agreed with financial product suppliers
- *reputation* – a good reputation is of the utmost importance, given recent media coverage cautioning investors on a number of cases of poor investment advice. A strong reputation and client referral base will attract potential investors
- *AFSL* – participants in the investment advice industry must have an AFSL and comply with the licence requirements as stipulated by ASIC
- *market research* – it is important for businesses to have access to extensive and reputable market research to support advisers and ensure that they are kept abreast of current issues, strategies, techniques and legislation
- *technology* – the increasing complexity of financial products and strategies along with increasing demands and requirements of investors means that efficient and effective technology is essential
- *human capital* – advisors are required to be suitably qualified, experienced, have in-depth product knowledge and strong marketing skills
- *geographical reach* – a large distribution network is important, especially in the retail segment, in order to identify and attract potential investors.

The above factors coupled with the anticipated future growth in the industry have been an impetus to the recent consolidation activity in the sector.

Barriers to entry

Barriers to entry to the investment advice industry overall can be described as moderate, with licensing requirements representing the most significant hurdle. The main barriers to entry can be identified as follows:

- the relatively high cost and complexity associated with complying with the Financial Services Reform Act (FSRA) (as set out below), as well as the difficulty in meeting the standards necessary to obtain an AFSL
- the cost of recruiting suitable and qualified staff and experienced advisers
- purchasing or building a client base that is able to support the development and continued growth of the business
- achieving sufficient size, either through building a larger business or through franchising, in order to achieve the necessary scale to be cost competitive and to increase scope in order to appeal to a broader segment of society
- being in a position, either as a result of strong relationships or size, to achieve favourable terms and fees with respect to financial product suppliers.

Regulation

The investment advice industry is highly regulated. The primary legislation governing the investment advice industry is the FSRA, which came into effect on 11 March 2002. The FSRA aims to promote fairness, honesty and professionalism by participants and to promote confident and informed decision making by consumers of financial products and services while also facilitating efficiency, flexibility and innovation in the provision of financial products and services.

Under the FSRA, anyone who wishes to conduct a business of providing advice on financial instruments must obtain an AFSL which is issued under the Corporations Act. A holder of an AFSL, referred to as a principal, is then responsible for accrediting their employees and agents. Principals are liable for the conduct and actions of their employees and agents.

Competency and compliance with the conditions and requirements of licensing must be demonstrated on an ongoing basis. Investment advisers who provide recommendations or advice to retail clients must be able to demonstrate adequate knowledge and understanding of investment markets, the ability to analyse the needs and goals of clients, the ability to develop appropriate investment strategies, as well as an understanding of the regulatory environment including taxation.

In addition to the FSRA, the Corporations Act requires anyone who conducts a business of investment advice to be licensed by ASIC as either a dealer or an investment adviser. Licensees are held accountable for the conduct and actions of their employees and agents. In order to obtain a licence an applicant is required to meet certain standards relating to solvency, education, experience and character.

On 26 April 2010, the Australian Government announced reforms to the financial advice industry in response to the review conducted by the Parliamentary Joint Committee⁵. The new legislation, labelled the "Future of Financial Advice", will not be effective until 1 July 2012 at the earliest, and will include the following proposed changes:

- a prospective ban on conflicted fee structures including commission and volume based fees
- introduction of a statutory fiduciary duty for financial advisers to act in the best interests of their clients
- increased transparency and flexibility of payments for financial advice
- percentage based fees to no longer be charged on geared investments
- improved access and availability of low cost financial advice
- strengthen ASIC's powers to act against unscrupulous operators
- potential establishment of a statutory compensation scheme.

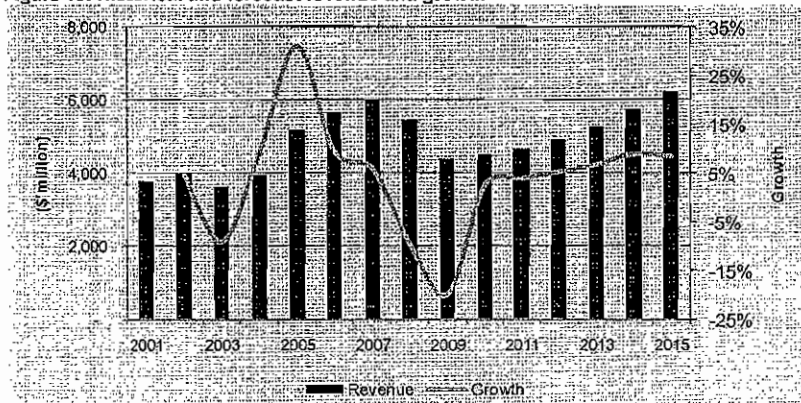
Following the announcement by the Australian Government, the APESB announced the proposed standard: APES 230: Financial Advisory Services in June 2010, which aims to ensure that APESB members who provide financial advisory services must only charge clients on a fee for service basis. This is to minimise potential conflicts of interest, as under this approach, fees are not calculated by reference to products sales or the accumulation of FUMA. It is proposed that these changes be implemented on 1 July 2011.

⁵ Parliamentary Joint Committee review of Financial Products and Services in Australia
69

Future expectations

The investment advice industry is expected to continue to expand with revenue forecast to grow at an average real rate of 6.8% per annum over the five years to FY2015⁶. This represents a total increase of 38.8% from \$4.5 billion in FY2010 to \$6.2 billion in real terms in FY2015. The historical and forecast industry revenue and growth for the period from FY2001 to FY2015 is shown in Figure 15 below.

Figure 15: Historical and forecast revenue and growth



Source: IBIS World, 2010, Financial Planning & Investment Advice in Australia

Note:

1. Figures are based on amounts expressed in real terms as at FY2010

The growth forecast above is driven by the following main factors:

- current growth is primarily being sustained by high net worth individuals or those who are nearing, or have reached, retirement
- the proportion of individuals seeking investment advice who have some time to retirement is forecast to increase significantly as a result of the continued growing awareness that most retirees will not achieve the standard of living they desire if a retirement plan is not developed
- a larger number of investors seeking managed funds or other complex financial instruments and the removal of taxation on superannuation savings once retirement is reached
- the growing awareness that people will need to provide for their own retirement should translate into demand for investment advice given that Australia's national savings rate per capita is lower than most European countries and Japan.

The Australian funds management industry

PIH also operates in the Australian funds management industry primarily through its partly-owned subsidiaries, All Star Funds and Ventura, which supply investment products that enable investors to pool their funds with other investors in order to have them collectively managed by professional fund managers. These investment schemes are most commonly referred to as managed funds, mutual funds, investment funds or simply funds, and the collective pool of assets being managed by the investment manager is referred to as FUMA.

Investments in managed funds are indirect investments in that the investor does not have direct ownership of the underlying assets of the fund but rather receives units in the fund entitling the investor to a share in the returns of the underlying assets. The securities are directly held by a

⁶ IBIS World, 2010, Financial Planning & Investment Advice in Australia

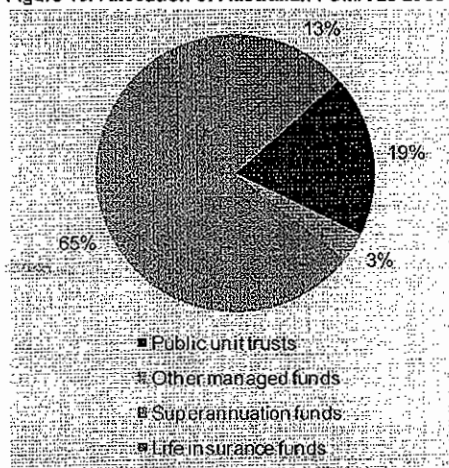
custodian on behalf of the investors (commonly referred to as unit holders). The separation of assets from the investment manager acts to provide independence to the funds management industry and greater security over the assets.

The Australian funds management industry can be categorised into four broad areas, depending on the type of managed investment product provided. These are:

- superannuation funds
- general managed funds (i.e. unit trusts)
- life insurance company investment funds
- other investment funds.

The following graph illustrates the allocation of Australian FUMA by investment product as at 30 June 2010.

Figure 16: Allocation of Australian FUMA as at 30 June 2010



Source: ABS, June Quarter 2010, Managed Funds Australia

The funds management industry is expected to attract an inflow of new funds and positive investment returns over the next five years as a result of an ageing population, growing wealth, new and evolving investment products and the inflow of funds due to superannuation legislation.

The impact of the global financial crisis was evident in FY2009, with industry revenue contracting by 23.3% to \$3.5 billion, down from \$4.6 billion in FY2008. Following a relatively modest recovery in FY2010, total revenue for the industry is expected to grow from \$3.6 billion in FY2010 to \$4.8 billion in real terms by FY2015, a cumulative increase of 33.9% or an annual real rate of 6.0%⁷.

The mortgage broking industry

ALCo, a subsidiary of PIH, operates within the mortgage brokerage industry, receiving origination and trailing commissions for the provision of sourcing, application and refinancing services for mortgage and other finance.

IBIS World forecasts revenue for the Australian mortgage brokerage industry to marginally increase by 0.2% from FY2009 to \$1.4 billion in FY2010, as a result of lower commission income and reduced demand for housing financing caused by the global financial crisis.

⁷ BIS World, July 2010, Funds Management (except Superannuation Funds) in Australia

The level of concentration in the mortgage brokerage industry is moderate with the four largest players, Australian Finance Group, Mortgage Choice, Aussie Home Loans and Choice Home Loans who control approximately 44% of the market⁸.

The industry is expected to experience tighter regulation and increasing consolidation in the future, as competition increases and economies of scale are achieved, encouraging lenders to commit to long-term third party distributors.

The Australian mortgage brokerage industry is forecast to record moderate growth over the next five years, with revenue forecast to expand at an annualised rate of 5.1%, reaching \$1.8 billion in FY2015⁹.

The insurance brokerage industry

PIH also operates in the insurance brokerage industry, primarily dealing in life insurance products.

IBIS World forecasts revenue for the Australian insurance brokerage industry to increase by 6.9% from \$9.8 billion in FY2009 to \$10.4 billion in FY2010, as a result of insurance premium rates increasing marginally. Life insurance accounts for the largest share of insurance brokerage revenue, which is estimated to be 43%¹⁰. Following a decline in the demand for life insurance in FY2009 profitability is expected to recover, with further restructuring expected through an increase in merger and acquisition activity and the entrance of new players.

For the life insurance market, commercial clients dominate relative to private. Accordingly, sales to commercial clients are estimated to account for 75% of commissions earned by insurance agents and brokers. With lower penetration in the personal market, it is estimated private insurance sales drive the remaining 25% of commissions¹¹.

IBIS World forecasts demand for specialist life insurance brokers to remain weak over the period FY2010 to FY2015 as commissions for annual premium products are high in comparison to single premium products. Investment advisors are expected to be the main source of competition to specialist brokers, due to their network reach and wide range of financial products and services including insurance.

The Australian insurance brokerage industry is forecast to record moderate growth over the next five years, with revenue forecast to increase at an annualised rate of 3.7%, reaching \$12.5 billion in FY2015¹².

The Australian insurance premium funding industry

Centrepont operates in the Australian insurance premium funding industry which finances insurance premiums through tailored funding and repayment plans. Insurance premium funding companies generally source their lending funds internally, or from major banks, and generally operate by administering customer repayments each month, over the period of a year or less.

Insurance premium funding is offered for a wide range of policies, including but not limited to:

- public liability
- worker's compensation
- industrial special risk
- motor vehicle

⁸ IBIS World, July 2010, Mortgage Brokers in Australia

⁹ IBIS World, July 2010, Mortgage Brokers in Australia

¹⁰ IBIS World, 2010, Insurance Brokerage in Australia

¹¹ Ibid

¹² IBIS World, 2010, Insurance Brokerage in Australia

- professional indemnity
- management liability
- business pack
- property.

Whilst the insurance premium funding industry is a niche market, it is exposed to similar key drivers to the general insurance industry, including:

- *interest rates* – interest rates impact on insurers as consumers tend to become risk adverse when their ability to borrow is limited. Higher interest rates generally lead to restricted growth in risk exposure
- *stock market* – stock market performance is an indicator of economic activity and business performance, which affects the demand for insurance through a general impact on risk exposure
- *regulatory* – as a heavily regulated industry, changes to legislation and compliance requirements can affect the insurance industry in terms of costs, and ultimately prices charged for insurance products.

Factors that are critical to the success of entities in the insurance premium funding industry include:

- *loan funding* – insurance premium funders' ability to write business relies on their underlying access to funds, whether internal, through a related entity, or externally through a bank
- *internal processes* – effective and low cost internal processes ensure profitability is maintainable
- *distribution network* – effective and low cost distribution channels will minimise costs and ability to reach more customers
- *financial and debt management* – sufficient capital and solvency levels must be maintained to accommodate bad debts and to write new premium loans going forward.

Appendix 3: Comparable entities

The financial and valuation details relating to the comparable share market trading companies identified are set out below:

Company	Market capitalisation (\$ millions)	NPAT multiple FY2010 historical (times)	NPAT multiple FY2011 current (times)	NPAT multiple FY2012 forward (times)	NPAT margin FY2011 current (%)	NPAT margin FY2012 forward (%)	Revenue growth FY2011 current (%)	Revenue growth FY2012 forward (%)
Financial planning and advisory services								
Count Financial Limited	291.5	12.2	11.4	10.4	27.34	28.5	(24.4)	5.2
DKN Financial Group Limited	84.4	11.7	9.6	8.6	29.5	31.0	11.9	7.3
Pine B Group Holdings Limited	57.3	17.0	n/a	n/a	n/a	n/a	n/a	n/a
Snowball Group Limited	60.0	16.4	8.3	7.8	25.4	26.4	(3.5)	3.0
Prime Financial Group Limited	26.0	7.1	n/a	n/a	n/a	n/a	n/a	n/a
Average		12.9	9.8	8.9	27.4	28.6	(5.4)	5.2
Diversified financial advisory services								
Challenger Financial Service Group Limited	2,144.6	7.6	9.0	8.6	50.0	56.9	(71.0)	(8.1)
TOWER Australia Group Limited	956.6	20.6	13.5	10.1	66.5	71.4	(84.5)	24.6
WHK Group Limited	281.1	12.0	9.6	8.9	6.9	7.1	3.1	3.6
Equity Trustees Limited	125.9	15.7	13.4	11.4	25.5	27.4	4.2	10.0
Austock Group Limited	12.5	n/m	n/a	n/a	n/a	n/a	n/a	n/a
Average		14.0	11.4	9.8	37.2	40.7	(37.0)	7.5
Funds management								
Platinum Asset Management	2,900.4	21.2	18.2	15.8	55.8	58.3	14.9	10.4
IOOF Holdings Limited	1,553.5	22.7	15.0	13.4	30.6	32.7	(54.2)	4.4
Perpetual Limited	1,306.4	14.4	16.8	14.5	17.2	18.5	(10.9)	7.9
Hunter Hall International Limited	139.7	12.0	10.3	11.9	38.1	30.1	(3.0)	9.5
Average		17.6	15.1	13.9	35.4	34.9	(14.5)	8.1
Overall low		7.1	8.3	7.8	6.9	7.1	(84.5)	(8.1)
Overall average		14.7	12.3	11.0	33.9	35.3	(20.2)	7.1
Overall median		14.4	11.4	10.4	29.5	30.1	(8.0)	7.3
Overall high		22.7	18.2	15.8	66.5	71.4	14.9	24.6

Source: Capital IQ, Deloitte analysis

Notes:

1. NPAT multiple – market capitalisation divided by NPAT
2. n/a – Not available
3. n/m – Not meaningful due to negative earnings

We provide the descriptions for each of the above comparables as follows:

Count Financial Limited

Count Financial Limited provides a diverse range of services including financial planning, accounting, insurance, wealth creation, wealth protection, superannuation, online broking, home and investment loans as well as business loans and leasing. Count Financial Limited offers its services through a franchised network of financial planners, advisors and accountants consisting of over 400 firms and 900 qualified financial advisors nationwide. Count Financial Limited has in excess of \$10 billion of FUMA as at 30 June 2010.

DKN Financial Group Limited

DKN Financial Group Limited provides integrated financial services and products including financial planning, management and advisory services, consulting, funds management, insurance, share trading, research, share broking and lending solutions. DKN Financial Group Limited also offers financial services to financial planning practices including acting as a buying group to negotiate a range of products and services for financial planning practices, platform solutions for client setup, transactions, reports and adviser fee collection. As at 30 June 2010, the group had \$7.43 billion of FUMA, through a core client base of over 300 wealth management practices and equity stakes in six self licensed financial planning and advisory practices.

Snowball Group Limited

Snowball Group Limited is an independent financial services company providing financial planning, investment, superannuation, insurance and specialist accounting services. Snowball Group Limited's operations include two financial planning businesses, Outlook Financial Solutions and Western Pacific Financial Group, as well as investments in four joint ventures focused on financial advice and accounting services. As at 30 June 2010, Snowball Group Limited had FUMA of approximately \$4.8 billion.

Prime Financial Group Limited

Prime Financial Group Limited is a financial services firm providing a range of services including financial planning, superannuation, accounting, wealth protection, life insurance, mortgage brokerage and corporate advisory. With over 200 staff and 25 financial advisers based across five states and capital cities throughout Australia, Prime Financial Group Limited has approximately \$1.0 billion of FUMA as at 30 June 2010.

Plan B Group Holdings Limited

Plan B Group Holdings Limited operates wealth management advisory ventures across Australia and New Zealand. Services offered include wealth management advice, portfolio administration, funds management, wills and estate planning, estate and trust administration and wealth protection as well as finance and debt services. As at 30 June 2010, Plan B Group Holdings Limited had approximately \$2.1 billion of FUMA, administration and advice.

WHK Group Limited

WHK Group Limited offers business and financial services to small medium enterprises and high net worth customers primarily in Australia and New Zealand. Its services include financial planning, wealth management, accounting, audit and assurance, taxation, lending and finance, business advisory, estate and succession planning, risk and general insurance, agribusiness consulting, superannuation. WHK Group Limited employs over 3,200 staff throughout Australia and New Zealand, and had approximately \$7.9 billion of FUMA as at 30 June 2010.

Austock Group Limited

Austock Group Limited is a diversified investment and financial services company which engages in financial planning including retirement advice, investment, superannuation, life cover, income protection insurance, superannuation and permanent disability cover. Austock Group Limited also offers general corporate advisory services in the areas of capital management, corporate governance issues and dividend policy. Other operations include private wealth and investment management, property investment products and stockbroking. As at 30 June 2010, Austock Group Limited had approximately \$175 million of FUMA.

Equity Trustees Limited

Equity Trustees Limited provides personal trust and financial services to customers in Australia. Services include will and estate planning, trustee for settlements, financial guardian services, investment and property management, managed funds, wealth management, trustee, responsible entity and custodian services. Other services provided by the company include income tax services, short term share trading and mortgage loans and investments. As at 30 June 2010, Equity Trustees Limited had approximately \$2.2 billion of FUMA.

Challenger Financial Service Group Limited

Challenger Financial Services Group Limited is a diversified financial services organisation offering annuities and managed fund products across a range of asset classes. Challenger Financial Services Group Limited's investment management business had approximately \$18.3 billion of FUMA as at 30 June 2010.

TOWER Australia Group Limited

TOWER Australia Group Limited provides insurance, superannuation, financial planning, and retirement solutions in Australia. Insurance products include income protection, life insurance, critical illness and funeral plan insurance. As at 31 March 2010, TOWER Australia Group Limited had approximately \$2.9 billion of FUMA.

Platinum Asset Management

Platinum Asset Management is an Australian fund manager specialising in international equities. Platinum Asset Management manages wholesale and retail investments, through a wide range of Australian and international funds. As at 30 June 2010, Platinum Asset Management had approximately \$18.4 billion of FUMA.

Perpetual Limited

Perpetual Limited is a financial services company engaged in investment management, financial planning and advice, trustee, custodian, responsible entity and fiduciary services as well as corporate trust and business services. Through its investment management business, a range of managed funds are offered which cover all major asset classes. Financial advice offered to clients includes strategic planning, investment strategy, superannuation, retirement income, estate planning and tax advice as well as life and disability insurance. Perpetual Limited had approximately \$26.9 billion of FUMA as at 30 June 2010.

IOOF Holdings Limited

IOOF Holdings Limited is a fully integrated financial services company in Australia. Services offered include funds management, wealth management, superannuation, asset management,

estate planning and corporate trust services. IOOF Holdings Limited had approximately \$99.1 billion of FUMA as at 30 June 2010.

Hunter Hall International Limited

Hunter Hall International Limited is an investment manager offering a range of Australian and international managed funds to wholesale and retail investors. As at 30 June 2010, Hunter Hall International Limited had approximately \$1.8 billion of FUMA.

Appendix 4: Comparable transactions

Below are the details of comparable market transactions since 1 January 2008, listed by most recent.

Table 24: Earnings multiples – mergers and acquisitions

Company	Acquired by	Effective date	Ownership acquired (%)	Value (\$million)	FUMA (\$billion)	NPAT multiple (times)
Financial planning and advisory services						
Aviva Australia Holdings Limited	National Australia Bank Limited	Sep-09	100	925.0	15.7	15.2
Tasmanian Perpetual Trustees Limited	MyState Limited	Sep-09	100	92.0	1.0	13.1
Goldman Sachs JBWere Pty Limited, private wealth management business	National Australia Bank Limited	Jul-09	80	123.6 ¹	10.0	n/a
Australian Wealth Management Limited	IOOF Holdings Limited	Apr-09	100	551.0	n/a	8.4
OM Group (UK) Limited, Skandia and Intech businesses	IOOF Holdings Limited	Mar-09	100	34.0	8.1	n/a
Centric Wealth Advisers Limited	CHAMP Private Equity	Mar-09	75	106.7 ¹	3.9	n/a
Next Financial Limited	Wilson HTM Investment Group Limited	Feb-09	100	43.3	1.5	5.4
Patersons Securities Limited	Brunei Investment Agency	Feb-09	19	63.7 ¹	n/a	n/a
TOWER Australia Group Limited	The Dai-ichi Life Insurance Company Limited	Oct-08	30	1,267.1 ¹	n/a	20.6
Southern Cross Equities Limited	Bell Potter Securities Limited	Sep-08	100	130.5	n/a	3.0
Tollhurst Noall Financial Planning (Queensland) Pty Limited	Robe Australia Limited	Jun-08	100	2.0	n/a	n/a
Challenger Financial Service Group Limited, financial planning business	AXA Asia Pacific Holdings Limited	Jun-08	100	150.0	n/a	n/a
Ord Minnett Management Limited	Australian Wealth Management Limited	May-08	70	119.0 ¹	n/a	n/a
Low						3.0
Average						10.9
Median						10.7
High						20.6

Source: Capital IQ, Mergermarket, Connect4, Company announcements

Note:

1. Transactions where less than 100% was acquired are displayed on a 100% consideration basis

Appendix 5: Sources of information

In preparing this report we have had access to the following principal sources of information:

- drafts of the Scheme Booklet
- various Centrepont ASX announcements, and PIH shareholder announcements
- annual reports for PIH and Centrepont for FY2007 to FY2010
- PIH forecast financial performance for FY2011
- internal management documents of PIH
- annual reports for comparable companies to PIH
- company websites for PIH and its various subsidiaries, Centrepont and comparable companies
- publicly available information on comparable companies and market transactions published by ASIC, Thompson Reuters research, Capital IQ, SDC Platinum and Mergermarket
- IBIS World Pty Limited company and industry reports
- other publicly available information, media releases and brokers reports on PIH, Centrepont, comparable companies and the Australian investment advice industry.

In addition, we have had discussions and correspondence with certain directors and executives, including Stephen Murphy, Chairman; Christopher Castles, Non Executive Director and various members of the management team of PIH in relation to the above information and to current operations and prospects.

Appendix 6: Qualifications, declarations and consents

The report has been prepared at the request of PIH Directors and is to be included in the Scheme Booklet to be given to PIH Shareholders for approval of the Proposed Merger. Accordingly, it has been prepared only for the benefit of PIH Directors and those persons entitled to receive the Scheme Booklet in their assessment of the Proposed Merger outlined in the report and should not be used for any other purpose. We are not responsible to you, or anyone else, whether for our negligence or otherwise, if the report is used by any other person for any other purpose. Further, recipients of this report should be aware that it has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Proposed Merger. This engagement has been conducted in accordance with professional standard APES 225 Valuation Services issued by the APESB.

The report represents solely the expression by Deloitte of its opinion as to whether the Proposed Merger is in the best interests of PIH Shareholders as a whole. Deloitte consents to this report being included in the Scheme Booklet in the form and context in which it is to be included in the Scheme Booklet.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte has relied upon the completeness of the information provided by PIH and its officers, employees, agents or advisors which Deloitte believes, on reasonable grounds, to be reliable, complete and not misleading. Deloitte does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to PIH management for confirmation of factual accuracy.

In recognition that Deloitte may rely on information provided by PIH and its officers, employees, agents or advisors, PIH has agreed that it will not make any claim against Deloitte to recover any loss or damage which PIH may suffer as a result of that reliance and that it will indemnify Deloitte against any liability that arises out of either Deloitte's reliance on the information provided by PIH and its officers, employees, agents or advisors or the failure by PIH and its officers, employees, agents or advisors to provide Deloitte with any material information relating to the Proposed Merger.

In preparing our report we have had some access to the management of Centrepont. Drafts of our report were issued to Centrepont management for confirmation of factual accuracy. However, we may not have become aware of all information that may be relevant to our valuation of this entity. Accordingly the conclusions reached in our valuation report could differ to those reached had we had full access to the management of Centrepont.

To the extent that this report refers to prospective financial information we have considered the prospective financial information and the basis of the underlying assumptions. The procedures involved in Deloitte's consideration of this information consisted of enquiries of PIH personnel and analytical procedures applied to the financial data. These procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the AUASB or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

Based on these procedures and enquiries, Deloitte considers that there are reasonable grounds to believe that the prospective financial information for PIH included in this report has been prepared on a reasonable basis. In relation to the prospective financial information, actual results may be different from the prospective financial information of PIH referred to in this report since anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective financial information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective financial information will be achieved.

Deloitte holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employees of Deloitte principally involved in the preparation of this report were Andrew Nehill, Director, B.Com, FCA, Grad. Dip. App. Fin.; Robin Polson, Director, B.Com, Grad. Dip. App. Fin. Inv. and Renee Daus, Associate Director, MAF, B.Com, CA. Andrew, Robin and Renee have many years experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Neither Deloitte, Deloitte Touche Tohmatsu, nor any partner or executive or employee thereof has any financial interest in the outcome of the proposed transaction which could be considered to affect our ability to render an unbiased opinion in this report. Deloitte will receive a fee of \$145,000 exclusive of GST in relation to the preparation of this report. This fee is based upon time spent at our normal hourly rates and is not contingent upon the success or otherwise of the Proposed Merger.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 123 Eagle Street, Brisbane QLD 4000 acknowledges that:

- PIH proposes to issue a disclosure document in respect of the Proposed Merger between Centrepont and the holders of PIH shares (the Scheme Booklet)
- the Scheme Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Scheme Booklet for review
- it is named in the Scheme Booklet as the 'Independent Expert' and includes its independent expert's report in annexure A of the Scheme Booklet.

On the basis that the Scheme Booklet is consistent in all material respects with the draft Scheme Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Scheme Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report in annexure A of the Scheme Booklet and to all references to its independent expert's report in the form and context in which they are included, whether the Scheme Booklet is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Scheme Booklet and takes no responsibility for any part of the Scheme Booklet, other than any references to its name and the independent expert's report as included in annexure A.

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Annexure B

Implementation Deed



Merger Implementation Deed

Professional Investment Holdings Ltd
(ACN 074 949 429) (Target)

Centrepont Alliance Limited
(ACN 052 507 507) (Bidder)

BAKER & MCKENZIE

Solutions
Level 19

181 William Street

MELBOURNE VIC 3000

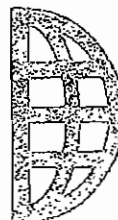
Tel: (03) 9617-4200

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Ref: 1130709-v1@MELDMSAUS\$SG



[Handwritten signature]

Contents

Clause Number	Heading	Page
1	Definitions & Interpretation	1
2	Agreement to propose Schemes	12
3	Conditions	12
4	Schemes	20
5	Co-operation	22
6	Implementation	23
7	Warranties	34
8	Termination	39
9	Public announcements	40
10	Confidentiality	41
11	Conduct of Court proceedings	44
12	Costs and stamp duty	44
13	Cost Recovery	44
14	Exclusivity	47
15	Restriction on acquiring securities	48
16	Extent of Target's obligations	49
17	GST	49
18	Acknowledgements	49
19	Notices	50
20	General	51
	Annexure 1	55
	Indicative Timetable	55
	Annexure 2	56
	Agreed joint announcement	56
	Annexure 3	57
	Target Ordinary Shares Deed Poll	57
	Annexure 4	58
	Scheme of Arrangement for Target Ordinary Shares	58

Annexure 5	59
Target A Class Shares Deed Poll	59
Annexure 6	60
Scheme of Arrangement for Target A Class Shares	60
Annexure 7	61
Target Z Class Shares Deed Poll	61
Annexure 8	62
Scheme of Arrangement for Target Z Class Shares	62
Annexure 9	63
Target Redeemable Preference Shares Deed Poll	63
Annexure 10	64
Scheme of Arrangement for Target Redeemable Preference Shares	64
Annexure 11	65
Amendment to Target Constitution	65



Date 24 AUGUST 2010

Parties Professional Investment Holdings Ltd (ACN 074 949 429) of Level 14,
Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall,
Queensland, 4217 (*Target*)

Centrepont Alliance Limited (ACN 052 507 507) of Level 2, 6 Thelma Street,
West Perth, Western Australia, 6005 (*Bidder*)

Recitals

- A Bidder wishes to acquire all of the issued capital of Target by means of four members' schemes of arrangement (one in relation to Target Ordinary Shares, one in relation to Target A Class Shares, one in relation to the Target Z Class Shares and one in relation to Target Redeemable Preference Shares) under Part 5.1 of the *Corporations Act*.
- B Prior to implementation of the Schemes, the Bidder intends to consolidate its issued capital on a 1 for 7 basis.
- C The parties intend that following the consolidation of the Bidder's issued capital and implementation of the Schemes, Target shareholders are intended to hold an effective interest in 75% of the issued securities of Bidder and Bidder shareholders are intended to hold an effective interest in 25% of the issued securities of Bidder.
- D Target and Bidder will implement the Schemes in good faith and on the terms of this document.

Operative provisions

1 Definitions & Interpretation

- 1.1 In this document, unless the context otherwise requires:

Acquisition means the acquisition of all the issued capital of Target by Bidder through implementation of the Schemes.

All Ordinaries Index means as set out in clause 3.1(y).

ASIC means the Australian Securities and Investments Commission.

ASIC Act means the *Australian Securities and Investments Commission Act 2001* (Cth).

ASIC Policy means any relevant policy of ASIC that applies to any Target Group company.

ASX means ASX Limited (ACN 008 624 691) or the securities market which it operates, as the context requires.

Bidder Board means Bidder's board of directors as constituted from time to time.

Bidder Confidential Information means any of Bidder Group's business, commercial, financial or technical information disclosed or supplied by or on behalf of Bidder Group or any of its directors, officers, employees, consultants, advisers or associates to Target Group or



any of its directors, officers, employees, consultants, advisers or associates, and in whatever form or medium, and includes notes, records and copies made by Target Group or any of its directors, officers, employees, consultants, advisers or associates of such information but excludes:

- (a) information which is in the public domain (other than as a result of a breach of this document), or subsequently comes into the public domain other than by breach of any duty or obligation of confidence owed by Target to Bidder;
- (b) information which, at the time it was disclosed to Target, was in the possession of Target lawfully and without breach of any duty or obligation of confidence owed by Target to Bidder;
- (c) information provided or disclosed to Target by a third party, other than by breach of any duty or obligation of confidence owed by Target to Bidder; and
- (d) the Bidder Scheme Information.

Bidder Directors means the directors on the Bidder Board as constituted from time to time.

Bidder Distribution means a distribution by the Bidder to Bidder Ordinary Shareholders with a record date before the Effective Date of 2.5 cents per Bidder Ordinary Share (on a pre-consolidation basis) in the form of a capital reduction or such other form as the Bidder determines with the written consent of Target, such consent not to be unreasonably withheld or delayed.

Bidder Due Diligence Information means all information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Bidder Group provided by Bidder or its officers and advisers to Target or its officers and advisers in connection with the Schemes.

Bidder Employee Share Plan means the Centrepont Alliance Employee Share Plan.

Bidder General Meeting means the General Meeting of shareholders of Bidder convened to pass resolutions considered necessary or desirable by Bidder and Target for the purpose of implementing the Schemes including:

- (a) a consolidation of the Bidder Ordinary Shares on a 1 for 7 basis;
- (b) approval of the implementation of the Schemes under Listing Rule 11.1.2; and
- (c) approving the Bidder Distribution by way of capital reduction.

Bidder Group means Bidder and each of its Subsidiaries.

Bidder Indemnified Party means each member of the Bidder Group and its directors, officers, employees and advisers (other than in their capacity as a Bidder shareholder).

Bidder Material Adverse Change means a material adverse change occurring to, or being threatened or announced in relation to, the business, financial or trading position or condition, assets or liabilities, profitability or prospects of the Bidder Group including where the net tangible assets (other than deferred tax assets) of the Bidder Group as at 31 October 2010 (assuming that the Bidder Distribution has occurred by then) are less than \$15 million, but does not include any change which occurs directly or indirectly as a result of any matter, event or circumstance required by this document, one or more of the Schemes or the transactions contemplated by them.

Bidder Notice of Meeting Documentation means the notice of meeting and explanatory memorandum issued to shareholders of Bidder in relation to the Bidder General Meeting.

Bidder Prescribed Occurrence means any of the events set out in section 652C(1) or (2) of the *Corporations Act* as if Bidder is 'target' occurring in relation to the Bidder between the date of this document and 8.00am on the Second Court Hearing Date, unless such event:

- (a) has been fairly, accurately and completely disclosed to Target in writing prior to the date of this document or announced prior to the date of execution of this document;
- (b) is authorised by, or otherwise contemplated in, this document; or
- (c) has the express prior written consent of Target.

Bidder Scheme Information means the information about Bidder and the Bidder Shares as is required to be included in the Scheme Booklet under the *Corporations Act*, *Corporations Regulations* or ASIC Regulatory Guide 60. For the avoidance of doubt, Bidder Scheme Information does not include information about the Target Group (except to the extent it relates to any statement of intention relating to the Target Group following the Effective Date).

Bidder Share means a Bidder Ordinary Share.

Bidder Ordinary Share means a fully paid ordinary share in the Bidder.

Bidder Ordinary Shareholder means a holder of Bidder Ordinary Shares entitled to vote at the Bidder General Meeting.

Bidder Warranties means the warranties of Bidder set out in clause 7.3 of this document.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Sydney.

Competing Proposal means:

- (a) any proposal or offer to acquire all or a substantial part of the assets or business of the Target Group;
- (b) any proposal for a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination involving a substantial part of the Target Group;
- (c) any proposal to form a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as any of the transactions referred to in clause (b); or
- (d) any proposal for Target to issue a material number of its shares or other securities as consideration for the assets or securities of another person,

received from any person other than the Bidder.

Completion means the implementation of the Schemes on the Implementation Date.

Confidential Information means Target Confidential Information or Bidder Confidential Information as the context requires.

Consideration means the new Bidder Shares to be issued to either:





- (a) Target Ordinary Share Scheme Shareholders as the Target Ordinary Share Scheme Consideration under clause 4.2;
- (b) Target A Class Share Scheme Shareholders as the Target A Class Share Scheme Consideration under clause 4.4; or
- (c) Target Z Class Share Scheme Shareholders as the Target Z Class Share Scheme Consideration under clause 4.6; or
- (d) Target Redeemable Preference Share Scheme Shareholders as the Target Redeemable Preference Share Scheme Consideration as set out in clause 4.8.

Control has the meaning given to that term in the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Cost Recovery means any amount which may become receivable by a party from the other party subject to and in accordance with clause 13 of this document.

Court means the Federal Court of New South Wales or such other court as the parties may agree.

Deed Polls means the Target Ordinary Shares Deed Poll, the Target A Class Shares Deed Poll, Target Z Class Shares Deed Poll and the Target Redeemable Preference Shares Deed Poll.

Dispatch Date means the day that the Scheme Booklet is despatched to Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders and Target Redeemable Preference Shareholders.

Effective means, when used in relation to either of the Schemes, the coming into effect, under section 411(10) of the *Corporations Act*, of the Court order made under section 411(4)(b) of the *Corporations Act* in relation to the relevant Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Schemes become Effective.

Encumbrance means any:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power, title retention or flawed deposit arrangement;
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

or any document to create any of them or allow them to exist.

Exclusivity Period means the period between the date of this document and the earlier of:

- (a) the Sunset Date;
- (b) the Effective Date; and

- (c) the date this document is terminated in accordance with clauses 3.18, 3.19 and 8.

First Court Hearing Date means the date the Court hears the application to order the convening of the Target Ordinary Shareholders Scheme Meeting, the Target A Class Shareholders Scheme Meeting, the Target Z Class Shareholders Scheme Meeting and the Target Redeemable Preference Shareholders Scheme Meeting under section 411(1) of the *Corporations Act*, or if the application is adjourned for any reason, the date the adjourned application is heard.

Government Agency means:

- (a) a government, whether foreign, federal, state, territorial or local;
- (b) a department, office or minister of a government (whether foreign, federal, state, territorial or local) acting in that capacity; or
- (c) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal authority, whether statutory or not and whether foreign, federal, state, territorial or local,

and includes ASX, ASIC and the Takeovers Panel.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Amount means the amount calculated by multiplying the monetary consideration payable by the recipient (excluding the amount payable as GST) for the relevant taxable supply by the prevailing GST rate.

Implementation Date means the Business Day following the Schemes Record Date.

Listing Rules means the listing rules of ASX as amended from time to time.

Material Contracts means each of the following contracts, deeds and agreements set out below:

- (a) Facility Agreement between Parramatta Site Developments Pty Ltd and Macquarie Bank Limited; and
- (b) Facility Agreement between MI Professional Funding Pty Ltd and Bendigo and Adelaide Bank Limited.

Permitted Encumbrance has the meaning given to it in the Target Convertible Note Subscription Agreement.

Relevant Number means the number calculated by dividing 70,252,219 by the Target Diluted Capital Number.

Register means Target's register of Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders and Target Redeemable Preference Shareholders.

Regulatory Consents has the meaning given to that term in clause 3.1(f) of this document.

Riverbank means the Riverbank Shopping Centre located at Church Street, Parramatta, New South Wales.

Scheme Booklet means the document containing the information described in clause 6.1(a) of this document to be despatched to Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders and Target Redeemable Preference Shareholders.



Scheme Meetings means the Target Ordinary Shareholders Scheme Meeting, the Target A Class Shareholders Scheme Meeting, the Target Z Class Shareholders Scheme Meeting and the Target Redeemable Preference Shareholders Scheme Meeting.

Schemes means the Target Ordinary Share Scheme, the Target A Class Share Scheme, the Target Z Class Share Scheme and the Target Redeemable Preference Share Scheme.

Schemes Record Date means 8.00 pm on the second Business Day after the Effective Date.

Second Court Hearing Date means the first day on which the application made to the Court for an order approving the Schemes pursuant to section 411(4)(b) of the *Corporations Act* is heard, or if the hearing of the application is adjourned for any reason, the first day of the adjourned hearing.

Subsidiary has the meaning given to that term in section 46 of the *Corporations Act*.

Substantial Holding has the meaning given to that term in section 9 of the *Corporations Act*.

Sunset Date means 8.00pm on 28 February 2011 or such other date and time agreed in writing between Bidder and Target (including under clause 6.5(b) of this document).

Superior Proposal means a Competing Proposal which a majority of the Target Directors who consider the matter, acting reasonably and in good faith, resolves is:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Proposal; and
- (b) reasonably likely to result in a proposal that is more favourable to Target Ordinary Share Scheme Shareholders, Target A Class Scheme Shareholders, Target Z Class Scheme Shareholders or Target Redeemable Preference Share Scheme Shareholders than the relevant Scheme, taking into account all terms and conditions of the Competing Proposal.

Target A Class Share Scheme means the scheme of arrangement between Target and Target A Class Shareholders, substantially in the form set out in **Annexure 6**, under which all the Target A Class Shares will be transferred to Bidder under Part 5.1 of the *Corporations Act* as described in clause 4, in consideration for the Target A Class Share Scheme Consideration, subject to any alterations or conditions made pursuant to clause 6.1(k) or made or required by the Court under section 411(6) of the *Corporations Act*.

Target A Class Share Scheme Consideration means the consideration payable to Target A Class Share Scheme Shareholders as set out in clause 4.4 of this document.

Target A Class Share Scheme Shareholder means each person who is a Target A Class Shareholder at the Schemes Record Date.

Target A Class Share Scheme Shares means all Target A Class Shares as at the Schemes Record Date.

Target A Class Shareholder means a holder of Target A Class Shares.

Target A Class Shareholders Class Meeting means the Target A Class Shareholders' meeting convened to consider the Target Constitutional Amendment.

Target A Class Shareholders Scheme Meeting means the Target A Class Shareholders' meeting ordered by the Court to be convened under section 411(1) of the *Corporations Act* to consider the Target A Class Share Scheme.

Target A Class Shares means any 'A' class share in Target.

Target A Class Shares Deed Poll means the deed poll to be executed by Bidder substantially in the form of Annexure 5 under which Bidder covenants in favour of Target A Class Share Scheme Shareholders to perform its obligations under this document as regards the implementation of the Target A Class Share Scheme.

Target Advisers means advisers who are members of the Target's professional network from time to time;

Target Board means the board of directors of Target as constituted from time to time.

Target Confidential Information means any of Target Group's business, commercial, financial or technical information disclosed or supplied by or on behalf of Target Group or any of its directors, officers, employees, consultants, advisers or associates to Bidder Group or any of its directors, officers, employees, consultants, advisers or associates, and in whatever form or medium, and includes notes, records or copies made by Bidder Group or any of its directors, officers, employees, consultants, advisers or associates of such information but excludes:

- (a) information which is in the public domain (other than as a result of a breach of this document), or subsequently comes into the public domain other than by breach of any duty or obligation of confidence owed by Bidder to Target;
- (b) information which, at the time it was disclosed to Bidder, was in the possession of Bidder lawfully and without breach of any duty or obligation of confidence owed by Bidder to Target;
- (c) information provided or disclosed to Bidder by a third party, other than by breach of any duty or obligation of confidence owed by Bidder to Target; and
- (d) the Target Scheme Information.

Target Constitutional Amendment means the proposed amendment to the constitution of the Target as set out in Annexure 11.

Target Convertible Notes means convertible notes in Target issued in accordance with the Target Convertible Note Subscription Agreement.

Target Convertible Note Subscription Agreement means the convertible note subscription agreement between Target and the Bidder dated on or about the date of this document.

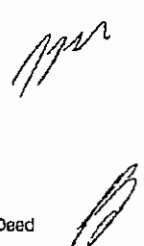
Target Diluted Capital Number means the sum of 46,659,530 and the number of shares issued under the Target Permitted Share Issue.

Target Directors means the directors on the Target Board as constituted from time to time.

Target Due Diligence Information means all information relating to the business, assets, liabilities, operations, profits and losses, financial position and performance and prospects of Target Group provided by Target or its officers and advisers to Bidder or its officers and advisers in connection with the Schemes and any associated transactions.

Target E Class Shares means any 'E' class share in the Target.

Target Group means Target and each of its Subsidiaries.



Target Indemnified Party means each member of the Target Group and their respective directors, officers, employees and advisers (other than in their capacity as a Target Ordinary Shareholder, Target A Class Shareholder, Target Z Class Shareholder or a Target Redeemable Preference Shareholder) and includes the Target Independent Expert.

Target Independent Expert means an independent expert engaged by Target to prepare the Target Independent Expert's Report.

Target Independent Expert's Report means the report prepared by the Target Independent Expert and stating whether:

- (a) the Target Ordinary Share Scheme is fair and reasonable and therefore in the best interests of Target Ordinary Shareholders;
- (b) the Target A Class Share Scheme is fair and reasonable and therefore in the best interests of Target A Class Shareholders;
- (c) the Target Z Class Share Scheme is fair and reasonable and therefore in the best interests of Target Z Class Shareholders; and
- (d) the Target Redeemable Preference Share Scheme is fair and reasonable and therefore in the best interests of Target Redeemable Preference Shareholders.

Target Information means information provided by Target to Bidder for inclusion in the Bidder Notice of Meeting documentation.

Target Material Adverse Change means a material adverse change occurring to, or being threatened or announced in relation to, the business, financial or trading position or condition, assets or liabilities, profitability or prospects of the Target Group including the circumstances described in paragraphs (a) to (c) of the definition of PIH Material Adverse Change in the Convertible Note Subscription Agreement, but does not include any change which occurs directly or indirectly as a result of any matter, event or circumstance required by this document, one or more of the Schemes or the transactions contemplated by them.

Target Notice of Meeting Documentation means the notices of meeting and explanatory memoranda issued in relation to the Target Ordinary Shareholders Class Meeting, Target A Class Shareholders Class Meeting, Target Z Class Shareholders Class Meeting, Target Redeemable Preference Shareholders Class Meeting and Target Shareholders General Meeting.

Target Options means any options issued over the Target's unissued capital.

Target Ordinary Share Scheme means the scheme of arrangement between Target and Target Ordinary Share Scheme Shareholders, substantially in the form set out in Annexure 4, under which all the Target Ordinary Shares will be transferred to Bidder under Part 5.1 of the Corporations Act as described in clause 4, in consideration for the Target Ordinary Share Scheme Consideration, subject to any alterations or conditions made pursuant to clause 6.1(k) or made or required by the Court under section 411(6) of the Corporations Act.

Target Ordinary Share Scheme Consideration means the consideration payable to Target Ordinary Share Scheme Shareholders as set out in clause 4.2 of this document.

Target Ordinary Share Scheme Shareholder means each person who is a Target Ordinary Shareholder at the Schemes Record Date.

Target Ordinary Share Scheme Shares means all Target Ordinary Shares as at the Schemes Record Date.

Target Ordinary Shareholder means a holder of Target Ordinary Shares.

Target Ordinary Shareholders Class Meeting means the Target Ordinary Shareholders' meeting convened to consider the Target Constitutional Amendment.

Target Ordinary Shareholders Scheme Meeting means the Target Ordinary Shareholders' meeting ordered by the Court to be convened under section 411(1) of the *Corporations Act* to consider the Target Ordinary Share Scheme.

Target Ordinary Shares means fully paid ordinary shares in Target.

Target Ordinary Shares Deed Poll means the deed poll to be executed by Bidder substantially in the form of Annexure 3 under which Bidder covenants in favour of Target Ordinary Share Scheme Shareholders to perform its obligations under this document as regards the implementation of the Target Ordinary Share Scheme.

Target Permitted Share Issue means the proposed issue of Target Ordinary Shares to David Johnstone and Grahame Evans between the date of this document and 8.00am on the Second Court Hearing Date, details of which must be notified in writing to the Bidder in accordance with clause 6.1(j).

Target Prescribed Occurrence means any of the events set out in section 652C(1) or (2) occurring in relation to Target between the date of this document and 8.00am on the Second Court Hearing Date, unless such event:

- (a) has been fairly, accurately and completely disclosed to Bidder in writing or announced prior to the date of execution of this document;
- (b) is authorised by, or otherwise contemplated in, this document; or
- (c) has the express prior written consent of the Bidder.

Target Redeemable Preference Share Scheme means the scheme of arrangement between Target and Target Redeemable Preference Share Scheme Shareholders, substantially in the form set out in Annexure 10, under which all the Target Redeemable Preference Shares will be transferred to Bidder under Part 5.1 of the *Corporations Act* as described in clause 4, in consideration for the Target Redeemable Preference Share Scheme Consideration, subject to any alterations or conditions made pursuant to clause 6.1(k) or made or required by the Court under section 411(6) of the *Corporations Act*.

Target Redeemable Preference Share Scheme Consideration means the consideration payable to Target Redeemable Preference Share Scheme Shareholders as set out in clause 4.8 of this document.

Target Redeemable Preference Share Scheme Shareholder means each person who is a Target Redeemable Preference Shareholder at the Schemes Record Date.

Target Redeemable Preference Share Scheme Shares means all Target Redeemable Preference Shares as at the Schemes Record Date.

Target Redeemable Preference Shareholder means a holder of Target Redeemable Preference Shares.



Target Redeemable Preference Shareholders Class Meeting means the Target Redeemable Preference Shareholders' meeting convened to consider the Target Constitutional Amendment.

Target Redeemable Preference Shareholders Scheme Meeting means the Target Redeemable Preference Shareholders' meeting ordered by the Court to be convened under section 411(1) of the *Corporations Act* to consider the Target Redeemable Preference Share Scheme.

Target Redeemable Preference Shares means any "RPS" class share or redeemable preference share in Target.

Target Redeemable Preference Shares Deed Poll means the deed poll to be executed by Bidder substantially in the form of Annexure 9 under which Bidder covenants in favour of Target Redeemable Preference Share Scheme Shareholders to perform its obligations under this document as regards the implementation of the Target Redeemable Preference Share Scheme.

Target Scheme Information means all information contained in the Scheme Booklet other than the Bidder Scheme Information and the Target Independent Expert's Report and any tax opinion given by Target's external taxation advisers.

Target Shareholder means a holder of Target A Class Shares, Target Z Class Shares, Target Ordinary Shares or Target Redeemable Preference Shares.

Target Shareholders General Meeting means the Target Shareholders' general meeting convened to consider the Target Constitutional Amendment.

Target Warranties means the warranties of Target set out in clause 7.1 of this document.

Third Party means a person other than Bidder, a member of the Bidder Group or any of their respective associates.

Third Party Consents has the meaning given to that term in clause 3.1(z) of this document.

Target Z Class Shares means any 'Z' class share in Target.

Target Z Class Share Scheme means the scheme of arrangement between Target and Target Z Class Shareholders, substantially in the form set out in Annexure 8, under which all the Target Z Class Shares will be transferred to Bidder under Part 5.1 of the *Corporations Act* as described in clause 4, in consideration for the Target Z Class Share Scheme Consideration, subject to any alterations or conditions made pursuant to clause 6.1(k) or made or required by the Court under section 411(6) of the *Corporations Act*.

Target Z Class Share Scheme Consideration means the consideration payable to Target Z Class Share Scheme Shareholders as set out in clause 4.6 of this document.

Target Z Class Share Scheme Shareholder means each person who is a Target Z Class Shareholder at the Schemes Record Date.

Target Z Class Share Scheme Shares means all Target Z Class Shares as at the Schemes Record Date.

Target Z Class Shareholder means a holder of Target Z Class Shares.

Target Z Class Shareholders Class Meeting means the Target Z Class Shareholders' meeting convened to consider the Target Constitutional Amendment.

Target Z Class Shareholders Scheme Meeting means the Target Z Class Shareholders' meeting ordered by the Court to be convened under section 411(1) of the *Corporations Act* to consider the Target Z Class Share Scheme.

Target Z Class Shares Deed Poll means the deed poll to be executed by Bidder substantially in the form of **Annexure 7** under which Bidder covenants in favour of Target Z Class Share Scheme Shareholders to perform its obligations under this document as regards the implementation of the Target Z Class Share Scheme.

1.2 In this document:

- (a) unless the context otherwise requires, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document (including this document) is a reference to that document (including any Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iv) to an agreement includes any deed, agreement or legally enforceable arrangement or understanding in writing;
 - (v) to parties means the parties to this document and to a party means a party to this document;
 - (vi) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency;
 - (B) the person's successors, permitted assigns, substitutes, executors and administrators; and
 - (C) a reference to the representative member of the GST group to which the person belongs to the extent that the representative member has assumed rights, entitlements, benefits, obligations and liabilities which would remain with the person if the person were not a member of a GST group;
 - (vii) to a law:
 - (A) includes a reference to any constitutional provision, subordinate legislation, treaty, decree, convention, statute, regulation, rule, ordinance, proclamation, by-law, judgment, rule of common law or equity or rule of any applicable stock exchange;
 - (B) is a reference to that law as amended, consolidated, supplemented or replaced; and
 - (C) is a reference to any regulation, rule, ordinance, proclamation, by-law or judgment made under that law;
 - (viii) to proceedings includes litigation and arbitration;

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- (ix) to a judgment includes an order, injunction, decree, determination or award of any court or tribunal; and
- (x) to time is a reference to Sydney time;
- (b) headings are for convenience only and are ignored in interpreting this document;
- (c) if a period of time is specified and dates from, after or before, a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (d) if a payment or other act must (but for this clause 1.2(d)) be made or done on a day which is not a Business Day, then it must be made or done on the next Business Day;
- (e) the word "including" or "includes" means "including but not limited to" or "including without limitation"; and
- (f) where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

Construction

- 1.3 This document must not be construed adversely to a party solely because that party or its solicitors were responsible for preparing it.

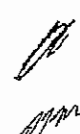
Payments

- 1.4 All payments by a party to another under this document must be made:
- (a) unless expressly stated otherwise, not later than 4.00 pm on the due date for payment; and
 - (b) by cheque or otherwise to the account specified by the recipient, or in any other manner as the recipient may notify the party required to make the payment.
- 1.5 An amount payable under this document which is not payable on a specified date is payable on demand by the party entitled to receive the payment.
- 1.6 All money payable by the parties under this document must be paid unconditionally and in full without demand, set off, withholding, counterclaim or deduction.

2 Agreement to propose Schemes

- 2.1 Target will propose and seek to implement the Schemes in accordance with this document.
- 2.2 Bidder will comply with its obligations under this document, the Schemes, and the Deed Polls and provide reasonable assistance to Target in proposing and implementing the Schemes, in accordance with this document.

3 Conditions

- 3.1 The Schemes will not become Effective until, and the obligations of Target and Bidder under clauses 4 and 6 of this document are subject to, each of the following conditions being satisfied or waived to the extent and in the manner set out in this clause 3:
- 

- (a) *(Target Independent Expert's Report)* The Target Independent Expert issues the Target Independent Expert Report before the date on which the Scheme Booklet is lodged with ASIC and the Target Independent Expert Report concludes that (in the absence of a Superior Proposal):
- (i) the Target Ordinary Share Scheme is fair and reasonable and therefore in the best interests of Target Ordinary Shareholders;
 - (ii) the Target A Class Share Scheme is fair and reasonable and therefore in the best interests of Target A Class Shareholders;
 - (iii) the Target Z Class Share Scheme is fair and reasonable and therefore in the best interests of Target Z Class Shareholders; and
 - (iv) the Target Redeemable Preference Share Scheme is fair and reasonable and therefore in the best interests of Target Redeemable Preference Shareholders,
- and the Target Independent Expert does not change its conclusion or withdraw its report prior to the Scheme Meetings.
- (b) *(Target significant transactions)* Between the date of this document and 8.00am on the Second Court Hearing Date, neither Target nor a Target Subsidiary entering into a transaction by which it:
- (i) acquires or agrees to acquire a substantial business, asset or undertaking, or is subject to a substantial new liability in each case with a value in excess of \$500,000; or
 - (ii) disposes of or agrees to dispose of a substantial business, asset or undertaking with a value in excess of \$500,000,
- other than as consented to by Bidder or as disclosed by Target to Bidder prior to the date of this document or as contemplated by this document.
- (c) *(Bidder significant transactions)* Between the date of this document and 8.00am on the Second Court Hearing Date, neither Bidder nor a Bidder Subsidiary entering into a transaction by which it:
- (i) acquires or agrees to acquire a substantial business, asset or undertaking, makes an investment, or is subject to a substantial new liability in each case with a value in excess of \$500,000; or
 - (ii) disposes of or agrees to dispose of a substantial business, asset or undertaking with a value in excess of \$500,000,
- other than where the transaction is completed in the ordinary course of business and involves the acquisition of a liability which is directly matched to a form of receivable or as consented to by Target or as disclosed by Bidder to Target prior to the date of this document or as contemplated by this document.
- (d) *(No Target Material Adverse Change)* No Target Material Adverse Change occurring between the date of this document and 8.00am on the Second Court Hearing Date.
- (e) *(No Bidder Material Adverse Change)* No Bidder Material Adverse Change occurring between the date of this document and 8.00am on the Second Court Hearing Date.

- (f) **(Regulatory Consents)** All approvals or consents required from any Government Agency or judicial entity or authority to implement the Schemes (other than the approval by the Court of the Schemes under section 411(4)(b) of the *Corporations Act*) having been obtained or deemed obtained before 8:00am on the Second Court Hearing Date (*Regulatory Consents*), including ASIC and ASX providing all consents and approvals and doing other acts which Bidder and Target agree are necessary or reasonably desirable to implement the Schemes (including the ASX approval required for the official quotation of the Bidder Ordinary Shares to be issued as part of the Consideration, subject only to customary pre-quotation listing conditions).
- (g) **(No prohibitive orders)** Prior to 8.00am on the Second Court Hearing Date no judicial authority, entity, or Government Agency taking any action, or imposing any legal restraint or prohibition, to prevent the implementation of the Schemes and no such order, decree, writing, other action or refusal is in effect as at 8.00am on the Second Court Hearing Date.
- (h) **(No Target Prescribed Occurrences)** No Target Prescribed Occurrences occurring between the date of this document and 8.00am on the Second Court Hearing Date.
- (i) **(No Bidder Prescribed Occurrences)** No Bidder Prescribed Occurrences occurring between the date of this document and 8.00am on the Second Court Hearing Date.
- (j) **(Orders convening Scheme Meetings)** The Court orders the convening of the Scheme Meetings, under section 411(1).
- (k) **(Shareholder Approval for Target Ordinary Share Scheme)** Target Ordinary Shareholder approval for the Target Ordinary Share Scheme is obtained at the Target Ordinary Shareholders Scheme Meeting by the requisite majorities in accordance with the *Corporations Act*.
- (l) **(Shareholder Approval for Target A Class Share Scheme)** Target A Class Shareholder approval for the Target A Class Share Scheme is obtained at the Target A Class Shareholders Scheme Meeting by the requisite majorities in accordance with the *Corporations Act*.
- (m) **(Target A Class Shareholder Approval for Target Constitutional Amendment)** Target A Class Shareholder approval for the Target Constitutional Amendment is obtained at the Target A Class Shareholders Class Meeting by the requisite majorities in accordance with the *Corporations Act*.
- (n) **(Shareholder Approval for Target Z Class Share Scheme)** Target Z Class Shareholder approval for the Target Z Class Share Scheme is obtained at the Target Z Class Shareholders Scheme Meeting by the requisite majorities in accordance with the *Corporations Act*.
- (o) **(Target Z Class Shareholder Approval for Target Constitutional Amendment)** Target Z Class Shareholder approval for the Target Constitutional Amendment is obtained at the Target Z Class Shareholders Class Meeting by the requisite majorities in accordance with the *Corporations Act*.
- (p) **(Target Ordinary Shareholder Approval for Target Constitutional Amendment)** Target Ordinary Shareholder approval for the Target Constitutional Amendment is obtained at the Target Ordinary Shareholders Class Meeting by the requisite majorities in accordance with the *Corporations Act*.

- (q) *(Target Redeemable Preference Shareholder Approval for Target Constitutional Amendment)* Target Redeemable Preference Shareholder approval for the Target Constitutional Amendment is obtained at the Target Redeemable Preference Shareholders Class Meeting by the requisite majorities in accordance with the *Corporations Act*.
- (r) *(Target Shareholder Approval for Target Constitutional Amendment)* Target Shareholder approval for the Target Constitutional Amendment is obtained at the Target Shareholders General Meeting by the requisite majorities in accordance with the *Corporations Act*.
- (s) *(Shareholder Approval for Target Redeemable Preference Share Scheme)* Target Redeemable Preference Shareholder approval for the Target Redeemable Preference Share Scheme is obtained at the Target Redeemable Preference Shareholders Scheme Meeting by the requisite majorities in accordance with the *Corporations Act*.
- (t) *(Bidder General Meeting)* Bidder Ordinary Shareholders approve all resolutions at the Bidder General Meeting as set out in the Bidder Notice of Meeting Documentation by the requisite majorities in accordance with the *Corporations Act* and the Listing Rules before 8:00am on the Second Court Hearing Date.
- (u) *(Court approval of Schemes)* The Court approves the Schemes in accordance with section 411(4)(b) of the *Corporations Act*.
- (v) *(Target Warranties)* The Target Warranties being true and correct on the date of this document and at 8.00am on the Second Court Hearing Date, provided that in respect of the Target Warranty in clause 7.1(k), this condition will be satisfied unless a Target Material Adverse Change has occurred as a result of that warranty being untrue or incorrect.
- (w) *(Bidder Warranties)* The Bidder Warranties being true and correct on the date of this document and at 8.00am on the Second Court Hearing Date, provided that in respect of the Bidder Warranty in clause 7.3(i), this condition will be satisfied unless a Bidder Material Adverse Change has occurred as a result of that warranty being untrue or incorrect.
- (x) *(No change of Target Board recommendation)* Between the date of this document and the later of:
 - (i) Target Ordinary Shareholders voting on the Target Ordinary Share Scheme at the Target Ordinary Shareholders Scheme Meeting;
 - (ii) Target A Class Shareholders voting on the Target A Class Share Scheme at the Target A Class Shareholders Scheme Meeting;
 - (iii) Target Z Class Shareholders voting on the Target Z Class Share Scheme at the Target Z Class Shareholders Scheme Meeting; and
 - (iv) Target Redeemable Preference Shareholders voting on the Target Redeemable Preference Share Scheme at the Target Redeemable Preference Shareholders Scheme Meeting,

no one or more of the Target Directors changing or withdrawing their recommendation to:

- (v) Target Ordinary Shareholders to vote in favour of the Target Ordinary Share Scheme and all resolutions incidental to the Target Ordinary Share Scheme;
 - (vi) Target A Class Shareholders to vote in favour of the Target A Class Share Scheme and all resolutions incidental to the Target A Class Share Scheme;
 - (vii) Target Z Class Shareholders to vote in favour of the Target Z Class Share Scheme and all resolutions incidental to the Target Z Class Share Scheme; and
 - (viii) Target Redeemable Preference Shareholders to vote in favour of the Target Redeemable Preference Share Scheme and all resolutions incidental to the Target Redeemable Preference Share Scheme.
- (y) **(Market Fall)** As at the close of trading on any Business Day between the date of this document and the Business Day before the Second Court Hearing Date, the All Ordinaries Index published by ASX (*All Ordinaries Index*) is 15% or more below its level as at the close of trading on the date of this document.
- (z) **(Third party consents)** Before 8:00am on the Second Hearing Date, all approvals or consents required by the Bidder or the Target from any third party under the Material Contracts in relation to the Acquisition have been obtained.
- (aa) **(No Competing Proposal)** As at 8:00am on the Second Court Hearing Date, the Target has not entered into any document, arrangement or understanding with a Third Party in relation to a Competing Proposal.
- (bb) **(Substantial Holding)** As at 8:00am on the Second Court Hearing Date, a competitor of the Target or any of its Subsidiaries does not have a Substantial Holding in the Bidder.
- (cc) **(Target Convertible Note Subscription Agreement)** As at 8:00am on the Second Court Hearing Date, there are no subsisting events of default under the Target Convertible Note Subscription Agreement.
- (dd) **(ASIC Enforceable Undertaking)** As at 8:00am on the Second Court Hearing Date, the Target Group having complied with any action required by clause 3.1(i) of the Convertible Note Subscription Agreement.
- (ee) **(Target Insurance Policies)** As at 8:00am on the Second Court Hearing Date, the professional indemnity insurance policies held by the Target Group remain in place or have been renewed on terms reasonably satisfactory to the Bidder (including terms in relation to the duration and terms of such coverage) and that are in compliance with ASIC Policy, with an insurance company acceptable to the Bidder.
- (ff) **(No Bidder securities issues or distributions)** Prior to 8:00am on the Second Court Hearing Date, no Bidder Shares or options over unissued Bidder Shares have been issued by Bidder and no existing options over Bidder Shares have been exercised, and with the exception of the Bidder Distribution, the Bidder has not announced, declared or paid any dividend, bonus or other distribution of profits or assets to its members.
- (gg) **(No Target securities issues or distributions)** With the exception of the Target Permitted Share Issue, prior to 8:00am on the Second Court Hearing Date no shares or options over unissued shares in Target have been issued by Target and no existing options over Target shares have been exercised, and Target has not announced,

declared or paid any dividend, bonus or other distribution of profits or assets to its members.

Schemes conditional

- 3.2 The Target Redeemable Preference Share Scheme is conditional on the lodgement with ASIC of an office copy of any Court orders approving the Target Ordinary Share Scheme, the Target Z Class Share Scheme and the Target A Class Share Scheme.
- 3.3 The Target A Class Share Scheme is conditional on the lodgement with ASIC of an office copy of any Court orders approving the Target Ordinary Share Scheme, the Target Z Class Share Scheme and the Target Redeemable Preference Share Scheme.
- 3.4 The Target Z Class Share Scheme is conditional on the lodgement with ASIC of an office copy of any Court orders approving the Target Ordinary Share Scheme, the Target A Class Share Scheme and the Target Redeemable Preference Share Scheme.
- 3.5 The Target Ordinary Share Scheme is conditional on the lodgement with ASIC of an office copy of any Court orders approving the Target Redeemable Preference Share Scheme, the Target Z Class Share Scheme and the Target A Class Share Scheme.

Reasonable endeavours

- 3.6 Each of Target and Bidder must use its reasonable endeavours to procure that:
 - (a) each of the conditions in clauses 3.1, 3.2, 3.3, 3.4 and 3.5 are satisfied as soon as reasonably practicable and in any event on or before the Sunset Date, including providing all reasonable assistance to the other party as is necessary to satisfy such conditions; and
 - (b) there is no occurrence within the control of Target or Bidder (as the context requires) or their Subsidiaries that would prevent the conditions in clause 3.1 from being satisfied, and continuing to be satisfied at all times until the last time that the conditions are to be satisfied.
- 3.7 Without limiting clause 3.6(a), Target or Bidder (as the case requires) must:
 - (a) promptly apply for all relevant Regulatory Consents and Third Party Consents and provide the other with a copy of all those applications;
 - (b) take all the steps for which it is responsible as part of the approval process;
 - (c) respond to requests for information at the earliest practicable time;
 - (d) provide the other party with all information reasonably requested in connection with applications made or to be made by the other party for Regulatory Consents or Third Party Consents; and
 - (e) so far as it is able, allow the other party and its representatives the opportunity to be present at any meetings with any Government Agency or third party relevant to the obtaining of Regulatory Consents or Third Party Consents.

Notices in relation to conditions

- 3.8 Each of Target and Bidder must promptly notify the other after it becomes aware that any condition in clause 3.1 has not been satisfied or has become incapable of being satisfied.

3.9 Each party must:

- (a) promptly notify the other of satisfaction of a condition in clause 3.1 and must keep the other informed of any material development of which it becomes aware that may lead to the breach or non-fulfilment of a condition in clause 3.1; and
- (b) if they are a party entitled to waive a breach or non-fulfilment of a condition under clauses 3.10, 3.11 or 3.12, upon receipt of a notice given under clause 3.8 or clause 3.9(a) in relation to that condition, give written notice to the other party as soon as possible as to whether or not it waives the breach or non-fulfilment of the relevant condition in clause 3.1, specifying the condition in question.

Waiver of conditions

- 3.10 The conditions in clauses 3.1(f), (g), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u) and clause 3.3 are for the joint benefit of Target and Bidder and any breach or non-fulfilment of any of these conditions may only be waived jointly by them in their absolute discretion.
- 3.11 The conditions in clauses 3.1(a), (c), (e), (i), (w) and (ff) are for the sole benefit of Target and any breach or non-fulfilment of any of these conditions may only be waived by Target in its absolute discretion.
- 3.12 The conditions in clauses 3.1(b), (d), (h), (v), (x), (y), (z), (aa), (bb), (cc), (dd), (ee) and (gg) are for the sole benefit of Bidder and any breach or non-fulfilment of any of these conditions may only be waived by Bidder in its absolute discretion.
- 3.13 To be effective any waiver of the breach or non-fulfilment of any condition in clause 3.1 must be in writing and a copy of the waiver must be provided to the other party prior to 9.00am on the Second Court Hearing Date.
- 3.14 Subject to clause 3.15, a waiver of the breach or non-fulfilment of any condition in clause 3.1 precludes the party who has the benefit of the condition from suing the other party for any breach of this document that resulted from any breach or non-fulfilment of the condition or arising from the same event which gave rise to the breach or non-fulfilment of the condition.
- 3.15 If the party who has the benefit of a condition in clause 3.1 waives a breach or non-fulfilment of the condition subject to one or more terms, and the other party agrees to those terms, then those terms will apply notwithstanding any inconsistency with clause 3.14. If the other party does not agree to the terms of any waiver, or those terms are not themselves met, the relevant condition will not be waived.
- 3.16 Unless specified in the waiver, a waiver of a breach or non-fulfilment of any condition will not constitute:
 - (a) a waiver of a breach or non-fulfilment of any other condition resulting from matters, events or circumstances giving rise to the breach or non-fulfilment of the first-mentioned condition; or
 - (b) a waiver of a breach or non-fulfilment of that condition resulting from any other matter, event or circumstance.

Failure of condition

3.17 Subject to clause 3.3, if:

- (a) a condition in clause 3.1 is not satisfied or waived by the date specified for its satisfaction; or

- (b) a condition in clause 3.1 becomes incapable of being satisfied by the date specified for its satisfaction and is not waived; or
- (c) the Schemes are not Effective by the Sunset Date,

then Target and Bidder must consult in good faith with a view to determining whether the Schemes may proceed by way of alternative means or methods or whether to extend the time for the satisfaction of the condition, adjourn the date of the application to the Court or extend the Sunset Date. However, the Target and the Bidder are not required to agree an alternative date for satisfaction of a condition, adjournment of the application to the Court, or the Sunset Date, or, to waive any condition which was not satisfied by the date specified for its satisfaction.

3.18 Subject to clause 8.3, if Target and Bidder are unable to reach agreement under clause 3.17 within 5 Business Days of the date on which they both become aware that the condition has become incapable of being satisfied (or any shorter period ending at 8.00am on the Second Court Hearing Date) then unless the relevant condition is waived (and subject always to clause 3.19):

- (a) in relation to any condition described in clause 3.12, Bidder may terminate this document at any time with immediate effect by written notice to Target;
 - (b) in relation to any condition described in clause 3.10, either party may terminate this document at any time with immediate effect by written notice to the other party; and
 - (c) in relation to any condition described in clause 3.11, Target may terminate this document at any time with immediate effect by written notice to Bidder,
- before 9.00am on the Second Court Hearing Date.

3.19 Subject to clause 8.3 and clause 13, if a condition in clause 3.1 has not been satisfied or there is an occurrence that will prevent the condition being satisfied by the earlier of:

- (a) the Sunset Date; or
- (b) the date specified in this document for its satisfaction,

as a result of a deliberate act or omission by Target or Bidder or their respective Subsidiaries or any of their respective directors, then:

- (c) in the case of a breach by Target or its Subsidiaries or any of their respective directors, only Bidder may terminate this document in relation to the failure of that condition; and
- (d) in the case of a breach by Bidder or its Subsidiaries or any of their respective directors, only Target may terminate this document in relation to the failure of that condition,

and to avoid any doubt, Bidder and Target acknowledge that if the condition precedent in clause 3.1(aa) is not satisfied at any point in time either Bidder or Target may terminate this document.

3.20 Nothing in clauses 3.1 to 3.19 affects or prejudices the operation of clause 6.5.

Regulatory Consents

- 3.21 A Regulatory Consent will be regarded as having been obtained notwithstanding that a condition or conditions may have been attached to that Regulatory Consent if that condition is satisfactory to the party (acting reasonably) required to comply with the condition.

Notice of changes

- 3.22 Target and Bidder must promptly notify each other in writing of any change or event causing, or which, so far as can reasonably be foreseen, would cause:
- (a) a representation or warranty in this document to be breached;
 - (b) a breach or non-fulfilment of any of the conditions in clause 3.1;
 - (c) a material breach of this document; or
 - (d) the Schemes not to become Effective by the Sunset Date.

4 Schemes

Target Ordinary Share Scheme

- 4.1 Target will propose a scheme of arrangement under which, subject to clauses 3.1 and 3.5, at Completion (but with effect from the Effective Date):
- (a) all the Target Ordinary Share Scheme Shares are transferred to Bidder; and
 - (b) each Target Ordinary Share Scheme Shareholder is entitled to receive the Target Ordinary Share Scheme Consideration.

Target Ordinary Share Scheme Consideration

- 4.2 Bidder covenants in Target's favour (in its own right and separately as trustee or nominee for each Target Ordinary Share Scheme Shareholder) that in consideration of the Target Ordinary Share Scheme Shareholders transferring their Target Ordinary Shares to Bidder at Completion, Bidder will, in accordance with the Target Ordinary Shares Deed Poll and this document, on or before the Implementation Date and before the transfer of Target Ordinary Shares to Bidder issue to each Target Ordinary Share Scheme Shareholder the Relevant Number of Bidder Ordinary Shares on a post 1 for 7 consolidated basis for each Target Ordinary Share Scheme Share held by them at the Schemes Record Date, provided that, if the number of Target Ordinary Share Scheme Shares held by a Target Ordinary Share Scheme Shareholder means that their aggregate entitlement to Bidder Shares is not a whole number, any fractional entitlements to a Bidder Share will be rounded to the nearest whole number and will be rounded up if the fractional entitlement is one half.

Target A Class Share Scheme

- 4.3 Target will propose a scheme of arrangement under which, subject to clauses 3.1 and 3.3, at Completion (but with effect from the Effective Date):
- (a) all the Target A Class Share Scheme Shares are transferred to Bidder; and
 - (b) each Target A Class Share Scheme Shareholder is entitled to receive the Target A Class Share Scheme Consideration.

Target A Class Share Scheme Consideration

- 4.4 Bidder covenants in Target's favour (in its own right and separately as trustee or nominee for each Target A Class Share Scheme Shareholder) that in consideration of the Target A Class Scheme Shareholders transferring their Target A Class Shares to Bidder at Completion, Bidder will, in accordance with the Target A Class Shares Deed Poll and this document, on or before the Implementation Date and before the transfer of Target A Class Shares to Bidder issue to each Target A Class Share Scheme Shareholder the Relevant Number of Bidder Ordinary Shares on a post 1 for 7 consolidated basis for each Target A Class Share Scheme Share held by them at the Schemes Record Date, provided that, if the number of Target A Class Share Scheme Shares held by a Target A Class Share Scheme Shareholder means that their aggregate entitlement to Bidder Shares is not a whole number, any fractional entitlements to a Bidder Share will be rounded to the nearest whole number and will be rounded up if the fractional entitlement is one half.

Target Z Class Share Scheme

- 4.5 Target will propose a scheme of arrangement under which, subject to clauses 3.1 and 3.4, at Completion (but with effect from the Effective Date):
- (a) all the Target Z Class Share Scheme Shares are transferred to Bidder; and
 - (b) each Target Z Class Share Scheme Shareholder is entitled to receive the Target Z Class Share Scheme Consideration.

Target Z Class Share Scheme Consideration

- 4.6 Bidder covenants in Target's favour (in its own right and separately as trustee or nominee for each Target Z Class Share Scheme Shareholder) that in consideration of the Target Z Class Scheme Shareholders transferring their Target Z Class Shares to Bidder at Completion, Bidder will, in accordance with the Target Z Class Shares Deed Poll and this document, on or before the Implementation Date and before the transfer of Target Z Class Shares to Bidder issue to each Target Z Class Share Scheme Shareholder the Relevant Number of Bidder Ordinary Shares on a post 1 for 7 consolidated basis for each Target Z Class Share Scheme Share held by them at the Schemes Record Date, provided that, if the number of Target Z Class Share Scheme Shares held by a Target Z Class Share Scheme Shareholder means that their aggregate entitlement to Bidder Shares is not a whole number, any fractional entitlements to a Bidder Share will be rounded to the nearest whole number and will be rounded up if the fractional entitlement is one half.

Target Redeemable Preference Share Scheme

- 4.7 Target will propose a scheme of arrangement under which, subject to clauses 3.1 and 3.2, at Completion (but with effect from the Effective Date):
- (a) all the Target Redeemable Preference Share Scheme Shares are transferred to Bidder; and
 - (b) each Target Redeemable Preference Share Scheme Shareholder is entitled to receive the Target Redeemable Preference Share Scheme Consideration.

Target Redeemable Preference Share Scheme Consideration

- 4.8 Bidder covenants in Target's favour (in its own right and separately as trustee or nominee for each Target Redeemable Preference Share Scheme Shareholder) that in consideration for the Target Redeemable Preference Share Scheme Shareholder transferring their Target

Redeemable Preference Shares to Bidder at Completion, Bidder will, in accordance with the Target Redeemable Preference Shares Deed Poll and this document, on the Implementation Date and immediately before the transfer of Target Redeemable Preference Shares to Bidder, issue to each Target Redeemable Preference Share Scheme Shareholder the Relevant Number of Bidder Ordinary Shares on a post 1 for 7 consolidated basis for each Target Redeemable Preference Share held by a Target Redeemable Preference Share Scheme Shareholder at the Schemes Record Date, provided that, if the number of Target Redeemable Preference Share Scheme Shares held by a Target Redeemable Preference Share Scheme Shareholder means that their aggregate entitlement to Bidder Shares is not a whole number, any fractional entitlements to a Bidder Share will be rounded to the nearest whole number and will be rounded up if the fractional entitlement is one half.

Undertaking held as agent

- 4.9 Target acknowledges that the undertakings by Bidder in clauses 4.2, 4.4, 4.6 and 4.8 are given to Target in the Target's capacity as trustee and agent for each of the Target Ordinary Share Scheme Shareholders, the Target A Class Share Scheme Shareholders, Target Z Class Share Scheme Shareholders and the Target Redeemable Preference Share Scheme Shareholders to hold on trust for each Target Ordinary Share Scheme Shareholder, Target A Class Share Scheme Shareholder, Target Z Class Share Scheme Shareholder or Target Redeemable Preference Share Scheme Shareholder (as the case may be).

Shares to rank equally

- 4.10 Bidder covenants in favour of Target (in its own right and on behalf of each Target Ordinary Share Scheme Shareholder, Target A Class Share Scheme Shareholder, Target Z Class Share Scheme Shareholder and Target Redeemable Preference Share Scheme Shareholder) that subject to the terms of the Schemes:
- (a) all new Bidder Ordinary Shares issued pursuant to clauses 4.2, 4.4, 4.6 or 4.8 will, upon their issue, rank equally with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution;
 - (b) it will do everything reasonably necessary to ensure that trading in the new Bidder Ordinary Shares commences no later than the first Business Day after the Implementation Date; and
 - (c) on issue, each new Bidder Ordinary Share will be fully paid.

5 Co-operation

- 5.1 Target must use all reasonable endeavours and utilise all necessary resources (including management, shareholder, marketing and corporate relations resources, as well as the resources of external advisers) to produce the Scheme Booklet and the Bidder will provide all reasonable assistance requested by the Target to produce the Scheme Booklet as soon as reasonably practicable. Bidder and Target will for this purpose discuss the content of drafts of the Scheme Booklet and Target will consider all reasonable requests or suggestions by Bidder as to the content of the Scheme Booklet.
- 5.2 Bidder must use all reasonable endeavours and utilise all necessary resources to produce the Bidder Notice of Meeting Documentation. Bidder and Target will for this purpose discuss the content of the drafts of Bidder Notice of Meeting Documentation, and Bidder will consider all

reasonable requests or suggestions by Target as to the contents of the Bidder Notice of Meeting Documentation.

6 Implementation

Target's obligations

6.1 Notwithstanding any other provisions in this clause 6, Target must do all things and execute all deeds, instruments, consents, notices and other documents as may be reasonably necessary to propose and implement the Schemes, as soon as reasonably practicable and in any event prior to the Sunset Date but in the absence of a Superior Proposal. This includes:

- (a) (*Prepare Scheme Booklet*) Subject to compliance by Bidder with its obligations under clause 6.2(i) prepare the Scheme Booklet and ensure that the Target Scheme Information complies with all applicable laws including the *Corporations Act* and applicable ASIC Regulatory Guides. The Scheme Booklet must include, amongst other things:
 - (i) the Schemes;
 - (ii) the Deed Polls;
 - (iii) an explanatory statement complying with the *Corporations Act* requirements in respect of the Schemes as a whole;
 - (iv) the Target Independent Expert's Report;
 - (v) notice of the Target Ordinary Shareholders Scheme Meeting;
 - (vi) notice of the Target A Class Shareholders Scheme Meeting;
 - (vii) notice of the Target Z Class Shareholders Scheme Meeting;
 - (viii) notice of the Target Redeemable Preference Shareholders Scheme Meeting;
 - (ix) a proxy form for each of the Scheme Meetings;
 - (x) Target Notice of Meeting Documentation;
 - (xi) a statement that each Target Director recommends that Target Ordinary Shareholders vote in favour of the Target Ordinary Share Scheme (subject to no Superior Proposal emerging and the Target Independent Expert opining that the Target Ordinary Share Scheme is fair and reasonable and therefore in the best interests of Target Ordinary Shareholders);
 - (xii) a statement that each Target Director recommends that Target A Class Shareholders vote in favour of the Target A Class Share Scheme (subject to no Superior Proposal emerging and the Target Independent Expert opining that the Target A Class Share Scheme is fair and reasonable and therefore in the best interests of Target A Class Shareholders);
 - (xiii) a statement that each Target Director recommends that Target Z Class Shareholders vote in favour of the Target Z Class Share Scheme (subject to no Superior Proposal emerging and the Target Independent Expert opining

that the Target Z Class Share Scheme is fair and reasonable and therefore in the best interests of Target Z Class Shareholders); and

- (xiv) a statement that each Target Director recommends that Target Redeemable Preference Shareholders vote in favour of the Target Redeemable Preference Share Scheme (subject to no Superior Proposal emerging and the Target Independent Expert opining that the Target Redeemable Preference Share Scheme is fair and reasonable and therefore in the best interests of Target Redeemable Preference Shareholders).
- (b) *(Engage the Target Independent Expert)* Engage the Target Independent Expert to prepare and provide the Target Independent Expert's Report for inclusion in the Scheme Booklet and Target must provide or procure the provision of all assistance and information within the Target's possession reasonably requested by the Target Independent Expert to enable it to prepare the Target Independent Expert's Report.
- (c) *(Provide a copy of the Target Independent Expert's Report to Bidder)* On receipt, provide Bidder with a copy of the final version of the Target Independent Expert's Report received from the Target Independent Expert.
- (d) *(Engage suitable senior counsel)* Engage suitable senior counsel to represent Target in all Court proceedings related to the Schemes.
- (e) *(Consultation)* Consult with Bidder and give Bidder and its representatives a reasonable opportunity to provide input about the Scheme Booklet's content and presentation, and obtain Bidder's consent to include the Bidder Scheme Information in the Scheme Booklet in the form and context in which it appears (which consent must not be unreasonably withheld or delayed).
- (f) *(Provide Scheme Booklet)* Forward Bidder a copy of the final form of the Scheme Booklet (subject to review by ASIC and the Court) as soon as practicable after it has been approved by the Target Board under clause 6.1(1).
- (g) *(Access to information)* Provide Bidder and its representatives with:
 - (i) copies of unaudited accounts in respect of each member of the Target Group on a consolidated basis for the 4 month period ending 31 October 2010, on or before 29 November 2010; and
 - (ii) reasonable access during normal business hours and upon provision of reasonable notice by Bidder or its representatives between the date of this document and the earlier of 5.00pm on the Business Day immediately before the Second Court Hearing Date and the date that this document is terminated, subject to any existing confidentiality obligations owed to third parties or applicable privacy laws, all information concerning the Target Group including information contained in any books and records of any member of the Target Group, that Bidder or its professional advisers reasonably require to prepare the necessary documentation for obtaining any Regulatory Consents or reasonable access to Target Group's employees, offices, properties and other facilities for the purpose of implementing the Scheme or that may reasonably be required by Bidder or its professional advisers.
- (h) *(Target Information)* Prepare and provide to Bidder in a timely manner all information regarding Target, Target Ordinary Shares, Target A Class Shares, Target Z Class Shares and Target Redeemable Preference Shares within Target's knowledge

as reasonably requested by Bidder for inclusion in the Bidder Notice of Meeting Documentation for the Bidder General Meeting.

- (i) **(Target new information)** Provide to Bidder in a timely manner any further or new information of which Target becomes aware about Target, Target Ordinary Shares, Target A Class Shares, Target Z Class Shares or Target Redeemable Preference Shares which arises after the date that the Bidder Notice of Meeting Documentation is dispatched, and prior to the Bidder General Meeting which is necessary or reasonably required by Bidder to ensure that the information concerning Target, Target Ordinary Shares, Target A Class Shares, Target Z Class Shares or Target Redeemable Preference Shares disclosed to Bidder Shareholders is not false, misleading or deceptive in any material respect (including because of any material omission).
- (j) **(Target Permitted Share Issue)** Confirm in writing to Bidder prior to 15 September 2010 full and final details of the Target Permitted Share Issue.
- (k) **(Finalise Schemes and Scheme Booklet)** As soon as practicable after confirmation of the details of the Target Permitted Share Issue has been provided to the Bidder under clause 6.1(j):
 - (i) finalise each of the Schemes by replacing '[insert]' in the definition of 'Scheme Consideration' with the Relevant Number; and
 - (ii) insert the details of the Target Permitted Share Issue in relevant sections of the Scheme Booklet to enable lodgement with ASIC.
- (l) **(Approval of draft for ASIC)** As soon as practicable after the preparation of an advance draft of the Scheme Booklet suitable for review by ASIC, procuring that a meeting of the Target Board, or of a committee of the Target Board appointed for the purpose, is convened to consider approving that draft as being in a form appropriate for provision to ASIC for review.
- (m) **(Liaison with ASIC)** As soon as practicable after approval of the Target Board in accordance with clause 6.1(l), provide a draft of the Scheme Booklet, in the form approved under clause 6.1(l) to ASIC for its review and approval for the purposes of section 411(2) of the *Corporations Act* and:
 - (i) liaise with ASIC during the period of its consideration of that draft of the Scheme Booklet; and
 - (ii) keep Bidder informed of any matters raised by ASIC in relation to the Scheme Booklet, using all reasonable endeavours in co-operation with Bidder to resolve any such matters.
- (n) **(Approval of Scheme Booklet)** As soon as practicable after the conclusion of the review by ASIC of the Scheme Booklet, procuring that a meeting of the Target Board, or of a committee of the Target Board appointed for the purpose, is convened to consider approving the Scheme Booklet for dispatch to the Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders and Target Redeemable Preference Shareholders, subject to the Court making orders to convene the Target Ordinary Shareholders Scheme Meeting, Target A Class Shareholders Scheme Meeting, Target Z Class Shareholders Scheme Meeting and the Target Redeemable Preference Shareholders Scheme Meeting under section 411(1) of the *Corporations Act*.

- (o) **(Target Directors' recommendation)** State in the Scheme Booklet and the public announcement contemplated by clause 9 (on the basis of statements made to Target by the relevant members of the Target Board) that each of the Target Directors recommends that the Schemes be approved in the absence of a Superior Proposal, unless:
- (i) the Target Independent Expert opines that the:
 - (A) Target Ordinary Share Scheme is not fair and reasonable and therefore is not in the best interests of Target Ordinary Shareholders;
 - (B) Target A Class Share Scheme is not fair and reasonable and therefore is not in the best interests of Target A Class Shareholders; or
 - (C) Target Z Class Share Scheme is not fair and reasonable and therefore is not in the best interests of Target Z Shareholders; or
 - (D) Target Redeemable Preference Share Scheme is not fair and reasonable and therefore is not in the best interests of Target Redeemable Preference Shareholders; or
 - (ii) the Target Board obtains written advice from senior counsel that compliance or continued compliance with this clause 6.1(o) is excused under clause 16.1.
- (p) **(Target Directors' voting)** Target using its reasonable endeavours to procure that:
- (i) each member of the Target Board who holds Target Ordinary Shares, Target A Class Shares, Target Z Class Shares or Target Redeemable Preference Shares votes those Target Ordinary Shares, those Target A Class Shares, Target Z Class Shares and those Target Redeemable Preference Shares in favour of the relevant Scheme and any other resolution submitted to Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders and Target Redeemable Preference Shareholders for their approval in connection with the Schemes; and
 - (ii) each member of the Target Board does not change that voting intention, unless a Superior Proposal arises or the Target Independent Expert opines that the:
 - (iii) Target Ordinary Share Scheme is not fair and reasonable and therefore is not in the best interests of Target Ordinary Shareholders;
 - (iv) Target A Class Share Scheme is not fair and reasonable and therefore is not in the best interests of Target A Class Shareholders;
 - (v) Target Z Class Share Scheme is not fair and reasonable and therefore is not in the best interests of Target Z Class Shareholders; or
 - (vi) Target Redeemable Preference Share Scheme is not fair and reasonable and therefore is not in the best interests of Target Redeemable Preference Shareholders.
- (q) **(ASIC Registration)** Request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Schemes in accordance with section 412(6) of the *Corporations Act*.

- (r) *(Section 411(17)(b) statement)* Apply to ASIC for a statement under section 411(17)(b) of the *Corporations Act* that ASIC has no objection to the Schemes.
- (s) *(Court direction)* Apply to the Court for orders under section 411(1) of the *Corporations Act* directing Target to convene the Target Ordinary Shareholders Scheme Meeting, Target A Class Shareholders Scheme Meeting, Target Z Class Shareholders Scheme Meeting and the Target Redeemable Preference Shareholders Scheme Meeting.
- (t) *(Target new Scheme information)* Provide to Bidder, Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders and Target Redeemable Preference Shareholders any further or new information of which Target becomes aware after the Dispatch Date and prior to the Scheme Meetings which is necessary to ensure that the Target Scheme Information contained in the Scheme Booklet is not false, misleading or deceptive in any material respect (including because of any material omission) and otherwise complies with the requirements of the *Corporations Act*.
- (u) *(Target Ordinary Shareholders Class Meeting)* Convene and hold the Target Ordinary Shareholders Class Meeting and seek approval of the Target Ordinary Shareholders for the Target Constitutional Amendment, including preparing a notice of meeting and explanatory memorandum to be issued to Target Ordinary Shareholders.
- (v) *(Target Ordinary Shareholders Scheme Meeting)* Convene and hold the Target Ordinary Shareholders Scheme Meeting and seek approval of the Target Ordinary Shareholders for the Target Ordinary Share Scheme, including dispatching the Scheme Booklet to the Target Ordinary Shareholders, in accordance with the Court's orders.
- (w) *(Target A Class Shareholders Class Meeting)* Convene and hold the Target A Class Shareholders Class Meeting and seek approval of the Target A Class Shareholders for the Target Constitutional Amendment, including preparing a notice of meeting and explanatory memorandum to be issued to Target A Class Shareholders.
- (x) *(Target A Class Shareholders Scheme Meeting)* Convene and hold the Target A Class Shareholders Scheme Meeting and seek approval of the Target A Class Shareholders for the Target A Class Share Scheme, including dispatching the Scheme Booklet to the Target A Class Shareholders, in accordance with the Court's orders.
- (y) *(Target Z Class Shareholders Class Meeting)* Convene and hold the Target Z Class Shareholders Class Meeting and seek approval of the Target Z Class Shareholders for the Target Constitutional Amendment, including preparing a notice of meeting and explanatory memorandum to be issued to Target Z Class Shareholders.
- (z) *(Target Z Class Shareholders Scheme Meeting)* Convene and hold the Target Z Class Shareholders Scheme Meeting and seek approval of the Target Z Class Shareholders for the Target Z Class Share Scheme, including dispatching the Scheme Booklet to the Target Z Class Shareholders, in accordance with the Court's orders.
- (aa) *(Target Redeemable Preference Shareholders Class Meeting)* Convene and hold the Target Redeemable Preference Shareholders Class Meeting and seek approval of the Target Redeemable Preference Shareholders for the Target Constitutional

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Amendment, including preparing a notice of meeting and explanatory memorandum to be issued to Target Redeemable Preference Shareholders.

- (bb) *(Target Redeemable Preference Shareholders Scheme Meeting)* Convene and hold the Target Redeemable Preference Shareholders Scheme Meeting and seek approval of the Target Redeemable Preference Shareholders for the Target Redeemable Preference Shares Scheme, including dispatching the Scheme Booklet to the Target Redeemable Preference Shareholders, in accordance with the Court's orders.
- (cc) *(Target Shareholders General Meeting)* Convene and hold the Target Shareholders General Meeting and seek approval of the Target Shareholders for the Target Constitutional Amendment, including preparing a notice of meeting and explanatory memorandum to be issued to Target Redeemable Preference Shareholders.
- (dd) *(Court approval for Target Ordinary Share Scheme)* Apply to the Court for orders approving the Target Ordinary Share Scheme in accordance with sections 411(4)(b) and 411(6) if it is approved by the requisite majorities of Target Ordinary Shareholders at the Target Ordinary Shareholders Scheme Meeting.
- (ee) *(Court approval for Target A Class Share Scheme)* Apply to the Court for orders approving the Target A Class Share Scheme in accordance with sections 411(4)(b) and 411(6) if it is approved by the requisite majorities of Target A Class Shareholders at the Target A Class Shareholders Scheme Meeting.
- (ff) *(Court approval for Target Z Class Share Scheme)* Apply to the Court for orders approving the Target Z Class Share Scheme in accordance with sections 411(4)(b) and 411(6) if it is approved by the requisite majorities of Target Z Class Shareholders at the Target Z Class Shareholders Scheme Meeting.
- (gg) *(Court approval for Target Redeemable Preference Share Scheme)* Apply to the Court for orders approving the Target Redeemable Preference Share Scheme in accordance with sections 411(4)(b) and 411(6) if it is approved by the requisite majorities of Target Redeemable Preference Shareholders at the Target Redeemable Preference Shareholders Scheme Meeting.
- (hh) *(Certificate)* Provide the Court on the Second Court Hearing Date with a certificate confirming (in respect of matters within its knowledge) whether all the conditions in clause 3.1 (other than the condition in clause 3.1(a) relating to Court approval of the Schemes) have been satisfied or waived in accordance with the terms of this document.
- (ii) *(Target Prescribed Occurrence)* Between the date of this document and immediately before Completion, use its best endeavours to ensure that a Target Prescribed Occurrence does not occur other than in accordance with this document.
- (jj) *(Regulatory notifications)* Lodge with any Government Agency within the relevant time periods all necessary documentation and filings in relation to the Acquisition.
- (kk) *(Lodge copy of Court order)* Lodge an office copy of any Court orders approving the Schemes (if made) with ASIC in accordance with section 411(10) of the *Corporations Act* no later than 5.00 pm on the day after the orders are made.
- (ll) *(Register information)* Close the Register as at 5pm on the Schemes Record Date and provide Bidder and its share registry with all information necessary, or reasonably requested, about the Target Ordinary Share Scheme Shareholders, Target A Class

Share Scheme Shareholders, Target Z Class Share Scheme Shareholders and the Target Redeemable Preference Share Scheme Shareholders in order to assist Bidder to provide the Target Ordinary Share Scheme Consideration, Target A Class Share Scheme Consideration, Target Z Class Share Scheme Consideration and the Target Redeemable Preference Share Scheme Consideration (including to facilitate the issue of Bidder Shares).

- (mm) **(Transfer and Registration)** If the Schemes become Effective, Target Board to approve the transfer and register all transfers of Target Ordinary Share Scheme Shares, Target A Class Share Scheme Shares, Target Z Class Share Scheme Shares and Target Redeemable Preference Share Scheme Shares to Bidder under the Target Ordinary Share Scheme, the Target A Class Share Scheme, Target Z Class Share Scheme and the Target Redeemable Preference Share Scheme (respectively) at Completion.
- (nn) **(Compliance with laws)** Use its best endeavours to do everything reasonably within its power to ensure that the Schemes are effected in accordance with all laws and regulations applicable in relation to the Schemes.
- (oo) **(Other steps)** Do all other things reasonably necessary to give effect to the Schemes and the orders of the Court approving the Schemes.

Bidder's obligations

6.2 Notwithstanding any other provisions in this clause 6, Bidder must do all things and execute all deeds, instruments, consents, notices and other documents as may be reasonably necessary to implement the Schemes, as soon as reasonably practicable and in any event prior to the Sunset Date. This includes taking each of the following steps:

- (a) **(Prepare documents for Bidder General Meeting)** Subject to compliance by Target with its obligations under clause 6.1(h) prepare a notice of meeting and explanatory memorandum to be issued to shareholders of Bidder in relation to the Bidder General Meeting and ensure that these documents comply with all applicable laws including the *Corporations Act*, applicable ASIC Regulatory Guides and the Listing Rules. The notice of meeting and explanatory memorandum to be issued to shareholders of Bidder in relation to the Bidder General Meeting must be accompanied, amongst other things, by:
 - (i) a proxy form for the Bidder General Meeting; and
 - (ii) a statement that each Bidder Director recommends that the Bidder Ordinary Shareholders vote in favour of any resolutions to be considered at the Bidder General Meeting reasonably necessary or desirable by Bidder and Target for the purpose of implementing the Schemes.
- (b) **(Bidder Board approval)** Bidder Directors pass all resolutions necessary to approve the issue of the Bidder Shares which comprise the Consideration, subject only to Court approval of the Schemes.
- (c) **(Consultation)** Consult with Target and give Target and its representatives a reasonable opportunity to provide input about the content and presentation of the notice of meeting and explanatory memorandum to be issued to shareholders of Bidder in relation to the Bidder General Meeting, and obtain Target's consent to include the Target Scheme Information in the notice of meeting and explanatory memorandum to be issued to shareholders of Bidder in relation to the Bidder General

Meeting in the form and context in which it appears (which consent must not be unreasonably withheld or delayed).

- (d) *(Provide documents for Bidder General Meeting)* Forward Target a copy of the final form of the notice of meeting and explanatory memorandum to be issued to shareholders of Bidder in relation to the Bidder General Meeting (subject to review by ASX) as soon as practicable after it has been approved by Bidder Board.
- (e) *(Liaison with ASX)* As soon as practicable after the date of this document, providing a draft of the notice of meeting and explanatory memorandum to be issued to shareholders of Bidder in relation to the Bidder General Meeting, in the form provided to the Target under clause 6.2(d) to ASX for its review and approval and:
 - (i) liaise with ASX during the period of its consideration of that draft of the notice of meeting and explanatory memorandum to be issued to shareholders of Bidder in relation to the Bidder General Meeting; and
 - (ii) keep Target informed of any matters raised by ASX in relation to the notice of meeting and explanatory memorandum to be issued to shareholders of Bidder in relation to the Bidder General Meeting, using all reasonable endeavours in co-operation with Target to resolve any such matters.
- (f) *(Deed Polls)* Execute and deliver the Deed Polls before the Dispatch Date.
- (g) *(Bidder Scheme Information)* Prepare and provide to Target in a timely manner all information regarding Bidder and the Bidder Shares reasonably required by Target to prepare and issue the Scheme Booklet, including as required by all applicable laws, including the *Corporations Act*, applicable ASIC Regulatory Guides, and the Listing Rules, for inclusion in the Scheme Booklet.
- (h) *(Target Independent Expert's Report)* Assist the Target Independent Expert in preparing the Target Independent Expert's Report for inclusion in the Scheme Booklet, and provide the information within Bidder's knowledge or other assistance in a timely manner as reasonably requested by the Target Independent Expert to prepare that report.
- (i) *(Bidder new Scheme information)* Provide to Target in a timely manner any further or new information of which Bidder becomes aware about Bidder or the Bidder Shares which arises after the Dispatch Date and prior to the Scheme Meetings which is necessary or reasonably required by Target to ensure that the information concerning Bidder or the Bidder Shares disclosed in the Scheme Booklet is not false, or misleading or deceptive in any material respect (including because of a material omission) and otherwise complies with the requirements of the *Corporations Act*.
- (j) *(Access to information)* Provide Target and its representatives with:
 - (i) copies of unaudited accounts in respect of each member of the Bidder Group on a consolidated basis for the 4 month period ending 31 October 2010, on or before 29 November 2010; and
 - (ii) reasonable access during normal business hours and upon provision of reasonable notice by Target or its representatives between the date of this document and the earlier of 5.00pm on the Business Day immediately before the Second Court Hearing Date and the date that this document is terminated, subject to any existing confidentiality obligations owed to third parties or

applicable privacy laws, all information concerning the Bidder Group including information contained in any books and records of any member of the Bidder Group, that Target or its professional advisers reasonably require to prepare the necessary documentation for obtaining any Regulatory Consents or reasonable access to Bidder Group's employees, offices, properties and other facilities for the purpose of implementing the Scheme or that may reasonably be required by Target or its professional advisers.

- (k) **(Accuracy of Bidder Information)** Confirm to Target that the Bidder Scheme Information included in the Scheme Booklet does not contain any statements that are false or misleading or deceptive in any material respect (including because of a material omission).
- (l) **(Certificate)** Provide the Court on the Second Court Hearing Date with a certificate confirming (in respect of matters within its knowledge) whether all the conditions in clause 3.1 (other than the condition in clause 3.1(u) relating to Court approval of the Schemes) have been satisfied or waived in accordance with the terms of this document.
- (m) **(Bidder Prescribed Occurrence)** Between the date of this document and immediately before Completion, use its best endeavours to ensure that a Bidder Prescribed Occurrence does not occur other than in accordance with this document.
- (n) **(Target Ordinary Share Scheme Consideration)** If the Scheme becomes Effective, provide the Target Ordinary Share Scheme Consideration in accordance with clause 4.2 and the Target Ordinary Shares Deed Poll.
- (o) **(Target A Class Share Scheme Consideration)** If the Scheme becomes Effective, provide the Target A Class Share Scheme Consideration in accordance with clause 4.4 and the Target A Class Shares Deed Poll.
- (p) **(Target Z Class Share Scheme Consideration)** If the Scheme becomes Effective, provide the Target Z Class Share Scheme Consideration in accordance with clause 4.6 and the Target Z Class Shares Deed Poll.
- (q) **(Target Redeemable Preference Share Scheme Consideration)** If the Target Redeemable Preference Share Scheme becomes Effective, provide the Target Redeemable Preference Share Scheme Consideration in accordance with clause 4.8 and the Target Redeemable Preference Shares Deed Poll.
- (r) **(Quotation of new shares)** Apply to ASX for quotation of the new Bidder Ordinary Shares to be issued as the Consideration, initially on a deferred settlement basis and then on a normal T+3 settlement basis.
- (s) **(Compliance with laws)** Use its best endeavours to do everything reasonably within its power to ensure that the Schemes are effected in accordance with all laws and regulations applicable in relation to the Schemes.
- (t) **(Regulatory notifications)** Lodge with any Government Agency within the relevant time periods all necessary documentation and filings in relation to the Acquisition including in relation to the appointment of directors to the Bidder Board.
- (u) **(Cleansing statements)** In connection with any issue of securities by Bidder prior to or on the Implementation Date, issue notices in accordance with section 708AA and section 708A of the Corporations Act and make any other announcements to the

extent required to be made to comply with Listing Rules in connection with any such issue.

- (v) *(Other steps)* Do all other things reasonably necessary to give effect to the Schemes and the orders of the Court approving the Schemes.

Timetable

- 6.3 Target and Bidder must use reasonable endeavours to perform their obligations (and procure their employees, officers and advisers to assist in that performance) as soon as reasonably practicable, and substantially in accordance with the timetable in Annexure 1.

Verification

- 6.4 Target and Bidder must undertake appropriate verification processes for the information that they respectively supply for the Scheme Booklet and the Bidder Notice of Meeting Documentation and must provide each other with full and free access to, and on request (acting reasonably), copies of all materials and documents used or created in connection with their respective verification processes, and must maintain those materials and documents for at least 7 years from the date of this document for that purpose.

Conduct of appeals

- 6.5 If the Court refuses to grant orders directing Target to convene any required Target Ordinary Shareholders Scheme Meeting, Target A Class Shareholders Scheme Meeting, Target Z Class Shareholders Scheme Meeting or Target Redeemable Preference Shareholders Scheme Meeting or approving either of the Schemes, then Target and Bidder must consult with each other in good faith as to whether to appeal the Court's decision. If, in the opinion of senior counsel obtained by either party within 5 Business Days of the Court's decision, there are reasonable prospects of successfully appealing the Court's decision then:
 - (a) Target must appeal the Court's decision, the cost of which is to be borne equally by Bidder and Target; and
 - (b) Target and Bidder must seek to agree in good faith an extension of the Sunset Date by a period of not more than 3 months to account for the period for determination of the appeal on an expedited basis.

Conduct of business

- 6.6 From the date of this document up to and including the Implementation Date, each of the Target and its Subsidiaries must conduct their businesses in the ordinary course of business and in substantially the same manner as previously conducted. Target must regularly consult with Bidder on the manner of conduct of the business.
- 6.7 Without limiting clause 6.6, the Target must, and must procure that its Subsidiaries, other than with the prior approval of Bidder (which approval must not be unreasonably withheld or delayed) or as required by the document:
 - (a) make all reasonable efforts to preserve their relationships with customers, suppliers, licensors, licensees and joint venturers and others with whom they have business dealings;
 - (b) have in place, and maintain until the Implementation Date, insurance over their assets and business to at least the same extent as that in place at the date of this document;

- (c) not (except as required by law, by this document or as provided for in an existing employment contract or Target's policies in place as at the date of this document or in the ordinary course of business consistent with the business plans and budgets made public or disclosed to Bidder in writing prior to the date of this document):
 - (i) increase the remuneration of or pay any bonus, or issue any securities or options to, or otherwise vary the employment arrangements with, any of its directors or employees;
 - (ii) accelerate the rights of any of its directors or employees to benefits of any kind; and
 - (iii) pay a director, executive or employee a termination payment;
- (d) not (except as required by law or by this document) agree to do any of the matters set out in clause 6.7(c);
- (e) subject to clauses 6.7(c) and 6.7(d), use its best endeavours in the period prior to the Implementation Date to:
 - (i) retain all employees (including advisors), directors and senior managers of the Target Group holding such positions on the date of this document; and
 - (ii) procure that those employees (including advisors), directors and senior managers continue to conduct the business and affairs of the Target Group in the ordinary course of business;
- (f) not, in relation to borrowings except in the ordinary course of business consistent with the business plans and budgets made public or disclosed to Bidder in writing prior to the date of this document:
 - (i) increase the level of their borrowings as at the date of this document (except for drawdowns on existing overdraft facilities);
 - (ii) guarantee, indemnify or provide security for the obligations of any person (except as may be required or contemplated under this document); or
 - (iii) exceed current bank borrowing and cash reserve limitations;
- (g) cease or suspend development of any of its operations, or acquire or dispose of any asset having a book value or consideration of more than \$500,000 except as is consistent with business plans and budgets made public or disclosed to the Bidder prior to the date of this document;
- (h) enter into any joint venture, partnership or similar arrangement except in the ordinary course of business consistent with the business plans and budgets made public or disclosed to Bidder in writing prior to the date of this document;
- (i) incur any capital expenditure in respect of any item which exceeds \$500,000 except as is consistent with business plans and budgets made public or disclosed to the Bidder prior to the date of this document;
- (j) terminate any executive or engage any new executive on a salary (including benefits) of more than \$100,000 per annum except in the ordinary course of business consistent with the business plans and budgets made public or disclosed to Bidder in writing prior to the date of this document;

- (k) announce, declare or pay any dividend, bonus or other distribution of profits or assets or propose or agree to reduce or return any capital to its members; and
- (l) take any action which would be reasonably expected to give rise to a Target Prescribed Occurrence.

Appointing Directors

- 6.8 Subject to clauses 6.9 and 6.10, as soon as practicable on the Implementation Date, Bidder must take all actions necessary to ensure that the Bidder Board is constituted as follows:
- (a) Rick Nelson (chairman);
 - (b) Noel Griffin (non-executive director);
 - (c) Stephen Murphy (non-executive director);
 - (d) a mutually agreed independent non-executive director, or if the parties are unable to agree, Chris Castles (non-executive director);
 - (e) Grahame Evans (executive director); and
 - (f) Tony Robinson (executive director).
- 6.9 As soon as practicable after the Implementation Date, Bidder and Target must use their best endeavours to appoint a mutually agreed independent chairperson to the Bidder Board, in addition to the Bidder Board set out in clause 6.8, provided that until that independent chairperson is appointed, Rick Nelson will act as chairperson of the Bidder Board.
- 6.10 Upon appointment of an independent chairperson to the Bidder Board under clause 6.9, Target must procure the resignation of Chris Castles if he is a non-executive director then, and upon receipt of such resignation Bidder must procure the resignation of either Rick Nelson or Noel Griffin, such resignations (of Chris Castles and Rick Nelson or Noel Griffin (as the case may be)) to be effective simultaneously on a date to be agreed by the parties.
- 6.11 Pending the Implementation Date:
- (a) each of Stephen Murphy and Grahame Evans will be invited to attend Bidder Board meetings as observers;
 - (b) each of Rick Nelson and Tony Robinson will be invited to attend Target Board meetings as observers,

provided that each such observer shall absent himself from part or whole of any such meeting if a conflict of interest arises.

7 Warranties

Target Warranties

- 7.1 Target warrants to Bidder and each Bidder Indemnified Party at the date of this document and at 8.00am on the Second Court Hearing Date that:
- (a) it, and each of its Subsidiaries, is a corporation validly existing under the laws of its place of incorporation;

- (b) it has taken all necessary corporate action to authorise entry by Target into this document and has taken or will take all necessary corporate action to authorise the performance of Target's obligations under this document;
- (c) it has full corporate power to execute, deliver and perform its obligations under this document;
- (d) this document constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy, subject to laws generally affecting creditors' rights and the principles of equity;
- (e) this document does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order, judgment, to which it, or any of its Subsidiaries, is a party or is subject or by which it or any of its Subsidiaries is bound;
- (f) so far as the Target is aware, neither the execution or performance by it of this document nor any transaction contemplated under this document will breach or accelerate the obligations of it or of any of its Subsidiaries under any unwaived provision of any material agreement or deed to which any of them is a party;
- (g) it has obtained (or will have obtained prior to 8.00am on the Second Court Hearing Date) all necessary consents and approvals to enable it to enter into and perform its obligations under this document, other than Target Ordinary Shareholder, Target A Class Shareholder, Target Z Class Shareholder and Target Redeemable Preference Shareholder approvals and Court approval of the Schemes under section 411(4)(b) or Regulatory Consents. However, it does not represent or warrant that the Target Ordinary Shareholder, Target A Class Shareholder, Target Z Class Shareholder and Target Redeemable Preference Shareholder approvals, Regulatory Consents, or Court approvals will necessarily be obtained;
- (h) as at the date of this document its issued equity securities comprises a total of 46,659,530 shares namely:
 - (i) 27,246,701 Target Ordinary Shares;
 - (ii) 8,428,583 Target A Class Shares;
 - (iii) 10,984,245 Target Redeemable Preference Shares;
 - (iv) 1 Target Z Class Share; and
 - (v) neither it nor any of its Subsidiaries are under any obligation to issue and have not granted any person the right to call for the issue of any shares or other securities in it or any of its Subsidiaries other than with respect to the Target Convertible Notes and the Target Ordinary Shares which are the subject of the Target Permitted Share Issue;
- (i) as at the date of this document, it does not have any Target E Class Shares on issue, with the Target E Class Shares all having converted to Target Ordinary Shares in accordance with the Target's constitution;
- (j) as at the date of this document, it does not have any Target Options on issue, with all the Target Options having lapsed or been exercised;

- (k) all information provided by or on behalf of Target to Bidder during the course of negotiations in relation to the Acquisition including the Target Due Diligence Information, the preparation of the Scheme Booklet and the preparation of the Bidder Notice of Meeting Documentation:
- (i) has been provided in good faith, and was complete and accurate in all material respects at the time it was provided and did not contain a statement that was false or misleading or deceptive in any material respect (including by omission) and any statement of opinion or belief contained in the information (including any forecast or forward looking statement) was truly and honestly held by the maker of the statement at the time it was made, who had reasonable grounds for holding that opinion or belief;
 - (ii) was provided on the understanding that:
 - (A) Bidder relies on that information to prepare the Notice of Meeting Documentation; and
 - (B) Bidder Directors rely on that information in making a recommendation to Bidder shareholders in respect of the resolutions associated with the Scheme in the Bidder General Meeting; and
 - (iii) complies in all material respects with the requirements of all applicable Australian laws and any applicable ASIC Regulatory Guides; and
- (l) other than ASIC registered charge no. 1886859 over the Company in favour of Westpac Banking Corporation and the Permitted Encumbrances, there is no Encumbrance over all or any of its or its Subsidiaries present or future assets or revenues of its business or its Subsidiaries' businesses.

Target indemnities

- 7.2 Target agrees with Bidder (on Bidder's own behalf and separately as trustee and agent for each of the other Bidder Indemnified Parties) to indemnify and keep indemnified the Bidder Indemnified Parties from and against all claims, liabilities and loss which any of the Bidder Indemnified Parties may suffer or incur by reason of any breach of any of the warranties in clause 7.1.

Bidder Warranties

- 7.3 Bidder warrants to Target and to each Target Indemnified Party at the date of this document and at 8.00am on the Second Court Hearing Date that:
- (a) it, and each of its Subsidiaries, is a corporation validly existing under the laws of its place of incorporation;
 - (b) it has taken all necessary corporate action to authorise entry by Bidder into this document and has taken or will take all necessary corporate action to authorise the performance of Bidder's obligations under this document;
 - (c) it has full corporate power to execute, deliver and perform its obligations under this document;
 - (d) this document constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy, subject to laws generally affecting creditors' rights and the principles of equity;

- (e) this document does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order, judgment, or law to which it, or any of its Subsidiaries, is a party or is subject or by which it or any of its Subsidiaries is bound;
- (f) so far as Bidder is aware neither the execution or performance by it of this document nor any transaction contemplated under this document will breach or accelerate the obligations of it or of any of its Subsidiaries under any unwaived provision of any material agreement or deed to which any of them is a party;
- (g) it has obtained (or will have obtained prior to 8.00am on the Second Court Hearing Date) all necessary consents and approvals to enable it to enter into and perform its obligations under this document, other than shareholders approvals sought under the Bidder General Meeting and Court approval of the Schemes under section 411(4)(b) or Regulatory Consents. However, it does not represent or warrant that the shareholder approvals under the Bidder General Meeting, Regulatory Consents or Court approvals will necessarily be obtained;
- (h) as at the date of this document its issued equity securities comprise:
 - (i) 160,921,844 fully paid ordinary shares;
 - (ii) 3,000,000 partly paid ordinary shares of 18 cents each partly paid to 3 cents with the balance payable no later than 31 October 2012;
 - (iii) 6,000,000 options to acquire fully paid ordinary shares issued in 2008 with an exercise price of \$1.25 per share and expiring on 27 November 2010; and
 - (iv) except as otherwise set out in this subsection, neither it nor any of its Subsidiaries are under any obligation to issue and have not granted any person the right to call for the issue of any shares or other securities in it or any of its Subsidiaries except as contemplated by this document;
- (i) all information provided by or on behalf of Bidder to Target or any of their officers or advisers during the course of negotiations in relation to the Acquisition including the Bidder Due Diligence Information, and the preparation of the Scheme Booklet and the Bidder Notice of Meeting Documentation:
 - (i) has been provided in good faith, was complete and accurate in all material respects at the time it was provided and did not contain a statement that was false or misleading or deceptive in any material respect (including by omission), and any statement of opinion or belief contained in the information (including any forecast or forward looking statement) was truly and honestly held by the maker of the statement at the time it was made, who had reasonable grounds for holding that opinion or belief;
 - (ii) was provided on the understanding that:
 - (A) Target relies on that information to prepare the Scheme Booklet and to propose and implement the Schemes;
 - (B) Target Directors rely on that information in making a recommendation to Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders and Target Redeemable Preference Shareholders in respect of the Scheme; and

- (C) the Target Independent Expert relies on that information for the purpose of preparing the Target Independent Expert's Report; and
- (iii) complies in all material respects with the requirements of all applicable Australian laws, the Listing Rules and all applicable ASIC Regulatory Guides; and
- (j) Bidder is materially in compliance with its obligations under Chapter 3 of Listing Rules and is not relying on any of the exemptions in Listing Rule 3.1A to withhold any information from disclosure as at the date of this document only; and
- (k) the new Bidder Ordinary Shares to be issued as part of the Consideration will be duly and validly issued, fully paid, and rank equally with Bidder's other issued fully paid ordinary shares from their date of issue.

Bidder indemnities

- 7.4 Bidder agrees with Target (on Target's own behalf and separately as trustee and agent for each of the other Target Indemnified Parties) to indemnify and keep indemnified the Target Indemnified Parties from and against all claims, liabilities and loss which any of the Target Indemnified Parties may suffer or incur by reason of any breach of any of the warranties in clause 7.3.

Survival

- 7.5 Each warranty and indemnity in clauses 7.1, 7.2, 7.3 and 7.4:
- (a) is severable;
 - (b) will survive termination of this document; and
 - (c) is given with the intent that liability under it is not confined to breaches which are discovered before the date of termination of this document.

No other warranties or reliance

- 7.6 Each party acknowledges that no other party (nor any person acting on that other party's behalf) has made any warranty, representation or other inducement to it to enter into this document, except for the warranties expressly set out in this document.
- 7.7 Each party acknowledges and confirms that it does not enter into this document in reliance on any warranty, representation or other inducement by or on behalf of any other party, except for any warranty expressly set out in this document.

Notification of breach

- 7.8 Target must promptly notify Bidder if at any time after the date of this document Target becomes aware that a Target Warranty has ceased to be true and must also provide Bidder with reasonable details of that fact.
- 7.9 Bidder must promptly notify Target if at any time after the date of this document Bidder becomes aware that a Bidder Warranty has ceased to be true and must also provide Target with reasonable details of that fact.

8 Termination

Termination for breach

- 8.1 Without prejudice to any other rights of termination under this document, either party may terminate this document by giving the other party written notice at any time before 8.00am on the Second Court Hearing Date if:
- (a) the other party is in material breach of any material term of this document or there has been a material breach of a warranty; and
 - (b) the party wishing to terminate has given the other party a written notice:
 - (i) setting out details of the breach; and
 - (ii) stating its intention to terminate, and
 - (c) the breach continues to exist 10 Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Hearing Date) from the date the notice is given.

Termination by reason of ASIC objection

- 8.2 Without prejudice to any other rights of termination under this document, either party may terminate this document by giving the other notice at any time before Completion if at the Court on the First Court Hearing Date ASIC foreshadows that, based on information provided to ASIC at that time:
- (a) it proposes to oppose the Target Ordinary Share Scheme, Target A Class Share Scheme, Target Z Class Share Scheme or the Target Redeemable Preference Share Scheme; or
 - (b) it proposes not to provide a statement under section 411(17)(b) of the *Corporations Act* in relation to either the Target Ordinary Share Scheme, Target A Class Share Scheme, Target Z Class Share Scheme or the Target Redeemable Preference Share Scheme,

provided that the parties have first met and consulted in good faith as to whether they wish to proceed with the Target Ordinary Share Scheme, Target A Class Share Scheme, Target Z Class Share Scheme or the Target Redeemable Preference Share Scheme.

Automatic termination

- 8.3 This document will terminate automatically without the need for action by any party in the event that:
- (a) either the Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders or Target Redeemable Preference Shareholders fail to approve their respective Schemes by the necessary majority at their respective Scheme Meetings;
 - (b) the Court refuses to grant an order convening any required Scheme Meetings or approving the Schemes and either:
 - (i) the parties fail to agree on conducting an appeal under clause 6.5 within 5 Business Days of the Court's decision; or

13/07/09 16:00 MELDMSAUSSSG

- (ii) the parties agree to conduct an appeal under clause 6.5 but the appeal is unsuccessful;
- (c) the Schemes are not approved by the Court under section 411(4)(b) of the *Corporations Act* on or before the Sunset Date; or
- (d) the Target Independent Expert issues its report which concludes that the Target Ordinary Share Scheme is not fair and reasonable and therefore is not in the best interests of Target Ordinary Shareholders or the Target Redeemable Preference Share Scheme is not fair and reasonable and therefore is not in the best interests of Target Redeemable Preference Shareholders or the Target A Class Share Scheme is not fair and reasonable and therefore is not in the best interests of Target A Class Shareholders or the Target Z Class Share Scheme is not fair and reasonable and therefore is not in the best interests of Target Z Class Shareholders.

Effect of termination

- 8.4 If either Target or Bidder terminates this document under clauses 3 or 8, this document and the parties' obligations under it cease, other than obligations under this clause and clauses 7, 9, 10, 12, 13, 17, 19 and 20 which will survive termination.
- 8.5 Termination of this document does not affect any accrued rights of a party in respect of a breach of this document prior to termination.

Court approval

- 8.6 Notwithstanding any other provision in this document or the Schemes and to avoid any doubt, if the Schemes are approved by the Court at the Second Court Hearing Date with or without modification pursuant to section 411(4)(b) of the *Corporations Act*, the parties will have no right to terminate this document.

9 Public announcements

Announcement of the Schemes

- 9.1 Immediately after the parties execute this document they must issue a joint public announcement about the Schemes in the form of Annexure 2 of this document.

Public announcements and submissions

- 9.2 Except as permitted under clause 9.1, neither party may make a public announcement about this document (including any termination of this document), the Scheme Booklet, the Schemes, the Bidder General Meeting, the Bidder Notice of Meeting Documentation, the Convertible Note Subscription Agreement or the transactions contemplated by any of that documentation unless:
 - (a) the other party has approved (acting reasonably) the form of the announcement;
 - (b) the law or the Listing Rules requires an announcement to be made, subject to clause 9.5; or
 - (e) in response to an announcement made by the other party.
- 9.3 Neither party may make a submission for any Regulatory Consents under this document before reasonably consulting with the other party.

- 9.4 The parties must use all reasonable endeavours to participate constructively and promptly in the consultation contemplated by clauses 9.2(a), 9.3 and 9.5.

Required disclosure

- 9.5 If the law or the Listing Rules require a party to make an announcement or disclosure about a matter the subject of this document, the Scheme Booklet, the Schemes, the Bidder General Meeting or the Bidder Notice of Meeting Documentation, or such disclosure is necessary to perform a party's obligations under this document, that party may only do so after it has given the other party prior notice (subject to complying with all applicable laws and duties) and consulted to the fullest extent possible in the circumstances with the other party and its advisers about the form and content of the announcement or disclosure provided that nothing prevents disclosure in a timely manner in order to comply with applicable laws or duties.

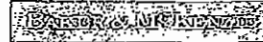
Statements on termination

- 9.6 Without limiting clause 9.2, the parties must act in good faith and use all reasonable endeavours to issue an agreed joint statement or statements in respect of any termination of this document.

10 Confidentiality

Target's obligations

- 10.1 Target acknowledges and agrees that it will:
- (a) use Bidder Confidential Information only for the purpose of due diligence and to produce the Scheme Booklet and implement the Schemes including to provide Bidder Confidential Information to the Target Independent Expert to produce the Target Independent Expert's Report, and implement the Schemes and not for anything else;
 - (b) not use Bidder Confidential Information or any part of it to the competitive disadvantage of Bidder or any of its Subsidiaries;
 - (c) keep all Bidder Confidential Information in confidence and take reasonable steps to preserve the security of such Bidder Confidential Information;
 - (d) only disclose Bidder Confidential Information:
 - (i) to those Target directors, officers, employees, or professional advisers who:
 - (A) need the Bidder Confidential Information to produce the Scheme Booklet; and
 - (B) owe a duty of confidentiality to Target and are aware of Target's obligations under this clause 10;
 - (ii) to the Target Independent Expert;
 - (iii) to the extent required by law or the Listing Rules, subject to first observing the terms of clause 9.5;
 - (iv) to the extent that the disclosure is necessary for the purpose of implementing the Acquisition, including obtaining all necessary Regulatory Consents, and enforcing the provisions of this document, but then only after it has given the



other party prior notice (subject to complying with all applicable laws and duties) and consulted to the fullest extent possible in the circumstances with the other party and its advisers about the form and content of the disclosure;

- (v) to the extent that such information is required for inclusion in the Scheme Booklet or in any documents to be made available to the Court in support of the Schemes; or
- (vi) with Bidder's prior written consent; and
- (e) subject to clause 10.2, return all Bidder Confidential Information provided to Target and its directors, officers, employees, consultants, professional advisers or associates to Bidder on Bidder's request, together with any copies or other record of the Bidder Confidential Information generated by any of those people, provided that this clause does not require Target to do anything which is not technically practicable or which may damage or interfere with the normal operation of its information technology systems.

Retention of confidential information

10.2 Target's obligation to return or destroy any Bidder Confidential Information does not apply to:

- (a) the Target's directors' papers, or the minutes of the Target's board or any committee of that board to the extent that such papers and minutes contain the level of detail consistent with the normal practices of the Target;
- (b) information to the extent that the Target is required by law or the rules of any authority to retain a copy of that information;
- (c) documents that are created or retained by the Target, or any adviser, or financier of the Target where those documents are required to be held, or it is the usual practice of the Target, adviser, banker or financier to hold those documents, for the purposes of any relevant rules of professional practice, its internal risk management policies or the terms of its professional indemnity insurance policies; or
- (d) documents containing information in respect of which disclosure is permitted by clauses 9.5 and 10.1,

however the Target agrees to keep such retained information confidential in accordance with this document.

Bidder's obligations

10.3 Bidder acknowledges and agrees that it will:

- (a) use Target Confidential Information only for the purpose of due diligence and in relation to the Schemes and their implementation and not for anything else;
- (b) not use Target Confidential Information or any part of it to the competitive disadvantage of Target or any of its Subsidiaries;
- (c) keep all Target Confidential Information in confidence and take reasonable steps to preserve the security of such Target Confidential Information;
- (d) only disclose Target Confidential Information:

- (i) to those Bidder directors, officers, employees, professional advisers or financiers who:
 - (A) need Target Confidential Information to produce the Bidder Scheme Information or review the Scheme Booklet; or
 - (B) need Target Confidential Information to produce the Bidder Notice of Meeting Documentation or review the Bidder Notice of Meeting Documentation;

and such persons owe a duty of confidentiality to Bidder and are aware of Bidder's obligations under this clause 10;

- (ii) to the extent required by law or the Listing Rules, subject to first observing the terms of clause 9.5;
 - (iii) to the extent that the disclosure is necessary for the purpose of implementing the Acquisition, including obtaining all necessary Regulatory Consents, and enforcing the provisions of this document, but then only after it has given the other party prior notice (subject to complying with all applicable laws and duties) and consulted to the fullest extent possible in the circumstances with the other party and its advisers about the form and content of the disclosure;
 - (iv) to the extent that such information is required for inclusion in the Bidder Scheme Information or in any documents to be made available to the Court in support of the Schemes; or
 - (v) with Target's prior written consent; and
- (e) subject to clause 10.4, return all Target Confidential Information provided to Bidder and its directors, officers, employees, consultants, professional advisers or associates to Target on Target's request, together with any copies or other record of Target Confidential Information generated by any of those people, provided that this clause does not require Bidder to do anything which is not technically practicable or which may damage or interfere with the normal operation of its information technology systems.

Retention of confidential information

10.4 Bidder's obligation to return or destroy any Target Confidential Information does not apply to:

- (a) the Bidder's directors' papers, or the minutes of the Bidder's board or any committee of that board to the extent that such papers and minutes contain the level of detail consistent with the normal practices of the Bidder;
- (b) information to the extent that the Bidder is required by law or the rules of any authority to retain a copy of that information;
- (c) documents that are created or retained by the Bidder, or any adviser, or financier of the Bidder where those documents are required to be held, or it is the usual practice of the Bidder, adviser, banker or financier to hold those documents, for the purposes of any relevant rules of professional practice, its internal risk management policies or the terms of its professional indemnity insurance policies; or

(d) documents containing information in respect of which disclosure is permitted by clauses 9.5 and 10.3.

however the Bidder agrees to keep such retained information confidential in accordance with this document.

Privacy Act

- 10.5 Each party acknowledges that the other has obligations under the *Privacy Act 1988* in relation to personal information (defined as any information identifying or potentially identifying an individual) in its possession and forming part of the party's Confidential Information. All parties undertake to comply with these obligations to the same extent and degree as the party from whom each has obtained the information is bound to observe them.

11 Conduct of Court proceedings

- 11.1 Bidder may be represented by counsel at any Court proceedings affecting the Schemes.
- 11.2 Nothing in this document gives any party any right or power to make undertakings to the Court for or on behalf of the other party without that party's written consent.
- 11.3 Each party will consider, in good faith, providing undertakings to the Court in all Court proceedings which it is reasonably required to give to obtain Court approval and confirmation of the Schemes as contemplated by this document.

12 Costs and stamp duty

- 12.1 Subject to clauses 12.2 and 13, each party must bear its own costs and expenses (including professional fees) incurred by it in connection with the negotiation, preparation and execution of this document and the implementation or attempted implementation of this document and the Schemes.
- 12.2 Bidder must pay all stamp duty and any related fines or penalties in respect of this document, the Deed Polls and the transfer of the Target Ordinary Share Scheme Shares, Target A Class Share Scheme Shares, Target Z Class Share Scheme Shares or the transfer of the Target Redeemable Preference Share Scheme Shares in accordance with the Schemes.

13 Cost Recovery

Cost Recovery by Bidder

- 13.1 Subject to clauses 13.2, 13.8 and 13.9, except as a result of the emergence of a Superior Proposal, if the Schemes do not become Effective before the Sunset Date as a result of:
- (a) the Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders or the Target Redeemable Preference Shareholders failing to approve the Target Ordinary Share Scheme, Target A Class Scheme, Target Z Class Scheme or the Target Redeemable Preference Share Scheme respectively by the relevant requisite majorities in accordance with the *Corporations Act*;

- (b) any reason solely attributable to the actions of the Target or by a Target Director, including but not limited to circumstances where:
 - (i) any Target Director makes any public statement prior to the approval of the Schemes by the Court under section 411(4)(b) to the effect that they do not support (or no longer supports) any of the Schemes;
 - (ii) any Target Director fails to recommend the Target Ordinary Share Scheme, Target A Class Scheme, Target Z Class Scheme and the Target Redeemable Preference Share Scheme to Target Ordinary Shareholders, Target A Class Shareholders, Target Z Class Shareholders and Target Redeemable Preference Shareholders respectively or, having done so, publicly withdraws or varies that recommendation prior to the approval of the Schemes by the Court under section 411(4)(b); or
 - (iii) any Target Director publicly recommends, promotes or otherwise endorses a Competing Proposal; or
- (c) the Target breaching any condition of this document,

Target shall reimburse to Bidder the reasonable third party costs (including costs for external legal, financial and taxation advice) incurred by Bidder in relation to due diligence investigations of Target and the proposed implementation of the Schemes (including the preparation and negotiation of this document) up to a maximum amount of \$500,000.

13.2 For the avoidance of doubt, Target is not required to reimburse Bidder under clause 13.1, in circumstances where:

- (a) Target validly terminates this document under clause 3.19; or
- (b) subject to clause 13.3, the Target Independent Expert does not conclude that:
 - (i) the Target Ordinary Share Scheme is fair and reasonable and therefore is in the best interests of Target Ordinary Shareholders;
 - (ii) the Target A Class Share Scheme is fair and reasonable and therefore is in the best interests of the Target A Class Shareholders;
 - (iii) the Target Z Class Share Scheme is fair and reasonable and therefore is in the best interests of the Target Z Class Shareholders; and
 - (iv) Target Redeemable Preference Share Scheme is fair and reasonable and therefore is in the best interests of Target Redeemable Preference Shareholders.

13.3 Clause 13.2 will not apply if the Target Independent Expert concludes that:

- (i) the Target Ordinary Share Scheme is not fair but reasonable and therefore is in the best interests of Target Ordinary Shareholders;
- (ii) the Target A Class Share Scheme is not fair but reasonable and therefore is in the best interests of the Target A Class Shareholders;
- (iii) the Target Z Class Share Scheme is not fair but reasonable and therefore is in the best interests of the Target Z Class Shareholders; and

- (iv) Target Redeemable Preference Share Scheme is not fair but reasonable and is therefore in the best interests of Target Redeemable Preference Shareholders, and the Target Board proceeds to convene the Scheme Meetings.

Cost Recovery by Target

- 13.4 Subject to clauses 13.5, 13.8 and 13.9, except as a result of the emergence of a Superior Proposal, if the Schemes do not become Effective before the Sunset Date as a result of:
- (a) any reason solely attributable to the actions of the Bidder or by a Bidder Director, including but not limited to circumstances where:
 - (i) any Bidder Director makes any public statement prior to the approval of the Bidder General Meeting to the effect that they do not support (or no longer supports) any of the Schemes or the resolutions to be passed at the Bidder General Meeting; or
 - (ii) any Bidder Director (other than Tony Robinson and Rick Nelson) fails to recommend the resolutions to be passed at the Bidder General Meeting or, having done so, publicly withdraws or varies that recommendation prior to the approval of the resolutions at the Bidder General Meeting;
 - (b) the Bidder Ordinary Shareholders failing to approve all resolutions at the Bidder General Meeting; or
 - (c) the Bidder breaching any condition of this document,

Bidder shall reimburse to Target the reasonable third party costs (including costs for external legal, financial and taxation advice) incurred by Target in relation to due diligence investigations of Bidder and the proposed implementation of the Schemes (including the preparation and negotiation of this document) up to a maximum amount of \$300,000.

- 13.5 For the avoidance of doubt, Bidder is not required to reimburse Target under clause 13.4, in circumstances where the Target validly terminates this document under clause 3.19;

Payment

- 13.6 Either party must make payment of the Cost Recovery required under this clause 13 within 14 days of receiving written demand for such Cost Recovery accompanied by substantiation of such costs as reasonably required by the other party. The demand may only be made after:
- (a) a change of Control of Target;
 - (b) the Schemes fail to become Effective by the Sunset Date; or
 - (c) this document is terminated in accordance with its terms.

Acknowledgment

- 13.7 Each party confirms that:
- (a) it has received legal advice on this document and the operation of this clause 13; and
 - (b) it considers this clause 13 to be fair and reasonable and that it is appropriate to agree to the terms in this clause 13 in order to secure the significant benefits to it (and its shareholders) resulting from the Schemes.

Compliance with law

13.8 If the Takeovers Panel or a court determines that payment by Target or Bidder of all or any part of the Cost Recovery required to be paid under clauses 13.1 (*Impugned Amount*):

- (a) is unlawful;
- (b) involves a breach of directors' duties; or
- (c) constitutes unacceptable circumstances,

then:

- (d) the requirement to pay the Cost Recovery does not apply to the extent of the Impugned Amount; and
- (e) if Bidder or Target has received the Impugned Amount, it must refund it within 10 Business Days of the determination being made.

Regulatory intervention

13.9 If any regulatory body (including ASIC or the Takeovers Panel) or a court requires any modification (including requiring such a modification as a condition of consenting to or approving the Schemes or as a condition of not opposing any of the Schemes) to the Cost Recovery, including as to the amount or circumstances in which it is to be paid, then:

- (a) the parties will accept this determination and amend this document to that extent, and
- (b) it will not result in a breach of this document or termination of the transactions contemplated by it.

Sole Remedy

13.10 Notwithstanding anything else in this document, each of Bidder and Target acknowledges that this clause 13 constitutes its sole remedy upon termination of this document provided such termination is done in accordance with the terms of this document and each of Bidder and Target is in full compliance with the terms of this document, and each of the Bidder and Target will have no right to make a claim for lost profits, lost opportunity or otherwise.

14 Exclusivity

Termination of existing discussions

14.1 Target represents and warrants that, other than the discussions in respect of the Schemes with the Bidder, it is not currently in negotiations or discussions in respect of any Competing Proposal with any other person.

No-talk restriction

14.2 Subject to clause 14.5, during the Exclusivity Period, the Target must ensure that neither it nor any of its Subsidiaries nor their respective directors, officers, employees, agents or advisers directly or indirectly, negotiate or enter into, participate in negotiations or discussions with any other person regarding a Competing Proposal or potential Competing Proposal or grant any other person any right or access to conduct due diligence investigations in respect of Target, even if:

- (a) that other person's Competing Proposal was not directly or indirectly solicited or initiated by Target or any of its Subsidiaries; or
- (b) that person has publicly announced the Competing Proposal.

No-shop restriction

- 14.3 Subject to clause 14.5, during the Exclusivity Period, Target must ensure that neither it nor any of its Subsidiaries nor their respective directors, officers, employees, agents or advisers directly or indirectly solicits, discusses, encourages, or induces any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any other person in relation to a Competing Proposal.

Notification

- 14.4 During the Exclusivity Period, if Target is approached by any person to engage in any activity that would breach its obligations in clause 14.2 (or would breach its obligations in clause 14.2 if it were not for clause 14.4), Target must promptly inform Bidder of that fact, but Target will not be obliged to identify the relevant person to Bidder, or the details of the proposal.

Exception to no-shop and no-talk

- 14.5 The restrictions in clauses 14.2 and 14.3 do not apply to the extent that:
- (a) they restrict Target from taking or refusing to take any action with respect to a bona fide proposal in relation to a Competing Proposal (which was not encouraged, discussed, solicited or induced in contravention of clauses 14.2 or 14.3) and in respect of which, Target has complied with clause 14.4; or
 - (b) a Target Director is acting reasonably and in good faith having first taken into account written external legal advice determines that complying with such restrictions may breach his fiduciary duties.

15 Restriction on acquiring securities

- 15.1 Until the Sunset Date, without the consent of the other party, neither the Bidder or the Target (nor their Subsidiaries) may acquire or offer to acquire any securities or property or any right or option to acquire any securities or property of the other party other than:
- (a) the transfer of Target Ordinary Shares, Target A Class Shares, Target Z Class Shares or the Target Redeemable Preference Shares to Bidder in accordance with this document;
 - (b) the issue of Bidder Shares as the Target Ordinary Share Scheme Consideration, Target A Class Share Scheme Consideration, Target Z Class Share Scheme Consideration or the Target Redeemable Preference Share Scheme Consideration in accordance with this document; or
 - (c) as contemplated in accordance with this document.

16 Extent of Target's obligations

16.1 Notwithstanding any other clause in this document, Target, Target Directors and officers, and employees of Target are not required to perform any obligation which in the opinion of that party, acting reasonably and in good faith:

- (a) would be likely to involve a breach of the fiduciary duties owed by a Target Director or officer or employee of Target;
- (b) would otherwise be unlawful;
- (c) would contravene an order of the Takeovers Panel; or
- (d) would involve a contravention of Target's constituent documents,

and if Target receives written legal advice from senior legal counsel that a particular action or omission required by this document would be a breach of a Target Director's or officer's or employee's fiduciary duties or in breach of law or a contravention of an order of the Takeovers Panel or Target's constituent documents, then Target will not be taken to be in breach of this document by acting in accordance with that written legal advice.

17 GST

- 17.1 Terms defined in the GST Act have the same meaning when used in this clause 17, or in the definition of "GST Amount" unless expressly stated otherwise.
- 17.2 Unless expressly stated otherwise, any consideration payable or amount used in the calculation of consideration payable under this document has been determined without regard to GST and must be increased, on account of any GST payable under this clause 17.
- 17.3 If any GST is payable on any taxable supply made under this document to the recipient by the supplier (*Supplier*), the recipient must pay the GST Amount to the Supplier on the earlier of:
 - (a) the time of making payment of any consideration on which the GST is calculated; and
 - (b) the issue of an invoice relating to the taxable supply.
- 17.4 The recipient must pay the GST Amount in the same manner as making payment of any consideration on which the GST is calculated. The Supplier must provide as a precondition for payment by the recipient of the GST Amount, a tax invoice or a document that the Commissioner will treat as a tax invoice.
- 17.5 If either party is required to pay, reimburse or indemnify the other for the whole or any part of any cost, expense, loss, liability or other amount that the other party has incurred or will incur in connection with this document, the amount must be reduced by the amount for which the other party (or representative member if this is not the other party) can claim an input tax credit, partial input tax credit, or other like offset.

18 Acknowledgements

- 18.1 Target acknowledges that provided the Bidder Distribution is approved at the Bidder General Meeting, the Bidder Ordinary Shareholders will remain entitled to the amounts payable in






respect of the Bidder Distribution notwithstanding payment has not occurred by the Effective Date.

- 18.2 Target acknowledges that it must use its best endeavours to enter into a contract for the sale of Riverbank prior to the Effective Date in a form acceptable to the Bidder.
- 18.3 Bidder acknowledges that it intends to implement an equity participation plan for Target advisers within 24 months of the Implementation Date.

19 Notices

- 19.1 Any notice under or in connection with this document must be:

- (a) dated;
- (b) in writing;
- (c) addressed as shown below:

Target

Address: Level 14, Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall, Queensland 4217

Fax no: (07) 5574 0180

Attention: Company Secretary

copied to McCullough Robertson at the following address:

Address: Level 11, Central Plaza Two, 66 Eagle St, Brisbane, Queensland 4000

Fax No: (07) 3229 9949

Attention: Derek Pocock

Bidder

Address: Level 2, 6 Thelma Street, West Perth, Western Australia, 6005.

Fax No: 1300 737 660

Attention: Company Secretary

(or as otherwise notified by that party to the other party from time to time); and

copied to Baker & McKenzie at the following address:

Address: Level 19, 181 William St, Melbourne Victoria 3000

Fax No: (03) 9614 2103

Attention: Richard Lustig

- (d) and is signed by the party making the communication or by a person duly authorised by that party.

19.2 Without limiting any other means by which a party may be able to prove that a notice has been received by the other party, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of the receiving party;
- (b) if sent by pre-paid post, 3 Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by facsimile, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole facsimile was sent to the receiving party's facsimile number,

but if a notice is served by hand, or is received by the receiving party's facsimile, on a day that is not a Business Day, or after 5:00 p.m. on a Business Day in the place of receipt, the notice will be considered to have been received by the receiving party at 9:00 am on the next Business Day.

20 General

Further acts

20.1 Each party will promptly do everything necessary, including executing and delivering all further documents required by law or reasonably requested by the other party, to implement this document and the Schemes substantially in accordance with their terms.

Amendments

20.2 The parties may only vary this document by a document signed by or on behalf of each of them.

Assignment

20.3 A party cannot assign, novate, sub-contract, encumber or otherwise transfer any of its rights or obligations under this document without the other party's prior written consent.

Consents or approvals

20.4 A party may:

- (a) give conditionally or unconditionally; or
- (b) withhold,

its approval or consent in its absolute discretion unless this document expressly provides otherwise.

Invalid or unenforceable provisions

20.5 If a provision of this document is invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

Remedies cumulative

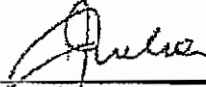
BARBER & MATHIAS

- (a) by being delivered to or left at its address for service of notices under clause 19; or
- (b) in any other way permitted by law.

Two handwritten signatures in black ink, one above the other, located in the bottom right corner of the page.

Executed as a deed:

Signed sealed and delivered
by Centrepont Alliance Limited
by a director and secretary/director:



Signature of director

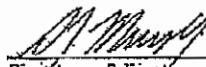
Richard John Newson
Name of director (please print)



Signature of secretary/director

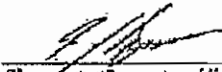
AD Robinson
Name of secretary/director (please print)

Signed sealed and delivered
by Professional Investment Holdings
Ltd
by a director and secretary/director:



Signature of director

STEPHEN JOHN PAULING
Name of director (please print)



Signature of secretary/director

ROBERT BENNETTS
Name of secretary/director (please print)



Executed as a deed:

Signed sealed and delivered
by **Centrepont Alliance Limited**
by a director and secretary/director:

Signature of director

Signature of secretary/director

Name of director (please print)

Name of secretary/director (please print)

Signed sealed and delivered
by **Professional Investment Holdings
Ltd**
by a director and secretary/director:

Signature of director

Signature of secretary/director

STEPHEN JOHN MURPHY
Name of director (please print)

ROBERT BENNETTS
Name of secretary/director (please print)

Annexure 1

Indicative Timetable

Event	Date
Enter into document	August 2010
Lodge Scheme Booklet with ASIC for review and comment	September 2010
First Court Hearing Date	October 2010
Scheme Booklet registered by ASIC and lodged with ASX	October 2010
Dispatch Scheme Booklet and Target notice of annual general meeting documentation	October 2010
Dispatch Bidder Notice of Meeting Documentation	October 2010
Latest date for return of completed proxy forms for Scheme Meetings	November 2010
Eligibility for voting at Scheme Meetings determined	November 2010
Scheme Meetings and Target annual general meeting	November 2010
Bidder annual general meeting	November 2010
Record date for Bidder Distribution	November 2010
Record date for Bidder Share consolidation	November 2010
Second Court Hearing Date ¹ (SCHD)	November 2010
Notify ASX of Court approval	SCHD
Effective Date – lodge office copy of Court order approving the Schemes with ASIC	SCHD
Commencement of trading on ASX of new Bidder Ordinary Shares on a deferred settlement basis	SCHD + 1 Business Day
Schemes Record Date	SCHD + 2 Business Days
Implementation Date	SCHD + 3 Business Days
Provide Consideration to Target Ordinary Share Scheme Shareholders, Target A Class Share Scheme Shareholders, Target Z Class Share Scheme Shareholders and Target Redeemable Preference Share Scheme Shareholders	SCHD + 3 Business Days
New Bidder Ordinary Shares begin trading on a normal settlement basis	SCHD + 4 Business Days

¹ Indicative only – actual date depends on the preceding dates.



Annexure 2

Agreed joint announcement

2014

A handwritten signature in black ink, appearing to be a stylized 'M' or similar character.



Announcement to the Market
[Date of release to the market to be inserted]

Proposed Merger with Professional Investment Holdings Limited – Status Update

Centrepoint Alliance Limited (ASX Code: 'CAF') has today executed a Merger Implementation Deed (a copy of which is appended with annexure) with Professional Investment Holdings Limited ('PIH'). The Merger Implementation Deed sets out the timetable and the terms of the proposed merger between the two organisations, which are broadly consistent with the announcement dated 25 June 2010. It is anticipated that, subject to the necessary shareholder and regulatory approvals, the Merger will be completed in December 2010. A summary of the key terms of the Merger Implementation Deed is appended to this notice.

As flagged in the 25 June 2010 announcement and in anticipation of the Merger, CAF has also agreed to provide loan funding of up to \$7.5 million to PIH by way of Convertible Notes. The Convertible Notes are governed by a Convertible Note Subscription Agreement between PIH and CAF, which has also been signed today. A summary of the key terms of the Convertible Note Subscription Agreement is appended to this notice.

Baker & McKenzie is acting for CAF in relation to the Merger.

Contacts

Tony Robinson (*Managing Director*)
03 9860 3035 or 0407 355 616
Ian Magee (*Company Secretary*)
08 9420 1203



Announcement to the Market
[Date of release to the market to be inserted]

ATTACHMENT A

**Summary of key terms of the Merger
Implementation Deed between CAF and PIH**

1. The Merger Implementation Deed ('MID') sets out the obligations of CAF and PIH for the implementation of the Schemes of Arrangement ('Schemes') giving effect to the transfer of PIH shares to CAF.
2. CAF is to acquire all of the issued capital of PIH via four separate inter-conditional members' Schemes.
3. Prior to Implementation of the Schemes, CAF will seek shareholder approval at a General Meeting to undertake:
 - a) a distribution of 2.5 cents per CAF ordinary share in the form of a capital reduction; followed by
 - b) a 1 for 7 consolidation of its issued capital.
4. Following the consolidation of CAF's issued capital and implementation of the Schemes, CAF's current shareholders will hold 25% and PIH's shareholders will hold 75% of the merged group.
5. Post merger, the Board of CAF will be composed of six members, being three representatives from each of CAF and PIH. Rick Nelson will act as Chairperson until a mutually agreed independent Chairperson is appointed, at which time one representative from each of CAF and PIH will retire to leave a Board composed of 5 members. Tony Robinson will remain in the position of Managing Director of the merged group.
6. PIH shareholders are to receive ordinary shares in CAF, 50% of which will be subject to escrow for the following periods:
 - a) 50% of escrowed shares to be subject to escrow until 20 June 2012;
 - b) 50% of escrowed shares to be subject to escrow until 20 June 2013, unless the relevant shareholder becomes an Authorised Representative of an entity other than Professional Investment Services, in which case, the escrow period ends on 20 June 2015.
7. The Merger is conditional upon:
 - a) approval of the Schemes by PIH shareholders
 - b) receipt of all necessary consents and approvals (including from ASX, ASIC and the Federal Court);
 - c) no material adverse change or prescribed occurrence occurring in respect of either PIH or CAF prior to implementation of the Merger and certain other conditions.
8. The Merger Implementation Deed contains certain exclusivity arrangements including "no-shop" and "no-talk" restrictions.
9. Both parties have agreed under the MID to reimburse each other for certain costs in the event that:
 - a) the Schemes are not approved by PIH's shareholders
 - b) CAF's shareholders do not approve all resolutions
 - c) either party breaches any condition of the MID; or
 - d) a director of either party;



- i) makes any public statement prior to the approval of the Schemes by the Court to the effect that they do not support (or no longer support) any of the Schemes or resolutions;
- ii) fails to recommend the Schemes or resolutions; or
- iii) publicly recommends, promotes or otherwise endorses a Competing Proposal.

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Announcement to the Market
[Date of release to the market to be inserted]

ATTACHMENT B

**Summary of key terms of Convertible Note
Subscription Agreement between CAF and PIH**

1. Principal amount: \$7.5 million in two tranches of \$5 million and \$2.5 million (subject to satisfaction of certain conditions precedent).
2. Interest rate: 8% per annum.
3. Repayment date: 30 November 2011 (unless converted).
4. Early repayment by PIH: PIH can redeem all the Convertible Notes within 30 days of the Merger Implementation Deed being terminated, the parties agreeing the Schemes will not be implemented for any reason, all the Schemes not being supported by the independent expert's report or the Schemes not being approved or becoming effective by the sunset date (being 28 February 2011). In the event of early repayment/redemption of the Convertible Notes, PIH is required to pay CAF a fee of \$325,000.
5. Conversion ratio: Should all Convertible Notes be converted into PIH ordinary shares, CAF will hold 12% of PIH's fully diluted share capital.
6. Conversion right: The Convertible Notes can be converted into PIH ordinary shares prior to repayment date (but subject to PIH's early repayment right) in the event the Merger Implementation Deed is terminated, the parties agree that the Schemes will not be implemented for any reason, all the Schemes are not supported by the independent expert's report, the Schemes are not approved or do not become effective by sunset date (being 28 February 2011) or there is an event of default by PIH (in which case PIH will not have an early repayment right).
7. PIH Board representation: Subject to conversion of any of the Convertible Notes, CAF will be entitled to appoint two people to the PIH Board of Directors if CAF holds at least 7.5% of PIH's shares or one person if CAF holds at least 5% of PIH's shares. The PIH Board will generally be limited to six directors.
8. Joint Supervisory Committee: PIH will form a 'Joint Supervisory Committee' which will comprise equally of PIH and CAF representatives. The Joint Supervisory Committee will be mandated to determine the future strategy of PIH, including identification of cost reduction measures.
9. Other terms: Customary undertakings have been given by PIH and normal default terms and conditions apply.

[Annexure 3 to 10 are not reproduced]

Annexure 11

Amendment to Target Constitution

That the Constitution is amended by inserting the following as a new rule 9.7:

9.7 Scheme of Arrangement

Despite anything else in this Constitution, the restrictions in rules 4.11(a)(iv) or 9.6 of the Constitution will not apply to a transfer of any of the Company's securities under a scheme of arrangement.

Annexure C

PIH Ordinary Shares Deed Poll



Target Ordinary Shares Deed Poll

**By Centrepont Alliance Limited (ACN 052
507 207) (Bidder)**

in favour of each Scheme Shareholder

BAKER & MCKENZIE
Solicitors
Level 19
181 William Street
MELBOURNE VIC 3000
Tel: (03) 9617-4200
Fax: (03) 9614-2103
Email: richard.lustig@bakermckenzie.com
Email: simon.schenkel@bakermckenzie.com
Ref: 1137896-v0MELDMSIAUSSG



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Contents

Clause Number	Heading	Page
1	Definitions and Interpretation	1
2	Nature of Deed Poll	2
3	Conditions precedent and termination	2
4	Provision of Scheme Consideration	2
5	Representations and warranties	3
6	Continuing obligations	4
7	Notices	4
8	General	5
9	Governing law and jurisdiction	6

Date

2010

by: **Centrepont Alliance Limited** (ACN 052 507 507) of Level 2, 6 Thelma Street,
West Perth, Western Australia, 6005 (*Bidder*)

in favour of: **Each holder of issued fully paid ordinary shares in the capital of
Professional Investment Holdings Ltd** (ACN 074 949 429) of Level 14,
Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall,
Queensland, 4217 (*Target*) as at the Scheme Record Date (*Scheme Shareholders*)

Recitals

- A The Target Board considers that it is in the interests of Target and Scheme Shareholders that Scheme Shareholders be given the opportunity to consider and, if thought fit, approve the Scheme.
- B Accordingly, the Target Board has resolved that Target should propose the Scheme.
- C The effect of the Scheme will be that all of the Scheme Shares will be transferred to Bidder.
- D Bidder and Target have entered into a Merger Implementation Deed.
- E Under the Merger Implementation Deed, Bidder has agreed subject to the satisfaction or waiver of certain conditions, to take all necessary steps to implement and complete the Scheme as soon as is reasonably practicable, including executing this Deed Poll and providing the Scheme Consideration.
- F Bidder is entering into this Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform its obligations under the Scheme.

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this Deed Poll:

- (a) *Scheme* means the scheme of arrangement under Part 5.1 of the *Corporations Act* between Target and Scheme Shareholders substantially in the form set out in Annexure 3 of the Merger Implementation Deed between Target and Bidder, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the *Corporations Act* and approved in writing by Bidder and Target; and
- (b) unless the context requires otherwise, all other words and phrases defined in the Scheme have the same meaning in this Deed Poll.

Interpretation

- 1.2 Clause 1.2 of the Scheme applies to the interpretation of this Deed Poll except that references to "this Scheme" in that clause are to be read as references to "this Deed Poll".

2 Nature of Deed Poll

- 2.1 Bidder acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

3 Conditions precedent and termination

Conditions precedent

- 3.1 Bidder's obligations under clause 4 are subject to the Scheme becoming Effective.

Termination

- 3.2 Subject to clause 3.3, Bidder's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect if:
- (a) the Merger Implementation Deed is terminated; or
 - (b) the Scheme does not become Effective on or before the Sunset Date.
- 3.3 Notwithstanding any other provision in the Merger Implementation Deed, if the Scheme is approved by the Court with or without modification pursuant to section 411(4)(b) of the Corporations Act, Bidder will have no right to terminate the Merger Implementation Deed.

Consequences of termination

- 3.4 If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:
- (a) Bidder is released from its obligations to further perform this Deed Poll except those obligations contained in clause 8.1 and any other obligations which by their nature survive termination; and
 - (b) Scheme Shareholders retain the rights they have against Bidder in respect of any breach of this Deed Poll which occurs before it is terminated.

4 Provision of Scheme Consideration

Compliance with Merger Implementation Deed obligations generally

- 4.1 Subject to clause 3.1, Bidder will comply with its obligations under the Merger Implementation Deed to do all acts and things as may be necessary or desirable on its part to give full effect to the Scheme.

Provision of Scheme Consideration

- 4.2 Subject to clause 3.1, in consideration of the transfer to Bidder of all of the Scheme Shares, Bidder undertakes in favour of each Scheme Shareholder to provide the Scheme Consideration to each Scheme Shareholder in accordance with the Scheme.
- 4.3 The obligation of Bidder to issue the Scheme Consideration to the Scheme Shareholders in respect of each Scheme Share registered in the name of the Scheme Shareholders will be satisfied by Bidder:
- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the Bidder Ordinary Shares comprising the Bidder Ordinary Share Component of the Scheme Consideration and entering the name and Registered Address of each Scheme Shareholder in the Bidder Register as the holder of the Bidder Ordinary Shares (in each case rounded as required by the Scheme) issued to each Scheme Shareholder;
 - (b) within 5 Business Days after the Implementation Date, dispatching or procuring the dispatch to each Scheme Shareholder by pre-paid post to their Registered Address, of an uncertificated holding statement in the name of the Scheme Shareholder representing the Bidder Ordinary Shares issued to them under the Scheme; and
 - (c) making an application to ASX for the quotation of the Bidder Ordinary Shares comprising the Bidder Ordinary Share Component on ASX in accordance with clause 4.6.

Joint holders

- 4.4 In the case of Scheme Shares held in joint names any uncertificated holding statements for Bidder Ordinary Shares will be issued to Scheme Shareholders in the names of the joint holders and will be forwarded to the holder whose name appears first in the Target Register at the Scheme Record Date.

Status of Bidder Ordinary Shares

- 4.5 The Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.

Trading of Bidder Ordinary Shares

- 4.6 Bidder will use its best endeavours to procure that the Bidder Ordinary Shares to be issued pursuant to the Scheme will be quoted on ASX:
- (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if Bidder Ordinary Shares are subject to a trading halt on that day, on first Business Day after the trading halt has ended); and
 - (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

5 Representations and warranties

- 5.1 Bidder represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding upon it and enforceable against it in accordance with its terms; and
- (e) the Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.

6 Continuing obligations

6.1 This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this Deed Poll; or
- (b) the earlier termination of this Deed Poll under clause 3.2.

7 Notices

7.1 Any notice or other communication given to Bidder under or in connection with this Deed Poll must be:

- (a) in legible writing and in English;
- (b) addressed to Bidder at the address or fax number set out below:

Attention:	Company Secretary
Address:	Level 2, 6 Thelma Street, West Perth, Western Australia, 6005.
Fax no:	1300 737 660

- (c) signed by the sender or a person duly authorised by the sender; and
- (d) sent to Bidder by hand, prepaid post (airmail if to or from a place outside Australia) or fax.

7.2 Without limiting any other means by which a party may be able to prove that a notice has been received by Bidder, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of Bidder;
- (b) if sent by pre-paid post, 3 Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to Bidder's fax number,

but if a notice is served by hand, or is received by Bidder's fax, on a day that is not a Business Day, or after 5.00 pm (Bidder's local time) on a Business Day, the notice will be considered to have been received by Bidder at 9.00 am (Bidder's local time) on the next Business Day.

8 General

Stamp duty

8.1 Bidder will:

- (a) pay all stamp duty (including fines, penalties and interest) on or in connection with this Deed Poll, the performance of this Deed Poll and each transaction effected by or made, or any instrument executed, under this Deed Poll (including the transfer of the Scheme Shares to Bidder); and
- (b) indemnify each Scheme Shareholder on demand against any liability arising from failure to comply with clause 8.1(a).

Waiver

8.2 Waiver of any right arising from a breach of this Deed Poll or of any right, power, authority, discretion or remedy arising upon default under this Deed Poll must be in writing and signed by the party granting the waiver.

8.3 A failure or delay in exercise, or partial exercise, of:

- (a) a right arising from a breach of this Deed Poll; or
- (b) a right, power, authority, discretion or remedy created or arising upon default under this Deed Poll,

does not result in a waiver of that right, power, authority, discretion or remedy.

8.4 A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this Deed Poll or on a default under this Deed Poll as constituting a waiver of that right, power, authority, discretion or remedy.

8.5 A party may not rely on any conduct of another party as a defence to exercise of a right, power, authority, discretion or remedy by that other party.

Variation

8.6 A provision of this Deed Poll may not be varied unless:

- (a) before the date of the Scheme Meeting, the variation is agreed to in writing by Target;
or
 - (b) on or after the date of the Scheme Meeting, the variation is agreed to writing by Target
and the Court indicates the variation would not itself preclude approval of the Scheme,
- in which event Bidder will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

Rights cumulative

- 8.7 The rights, powers and remedies of Bidder and of each Scheme Shareholder under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law or equity independently of this Deed Poll.

Assignment

- 8.8 The rights and obligations of Bidder and of each Scheme Shareholder under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt or purport to do so without the prior written consent of Bidder and Target.

Further assurances

- 8.9 Bidder will execute all deeds and other documents and do all acts and things (on its own behalf or on behalf of each Scheme Shareholder) as may be necessary or desirable to give full effect to this Deed Poll and the transactions contemplated by it.

9 Governing law and jurisdiction

- 9.1 This Deed Poll is governed by the laws of New South Wales. Bidder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Execution

Executed as a deed poll.

Signed by Centrepoint Alliance Limited)
by a director and secretary/director:)

Signature of secretary/director

Signature of director

Name of secretary/director (please print)

Name of director (please print)

Annexure D

Scheme of Arrangement for PIH Ordinary Shares



Target Ordinary Shares Scheme of Arrangement

**Professional Investment Holdings Ltd
(ACN 074 949 429) (Target)**

**The holders of fully paid ordinary shares in
Target as at the Scheme Record Date**

BAKER & MCKENZIE

Solicitors
Level 19
181 William Street
MELBOURNE VIC 3000
Tel: (03) 9617-4200
Fax: (03) 9614-2103
Email: richard.lustig@bakermckenzie.com
Email: simon.schenkel@bakermckenzie.com

Ref: 1137767-v10\MELDMS\AUSSSG



Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Preliminary	5
3	Conditions precedent	6
4	Implementation of Scheme	7
5	Provision of Scheme Consideration	8
6	Quotation of Bidder Ordinary Shares	9
7	Dealings in Target Ordinary Shares	9
8	Dealings in Bidder Ordinary Shares	10
9	General Scheme provisions	12
10	Governing law and jurisdiction	14

Scheme of Arrangement

pursuant to section 411 of the *Corporations Act 2001* (Cth)

between: **Professional Investment Holdings Ltd** (ACN 074 949 429) of Level 14,
Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall,
Queensland, 4217 (*Target*)

and: **The holders of fully paid ordinary shares in Target as at the Scheme
Record Date**

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this Scheme, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd.

ASTC Settlement Rules means the operating rules of the ASTC.

ASX means ASX Limited or the securities market which it operates, as the context requires.

Authorised Representative means any of the following:

- (a) a body corporate authorised by an entity in accordance with section 916A of the Corporations Act;
- (b) an Australian financial services licensee (as that term is defined in section 761A of the Corporations Act) that subscribes (or proposes or intends to subscribe) to an entity's financial services and that has an agreement, arrangement or understanding with an entity under which it shares with that entity the revenue generated by the licensee from the provision of financial services or any similar agreement, arrangement or understanding; or
- (c) an associate (as defined in each of sections 10 to 17 of the Corporations Act) of either (a) or (b).

Authorised Representative Change Event means, in respect of a holder of Escrowed Shares, that holder becomes an Authorised Representative of an entity other than Professional Investment Services Pty Ltd without the prior written consent of Bidder.

Bidder means Centrepont Alliance Limited.

Bidder Board means Bidder's board of directors as constituted from time to time.

Bidder Distribution means as set out in the Merger Implementation Deed.

Bidder Ordinary Share means a fully paid ordinary share in Bidder.

Bidder Register means the register of members of Bidder maintained by or on behalf of Bidder in accordance with section 168(1) of the *Corporations Act*.

Bidder Share Registry means Computershare Investor Services Pty Limited.

Business Day means a day that is not a Saturday, Sunday, or a public holiday or bank holiday in Melbourne or Sydney.

CHESS means Clearing House Electronic Sub-register System and means the system established and operated by ASTC for the clearing and settlement of transactions in CHESS approved securities, the transfer of securities and the registration of transfers.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of New South Wales or such other court as the Target and Bidder may agree.

Deal means:

- (a) sell, assign, transfer or otherwise dispose of;
- (b) agree or offer to sell, assign, transfer or otherwise dispose of;
- (c) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the Scheme Shareholder to sell, assign, transfer or otherwise dispose of; and
- (d) decrease or agree to decrease an economic interest.

Deed Poll means the deed poll executed by Bidder substantially in the form of Annexure 3 of the Merger Implementation Deed under which Bidder covenants in favour of each Scheme Shareholder to perform its obligations under this Scheme and under the Merger Implementation Deed as regards the implementation of this Scheme.

Effective means, when used in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Court order made for the purposes of section 411(4)(b) of the Corporations Act in relation to this Scheme but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Escrow Period means

- (a) in respect of one half of the Escrowed Shares, the period of time beginning on the Implementation Date and ending on 20 June 2012; and
- (b) in respect of the other half of the Escrowed Shares, the period of time beginning on the Implementation Date and ending on:
 - (i) 20 June 2013 if no Authorised Representative Change Event occurs in respect of the holder of the Escrowed Shares on or before that date; and
 - (ii) 20 June 2015 if an Authorised Representative Change Event has occurred in respect of the holder of the Escrowed Shares on or before 20 June 2013.

Escrowed Shares means during the Escrow Period, one half of the Bidder Ordinary Shares issued by the Bidder as the Scheme Consideration.

Implementation Date means the Business Day after the Scheme Record Date.

Listing Rules means the listing rules of ASX as amended from time to time.

Merger Implementation Deed means the Merger Implementation Deed between Target and Bidder.

Permitted Transferee means

- (a) on death of the Scheme Shareholder, a personal representative of a Scheme Shareholder or another person the personal representative determines is entitled to the Bidder Ordinary Shares;
- (b) a person entitled to Bidder Ordinary Shares because of the bankruptcy of a Scheme Shareholder; and
- (c) a person entitled to shares because of the mental incapacity of a Scheme Shareholder;
- (d) any spouse or child of the Scheme Shareholder;
- (e) any company controlled by the Scheme Shareholder; and
- (f) any trustee of a family trust of which the Scheme Shareholder is a beneficiary.

Proper ASTC Transfer has the meaning given in regulation 1.0.02(1) of the *Corporations Regulations 2001 (Cth.)*.

Registered Address means, in relation to a Target Ordinary Shareholder, the address shown in the Target Register at the Scheme Record Date.

Scheme means this scheme of arrangement between Target and Scheme Shareholders, under which all the Scheme Shares will be transferred to Bidder under Part 5.1 of the *Corporations Act* as described in clause 4, in consideration for the Scheme Consideration, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the *Corporations Act* to the extent they are approved in writing by Target in accordance with clause 9.7.

Scheme Consideration means 1.4921 Bidder Ordinary Shares.

Scheme Date means the date on which the Merger Implementation Deed is executed by all parties to the document.

Scheme Meeting means the meeting of Scheme Shareholders ordered by the Court to be convened pursuant to section 411(1) of the *Corporations Act* to consider this Scheme.

Scheme Record Date means 8.00 pm on the second Business Day after the Effective Date.

Scheme Shareholders means each person who is a Target Ordinary Shareholder at the Scheme Record Date.

Scheme Shares means all Target Ordinary Shares as at the Scheme Record Date and for the avoidance of doubt includes any Target Ordinary Shares issued on or before the Scheme Record Date.

Scheme Share Transfer means, for each Scheme Shareholder, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Hearing Date means the first day on which the application made to the Court for an order approving this Scheme pursuant to section 411(4)(b) of the *Corporations Act* is heard, or if the hearing of the application is adjourned for any reason, the first day of the adjourned hearing.

Sunset Date means 8.00 pm on 28 February 2011 or such other date and time agreed in writing between Bidder and Target.

Target Board means the board of directors of Target as constituted from time to time.

Target Ordinary Share means an issued fully paid ordinary share in Target.

Target Ordinary Shareholder means each person who is registered in the Target Register as a holder of Target Ordinary Shares.

Target Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the *Corporations Act*.

Interpretation

1.2 In this Scheme, unless the context requires otherwise:

- (a) a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
 - (iv) to a party means a party to this Scheme;
 - (v) to a clause, paragraph, Schedule or Annexure is to a clause, paragraph, Schedule or Annexure of or to this Scheme;
 - (vi) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency; and
 - (B) the person's successors, permitted assigns, substitutes, executors and administrators;
 - (vii) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
 - (viii) to any time is to Sydney time;
 - (ix) to "\$" is to the lawful currency of Australia; and

- (b) the word "includes" in any form is not a word of limitation;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

2 Preliminary

Target

- 2.1 Target is a public company limited by shares, incorporated in Australia and registered in Queensland. Its registered office is at Level 14, Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall, Queensland, 4217.
- 2.2 Target is not listed, and Target Ordinary Shares are not quoted on any securities exchange.
- 2.3 As at the Scheme Date, the Target had the following securities on issue:
 - (a) 27,246,701 ordinary shares;
 - (b) 8,428,583 A class shares;
 - (c) 10,984,245 redeemable preference shares; and
 - (d) 1 Z class share.

Bidder

- 2.4 Bidder is a public company limited by shares, incorporated in Australia and registered in Western Australia. Its registered office is at Level 2, 6 Thelma Street, West Perth, Western Australia, 6005.
- 2.5 Bidder is admitted to the official list of ASX and Bidder Ordinary Shares are officially quoted on ASX.
- 2.6 As at the Scheme Date, the Bidder had the following securities on issue:
 - (a) 160,921,844 fully paid ordinary shares;
 - (b) 3,000,000 partly paid ordinary shares of 18 cents each partly paid to 3 cents with the balance payable no later than 31 October 2012; and
 - (c) 6,000,000 options to acquire fully paid ordinary shares with an exercise price of \$1.25 per share and expiring on 27 November 2010.

Effect of Scheme

- 2.7 If this Scheme becomes Effective:

- (a) in consideration of the transfer of all Scheme Shares to Bidder, Bidder will issue to each Scheme Shareholder, the Scheme Consideration in respect of each Scheme Share held by the Scheme Shareholder and seek quotation on the ASX of the Bidder Ordinary Shares, in accordance with the terms of this Scheme and the Deed Poll;
- (b) subject to Bidder having complied in full with its obligations in clause 5 and in the Deed Poll:
 - (i) all of the Scheme Shares will be transferred to Bidder on the Implementation Date; and
 - (ii) Target will enter the name and address of Bidder in the Target Register as the holder of all of the Scheme Shares.

Merger Implementation Deed and Deed Poll

- 2.8 Target and Bidder have entered into the Merger Implementation Deed which sets out the terms on which Target and Bidder have agreed to implement this Scheme.
- 2.9 Bidder has executed the Deed Poll in favour of each Scheme Shareholder pursuant to which it has covenanted to perform its obligations under this Scheme, including to provide the Scheme Consideration.

3 Conditions precedent

Conditions precedent to Scheme

- 3.1 This Scheme is conditional on:
 - (a) as at 8.00 am on the Second Court Hearing Date, neither the Merger Implementation Deed nor the Deed Poll having been terminated;
 - (b) all of the conditions precedent set out in clause 3.1 of the Merger Implementation Deed (other than the condition precedent in clause 3.1(u) of that deed regarding Court approval pursuant to section 411(4)(b) of the Corporations Act) having been satisfied or waived in accordance with the terms of that deed as at 8.00 am on the Second Court Hearing Date;
 - (c) the Court having approved this Scheme with or without modification, pursuant to section 411(4)(b) of the *Corporations Act*, and if applicable, Target having accepted in writing any modification required by the Court; and
 - (d) Target having lodged with ASIC an office copy of any order made by the Court pursuant to section 411(4)(b) of the Corporations Act approving the Scheme, the Target Redeemable Preference Share Scheme, Target Z Class Share Scheme and the Target A Class Share Scheme (each as defined in the Merger Implementation Deed),

and the provisions of clauses 4 to 9 (both inclusive) will not come into effect unless and until each of these conditions precedent has been satisfied.

Certificate in relation to conditions precedent

- 3.2 On the Second Court Hearing Date, Target and Bidder will each provide to the Court a certificate confirming whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(c) and 3.1(d) of this Scheme)

have been satisfied or waived as at 8.00 am on the Second Court Hearing Date and confirming whether or not the Merger Implementation Deed has been terminated.

- 3.3 The giving of a certificate by each of Target and Bidder under clause 3.2 confirming that any conditions precedent set out in clause 3.1 have been satisfied or waived and that the Merger Implementation Deed has not been terminated as at 8.00 am on the Second Court Hearing Date will be conclusive evidence of those matters.

Termination of Merger Implementation Deed

- 3.4 Without limiting rights under the Merger Implementation Deed, in the event that the Merger Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, Target and Bidder are each released from:
- (a) any further obligation to take steps to implement the Scheme;
 - (b) any liability with respect to the Scheme; and
 - (c) in the case of Bidder, any liability under the Deed Poll.

Sunset Date

- 3.5 This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

4 Implementation of Scheme

Lodgement of Court order

- 4.1 Following approval of this Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act, Target will, as soon as is reasonably practicable, lodge with ASIC an office copy of the Court order approving this Scheme pursuant to section 411(10) of the Corporations Act.

Transfer of Scheme Shares

- 4.2 On the Implementation Date, but subject to Bidder having actually provided the Scheme Consideration for the Scheme Shares in accordance with the manner contemplated in clause 5.2:
- (a) all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder without the need for any further act by any Scheme Shareholder (other than acts performed by Target as attorney and agent for Scheme Shareholders under clause 9.1) by:
 - (i) Target delivering to Bidder a duly completed Scheme Share Transfer executed on behalf of the Scheme Shareholders for execution by Bidder; and
 - (ii) Bidder duly executing the Scheme Share Transfer and delivering it to Target for registration; and
 - (b) Target will enter the name and address of Bidder in the Target Register as the holder of all of the Scheme Shares as soon as practicable following receipt of the duly executed Scheme Share Transfer from Bidder under clause 4.2(a)(ii).

Entitlement to Scheme Consideration

- 4.3 On the Implementation Date, in consideration for the transfer to Bidder of the Scheme Shares, each Scheme Shareholder will be entitled to receive from Bidder the Scheme Consideration in respect of each of their Scheme Shares and Bidder must provide the Scheme Consideration in accordance with clause 5.

Fractional entitlements

- 4.4 If a fractional entitlement to a Bidder Ordinary Share arises from the calculation of the Scheme Consideration payable to a Scheme Shareholder in respect of its Scheme Shares, then the fractional entitlement to a Bidder Ordinary Share will be rounded to the nearest whole number and will be rounded up if the fractional entitlement is one half.

Shareholding splitting or division

- 4.5 If Target and Bidder are of the opinion that a Scheme Shareholder has been a party to a shareholding splitting or division in an attempt to gain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, then Target and Bidder reserve the right to round the entitlement of such holdings so as to provide only the number of Bidder Ordinary Shares that would have been received but for the splitting or division.

5 Provision of Scheme Consideration

- 5.1 Subject to clause 8, the Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.
- 5.2 The obligation of Bidder to provide the Scheme Consideration to the Scheme Shareholders in respect of each Scheme Share registered in the name of the Scheme Shareholders will be satisfied by Bidder:
- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the Bidder Ordinary Shares and entering the name and Registered Address of that Scheme Shareholder in the Bidder Register as the holder of the Bidder Ordinary Shares issued to that Scheme Shareholder;
 - (b) within 5 Business Days after the Implementation Date, dispatching or procuring the dispatch to that Scheme Shareholder by pre-paid post to their Registered Address, of an uncertificated holding statement in the name of that Scheme Shareholder representing the Bidder Ordinary Shares issued to them under the Scheme; and
 - (c) making an application to ASX for the quotation of the Bidder Ordinary Shares on ASX in accordance with clause 6.

General

- 5.3 Each Scheme Shareholder to whom Bidder Ordinary Shares are to be issued under this Scheme agrees:
- (a) to become a member of Bidder for the purposes of section 231 of the *Corporations Act*;

- (b) to have their name and Registered Address entered in the Bidder Register; and
 - (c) to be bound by the constitution of Bidder as in force from time to time in respect of the Bidder Ordinary Shares.
- 5.4 Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and Target relating to Scheme Shares at the Scheme Record Date (including, without limitation, any instructions relating to payment of dividends or to communications from Target) will from the Scheme Record Date be deemed to be a similarly binding instruction or notification to, and accepted by, Bidder in respect of the Bidder Ordinary Shares issued to the Scheme Shareholder until that instruction or notification is revoked or amended in writing addressed to Bidder at the Bidder Share Registry. Any such instructions or notifications accepted by Bidder will apply to and in respect of Bidder Ordinary Shares issued as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of this Scheme.

Joint holders

- 5.5 In the case of Scheme Shares held in joint names any uncertificated holding statements or certificates for Bidder Ordinary Shares to be issued to Scheme Shareholders will record the joint holders as the registered holder of the Bidder Ordinary Shares and will be forwarded to the holder whose name appears first in the Target Register at the Scheme Record Date.

6 Quotation of Bidder Ordinary Shares

- 6.1 Bidder will use its best endeavours to procure that the Bidder Ordinary Shares to be issued pursuant to this Scheme will be quoted on ASX:
 - (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if Bidder Ordinary Shares are subject to a trading halt on that day, on first Business Day after the trading halt has ended); and
 - (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

7 Dealings in Target Ordinary Shares

Determination of Scheme Shareholders

- 7.1 For the purpose of determining the persons that are Scheme Shareholders, dealings in Target Ordinary Shares will only be recognised if registrable transfers or transmission applications in respect of those dealings are received on or before the Scheme Record Date at Target's registered office.
- 7.2 Target will register registrable transfers or transmission applications of the kind referred to in clause 7.1 by the Scheme Record Date.
- 7.3 Target will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Target Ordinary Shares received after the Scheme Record Date (other than the transfers contemplated by clause 4.2).

- 7.4 If the Scheme becomes Effective, a holder of Target Ordinary Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Target Ordinary Shares or any interest in them after the Effective Date and any such disposal will be void and of no legal effect whatsoever.

Maintenance of Target Register

- 7.5 For the purpose of determining entitlements to the Scheme Consideration, Target will, until the Scheme Consideration has been provided, maintain or procure the maintenance of the Target Register in accordance with this clause 7. The Target Register in this form will solely determine entitlements to the Scheme Consideration.

Effect of certificates and holding statements

- 7.6 After the Scheme Record Date (other than statements of holding in favour of Bidder and its successors in title after the Implementation Date), all certificates and holding statements for the Scheme Shares will cease to have effect as documents of title. Subject to provision of the Scheme Consideration by Bidder and registration of the transfer to Bidder contemplated in clause 4.2, after the Scheme Record Date, each entry on the Target Register at the Scheme Record Date (other than entries in respect of Bidder and its successors in title) will cease to have any effect other than as evidence of an entitlement to the Scheme Consideration.

Information to be made available to Bidder

- 7.7 Target will procure that, as soon as reasonably practicable after the Scheme Record Date, details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Shareholder as shown in the Target Register at the Scheme Record Date are made available to Bidder in such form as Bidder or the Bidder Share Registry reasonably requires.

8 Dealings in Bidder Ordinary Shares

Holding lock during Escrow Period

- 8.1 Subject to clauses 8.5, 8.6 and 8.7, Scheme Shareholders are deemed to have agreed as a fundamental condition of this Scheme and consented to the following matters in relation to the Scheme Consideration:
- (a) subject to clause 8.1(c), to the extent permitted by the ASTC Settlement Rules, a holding lock being placed on the Escrowed Shares during the Escrow Period on CHESS or any other register to prevent a Proper ASTC Transfer of the Escrowed Shares;
 - (b) the Escrowed Shares being recorded in a sub-position on the Bidder Register unless and until those Escrowed Shares are released from that sub-position in accordance with this clause 8; and
 - (c) Bidder procuring the removal of the holding lock referred to in clause 8.1(a) applicable to the Escrowed Shares immediately after the expiry of the Escrow Period.
- 8.2 The holding lock placed on the Scheme Shareholders' Bidder Ordinary Shares will prevent the Scheme Shareholders from transferring or disposing those Bidder Ordinary Shares during the Escrow Period other than as provided in this clause 8.

Release of holding lock

- 8.3 Subject to clauses 8.5, 8.6, 8.7, 8.9 and 8.10, the holding lock placed on the Bidder Ordinary Shares as described in clause 8.1 will be released on the expiry of the Escrow Period.

Restrictions during Escrow Period

- 8.4 Subject to clauses 8.5, 8.6 and 8.7, Scheme Shareholders will not be permitted, during the Escrow Period, to do any of the following:
- (a) Deal, directly or indirectly, in any or all of the Escrowed Shares or Deal, directly or indirectly, in any interest or right in respect of any or all of the Escrowed Shares;
 - (b) create, or agree or offer to create, a security interest or encumbrance over or affecting any or all of the Escrowed Shares; or
 - (c) do or omit to do any act which would have the effect of transferring effective ownership or control of any or all of the Escrowed Shares.

Takeovers

- 8.5 If at any time:
- (a) any person makes a takeover bid in respect of all of the ordinary shares of the Bidder under Chapter 6 of the Corporations Act; and
 - (b) acceptances of that bid are received from the holders of 50% or more of the ordinary shares of the Bidder,
- the Scheme Shareholders may deal in any or all of the Escrowed Shares during the Escrow Period in order to accept the takeover bid.
- 8.6 If the takeover bid does not become unconditional, the escrow obligations in this clause 8 continue to apply to any Bidder Ordinary Shares.

Schemes of arrangement

- 8.7 Scheme Shareholders may Deal in any or all of the Escrowed Shares during the Escrow Period in order to effect the transfer or cancellation of the Escrowed Shares as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, provided that any Escrowed Shares which are the subject of the scheme of arrangement will remain subject to the escrow arrangements set out in this clause 8.7 if the merger by scheme of arrangement does not take effect.

Application of Listing Rules

- 8.8 To the extent of any inconsistency between this clause 8 and the Listing Rules, the Listing Rules prevail.

Other permitted Dealings

- 8.9 Scheme Shareholders may Deal in any or all of the Escrowed Shares during the Escrow Period to the extent that the Dealing involves the transfer of any or all of the Escrowed Shares to a Permitted Transferee provided that:
- (a) the transferee of the Escrowed Shares enters into a deed containing terms to the same effect as the provisions of this clause 8, prior to any transfer;

- (b) where such a transferee ceases to be a Permitted Transferee, it will immediately notify the Bidder of such event; and
- (c) where such a transferee ceases to be a Permitted Transferee (other than a Permitted Transferee under paragraphs (b) to (d) of the definition of Permitted Transferee) it shall within five days of such event transfer any Escrowed Shares transferred to the Scheme Shareholder who transferred the Bidder Ordinary Shares to the Permitted Transferee.

Release by the Bidder Board

- 8.10 The Bidder Board, in its absolute discretion, may release a Scheme Shareholder from all or part of the escrow restriction in clause 8 by written notice to the Scheme Shareholder.

9 General Scheme provisions

Appointment of Target as agent and attorney

- 9.1 Each Scheme Shareholder, without the need for any further act, irrevocably appoints Target and each of the directors and secretaries of Target, jointly and severally, as its agent and attorney for the purpose of executing any document or doing any other act necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including executing a Scheme Share Transfer and executing an agreement or deed with Bidder giving effect as between Bidder and each Scheme Shareholder to the provisions set out in clause 8 relating to the Escrowed Shares.

Scheme Shareholders' consent

- 9.2 Each Scheme Shareholder consents to Target doing all things and executing all deeds, instruments, transfers and other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Agreement by Scheme Shareholders

- 9.3 Each Scheme Shareholder agrees to the transfer of all of their Scheme Shares to Bidder in accordance with the terms of this Scheme.

Warranty by Scheme Shareholders

- 9.4 Each Scheme Shareholder is deemed to have warranted to Bidder, and is deemed to have authorised Target to warrant to Bidder as agent and attorney for the Scheme Shareholder by virtue of this clause, that:
- (a) all of their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Bidder under this Scheme will, on the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise (but acknowledging that a security interest holder may potentially have an interest in the Scheme Consideration in accordance with the terms of such security interest); and
 - (b) subject to any restrictions in the terms of issue, they have the full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those shares).

Title to Scheme Shares

- 9.5 Subject to provision of the Scheme Consideration for the Scheme Shares in accordance with clause 5.2, on and from the Implementation Date and pending registration by Target of Bidder in the Target Register as the holder of all of the Scheme Shares, Bidder will be beneficially entitled to all of the Scheme Shares transferred to it under this Scheme.

Appointment of Bidder as sole proxy

- 9.6 Subject to provision of the Scheme Consideration for the Scheme Shares in accordance with clause 5.2, on and from the Implementation Date and pending registration by Target of Bidder in the Target Register as the holder of all of the Scheme Shares, each Scheme Shareholder:
- (a) is deemed to have irrevocably appointed the Chairman of Bidder as their sole proxy and, where applicable, corporate representative, to attend shareholders' meetings of Target, exercise the votes attached to the Scheme Shares registered in their name and sign any shareholders' resolutions, whether in person, by proxy or by corporate representative;
 - (b) must not attend or vote at any shareholders' meetings of Target, or sign any resolutions, whether in person, by proxy or by corporate representative, other than in accordance with this clause 9.6; and
 - (c) must take all other actions in the capacity of the registered holder of Scheme Shares as Bidder directs.

Target undertakes in favour of each Scheme Shareholder that it will appoint the Chairman of Bidder as that Scheme Shareholder's proxy or, where applicable, corporate representative, in accordance with this clause 9.6.

Scheme alterations and conditions

- 9.7 If the Court proposes to approve this Scheme subject to any alterations or conditions, Target may, by its counsel or solicitors, and with the consent of Bidder, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Shareholders, provided that in no circumstances will Target be obliged to do so.

Effect of Scheme

- 9.8 This Scheme binds Target and all Target Ordinary Shareholders (including any Target Ordinary Shareholders who do not attend the Scheme Meeting, do not vote at that meeting or vote against this Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Target.

Enforcement of Deed Poll

- 9.9 Target undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Shareholders.

No liability when acting in good faith

- 9.10 Neither Target nor Bidder, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

Notices

- 9.11 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be deemed to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office.

Further assurances

- 9.12 Subject to clause 9.7, Target will execute all deeds, instruments, transfers and other documents and do all acts and things (on its own behalf and on behalf of each Scheme Shareholder) as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Costs and stamp duty

- 9.13 Bidder will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Bidder.

10 Governing law and jurisdiction

- 10.1 This Scheme is governed by the laws of New South Wales.
- 10.2 Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure E

PIH A Class Shares Deed Poll

BAKER & MCKENZIE

Target A Class Shares Deed Poll

By Centrepont Alliance Limited (ACN 052
507 207) (Bidder)

in favour of each Scheme Shareholder

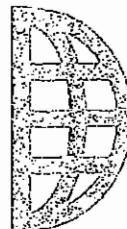
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Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Nature of Deed Poll	2
3	Conditions precedent and termination	2
4	Provision of Scheme Consideration	2
5	Representations and warranties	3
6	Continuing obligations	4
7	Notices	4
8	General	5
9	Governing law and jurisdiction	6

Date

2010

by: **Centrepoint Alliance Limited** (ACN 052 507 507) of Level 2, 6 Thelma Street,
West Perth, Western Australia, 6005 (*Bidder*)

in favour of: **Each holder of issued A class shares in the capital of Professional
Investment Holdings Ltd** (ACN 074 949 429) of Level 14, Corporate Centre
One, Corner Bundall Road & Slayter Avenue, Bundall, Queensland, 4217 (*Target*)
as at the Scheme Record Date (*Scheme Shareholders*)

Recitals

- A The Target Board considers that it is in the interests of Target and Scheme Shareholders that Scheme Shareholders be given the opportunity to consider and, if thought fit, approve the Scheme.
- B Accordingly, the Target Board has resolved that Target should propose the Scheme.
- C The effect of the Scheme will be that all of the Scheme Shares will be transferred to Bidder.
- D Bidder and Target have entered into a Merger Implementation Deed.
- E Under the Merger Implementation Deed, Bidder has agreed subject to the satisfaction or waiver of certain conditions, to take all necessary steps to implement and complete the Scheme as soon as is reasonably practicable, including executing this Deed Poll and providing the Scheme Consideration.
- F Bidder is entering into this Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform its obligations under the Scheme.

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this Deed Poll:

- (a) *Scheme* means the scheme of arrangement under Part 5.1 of the *Corporations Act* between Target and Scheme Shareholders substantially in the form set out in Annexure 5 of the Merger Implementation Deed between Target and Bidder, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the *Corporations Act* and approved in writing by Bidder and Target; and
- (b) unless the context requires otherwise, all other words and phrases defined in the Scheme have the same meaning in this Deed Poll.

Interpretation

- 1.2 Clause 1.2 of the Scheme applies to the interpretation of this Deed Poll except that references to "this Scheme" in that clause are to be read as references to "this Deed Poll".

2 Nature of Deed Poll

- 2.1 Bidder acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

3 Conditions precedent and termination

Conditions precedent

- 3.1 Bidder's obligations under clause 4 are subject to the Scheme becoming Effective.

Termination

- 3.2 Subject to clause 3.3, Bidder's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect if:
- (a) the Merger Implementation Deed is terminated; or
 - (b) the Scheme does not become Effective on or before the Sunset Date.
- 3.3 Notwithstanding any other provision in the Merger Implementation Deed, if the Scheme is approved by the Court with or without modification pursuant to section 411(4)(b) of the Corporations Act, Bidder will have no right to terminate the Merger Implementation Deed.

Consequences of termination

- 3.4 If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:
- (a) Bidder is released from its obligations to further perform this Deed Poll except those obligations contained in clause 8.1 and any other obligations which by their nature survive termination; and
 - (b) Scheme Shareholders retain the rights they have against Bidder in respect of any breach of this Deed Poll which occurs before it is terminated.

4 Provision of Scheme Consideration

Compliance with Merger Implementation Deed obligations generally

- 4.1 Subject to clause 3.1, Bidder will comply with its obligations under the Merger Implementation Deed to do all acts and things as may be necessary or desirable on its part to give full effect to the Scheme.

Provision of Scheme Consideration

- 4.2 Subject to clause 3.1, in consideration of the transfer to Bidder of all of the Scheme Shares, Bidder undertakes in favour of each Scheme Shareholder to provide the Scheme Consideration to each Scheme Shareholder in accordance with the Scheme.
- 4.3 The obligation of Bidder to issue the Scheme Consideration to the Scheme Shareholders in respect of each Scheme Share registered in the name of the Scheme Shareholders will be satisfied by Bidder:
- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the Bidder Ordinary Shares comprising the Bidder Ordinary Share Component of the Scheme Consideration and entering the name and Registered Address of each Scheme Shareholder in the Bidder Register as the holder of the Bidder Ordinary Shares (in each case rounded as required by the Scheme) issued to each Scheme Shareholder;
 - (b) within 5 Business Days after the Implementation Date, dispatching or procuring the dispatch to each Scheme Shareholder by pre-paid post to their Registered Address, of an uncertificated holding statement in the name of the Scheme Shareholder representing the Bidder Ordinary Shares issued to them under the Scheme; and
 - (c) making an application to ASX for the quotation of the Bidder Ordinary Shares comprising the Bidder Ordinary Share Component on ASX in accordance with clause 4.6.

Joint holders

- 4.4 In the case of Scheme Shares held in joint names any uncertificated holding statements for Bidder Ordinary Shares will be issued to Scheme Shareholders in the names of the joint holders and will be forwarded to the holder whose name appears first in the Target Register at the Scheme Record Date.

Status of Bidder Ordinary Shares

- 4.5 The Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.

Trading of Bidder Ordinary Shares

- 4.6 Bidder will use its best endeavours to procure that the Bidder Ordinary Shares to be issued pursuant to the Scheme will be quoted on ASX:
- (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if Bidder Ordinary Shares are subject to a trading halt on that day, on first Business Day after the trading halt has ended); and
 - (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

5 Representations and warranties

- 5.1 Bidder represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding upon it and enforceable against it in accordance with its terms; and
- (e) the Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.

6 Continuing obligations

6.1 This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this Deed Poll; or
- (b) the earlier termination of this Deed Poll under clause 3.2.

7 Notices

7.1 Any notice or other communication given to Bidder under or in connection with this Deed Poll must be:

- (a) in legible writing and in English;
- (b) addressed to Bidder at the address or fax number set out below:

Attention:	Company Secretary
Address:	Level 2, 6 Thelma Street, West Perth, Western Australia, 6005.
Fax no:	1300 737 660

- (c) signed by the sender or a person duly authorised by the sender; and
- (d) sent to Bidder by hand, prepaid post (airmail if to or from a place outside Australia) or fax.

7.2 Without limiting any other means by which a party may be able to prove that a notice has been received by Bidder, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of Bidder;
- (b) if sent by pre-paid post, 3 Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to Bidder's fax number,

but if a notice is served by hand, or is received by Bidder's fax, on a day that is not a Business Day, or after 5.00 pm (Bidder's local time) on a Business Day, the notice will be considered to have been received by Bidder at 9.00 am (Bidder's local time) on the next Business Day.

8 General

Stamp duty

8.1 Bidder will:

- (a) pay all stamp duty (including fines, penalties and interest) on or in connection with this Deed Poll, the performance of this Deed Poll and each transaction effected by or made, or any instrument executed, under this Deed Poll (including the transfer of the Scheme Shares to Bidder); and
- (b) indemnify each Scheme Shareholder on demand against any liability arising from failure to comply with clause 8.1(a).

Waiver

8.2 Waiver of any right arising from a breach of this Deed Poll or of any right, power, authority, discretion or remedy arising upon default under this Deed Poll must be in writing and signed by the party granting the waiver.

8.3 A failure or delay in exercise, or partial exercise, of:

- (a) a right arising from a breach of this Deed Poll; or
- (b) a right, power, authority, discretion or remedy created or arising upon default under this Deed Poll,

does not result in a waiver of that right, power, authority, discretion or remedy.

8.4 A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this Deed Poll or on a default under this Deed Poll as constituting a waiver of that right, power, authority, discretion or remedy.

8.5 A party may not rely on any conduct of another party as a defence to exercise of a right, power, authority, discretion or remedy by that other party.

Variation

8.6 A provision of this Deed Poll may not be varied unless:

- (a) before the date of the Scheme Meeting, the variation is agreed to in writing by Target; or
 - (b) on or after the date of the Scheme Meeting, the variation is agreed to writing by Target and the Court indicates the variation would not itself preclude approval of the Scheme,
- in which event Bidder will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

Rights cumulative

- 8.7 The rights, powers and remedies of Bidder and of each Scheme Shareholder under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law or equity independently of this Deed Poll.

Assignment

- 8.8 The rights and obligations of Bidder and of each Scheme Shareholder under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt or purport to do so without the prior written consent of Bidder and Target.

Further assurances

- 8.9 Bidder will execute all deeds and other documents and do all acts and things (on its own behalf or on behalf of each Scheme Shareholder) as may be necessary or desirable to give full effect to this Deed Poll and the transactions contemplated by it.

9 Governing law and jurisdiction

- 9.1 This Deed Poll is governed by the laws of New South Wales. Bidder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Execution

Executed as a deed poll.

Signed by Centrepont Alliance Limited)
by a director and secretary/director:)

Signature of secretary/director

Signature of director

Name of secretary/director (please print)

Name of director (please print)



Annexure F

Scheme of Arrangement for PIH A Class Shares



Target A Class Shares Scheme of Arrangement

**Professional Investment Holdings Ltd
(ACN 074 949 429) (Target)**

**The holders of A class shares in Target as at
the Scheme Record Date**

BAKER & MCKENZIE

Solicitors
Level 19
181 William Street
MELBOURNE VIC 3000
Tel: (03) 9617-4200
Fax: (03) 9614-2103
Email: richard.lustig@bakermckenzie.com
Email: simon.schenkel@bakermckenzie.com

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Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Preliminary	5
3	Conditions precedent	6
4	Implementation of Scheme	7
5	Provision of Scheme Consideration	8
6	Quotation of Bidder Ordinary Shares	9
7	Dealings in Target A Class Shares	9
8	Dealings in Bidder Ordinary Shares	10
9	General Scheme provisions	12
10	Governing law and jurisdiction	14

Scheme of Arrangement

pursuant to section 411 of the *Corporations Act 2001* (Cth)

between: **Professional Investment Holdings Ltd** (ACN 074 949 429) of Level 14,
Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall,
Queensland, 4217 (*Target*)

and: **The holders of A class shares in Target as at the Scheme Record Date**

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this Scheme, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd.

ASTC Settlement Rules means the operating rules of the ASTC.

ASX means ASX Limited or the securities market which it operates, as the context requires.

Authorised Representative means any of the following:

- (a) a body corporate authorised by an entity in accordance with section 916A of the Corporations Act;
- (b) an Australian financial services licensee (as that term is defined in section 761A of the Corporations Act) that subscribes (or proposes or intends to subscribe) to an entity's financial services and that has an agreement, arrangement or understanding with an entity under which it shares with that entity the revenue generated by the licensee from the provision of financial services or any similar agreement, arrangement or understanding; or
- (c) an associate (as defined in each of sections 10 to 17 of the Corporations Act) of either (a) or (b).

Authorised Representative Change Event means, in respect of a holder of Escrowed Shares, that holder becomes an Authorised Representative of an entity other than Professional Investment Services Pty Ltd without the prior written consent of Bidder.

Bidder means Centrepont Alliance Limited.

Bidder Board means Bidder's board of directors as constituted from time to time.

Bidder Distribution means as set out in the Merger Implementation Deed.

Bidder Ordinary Share means a fully paid ordinary share in Bidder.

Bidder Register means the register of members of Bidder maintained by or on behalf of Bidder in accordance with section 168(1) of the *Corporations Act*.

Bidder Share Registry means Computershare Investor Services Pty Limited.

Business Day means a day that is not a Saturday, Sunday, or a public holiday or bank holiday in Melbourne or Sydney.

CHESS means Clearing House Electronic Sub-register System and means the system established and operated by ASTC for the clearing and settlement of transactions in CHESS approved securities, the transfer of securities and the registration of transfers.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of New South Wales or such other court as the Target and Bidder may agree.

Deal means:

- (a) sell, assign, transfer or otherwise dispose of;
- (b) agree or offer to sell, assign, transfer or otherwise dispose of;
- (c) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the Scheme Shareholder to sell, assign, transfer or otherwise dispose of; and
- (d) decrease or agree to decrease an economic interest.

Deed Poll means the deed poll executed by Bidder substantially in the form of Annexure 5 of the Merger Implementation Deed under which Bidder covenants in favour of each Scheme Shareholder to perform its obligations under this Scheme and under the Merger Implementation Deed as regards the implementation of this Scheme.

Effective means, when used in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the *Corporations Act*, of the Court order made for the purposes of section 411(4)(b) of the *Corporations Act* in relation to this Scheme but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Escrow Period means

- (a) in respect of one half of the Escrowed Shares, the period of time beginning on the Implementation Date and ending on 20 June 2012; and
- (b) in respect of the other half of the Escrowed Shares, the period of time beginning on the Implementation Date and ending on:
 - (i) 20 June 2013 if no Authorised Representative Change Event occurs in respect of the holder of the Escrowed Shares on or before that date; and
 - (ii) 20 June 2015 if an Authorised Representative Change Event has occurred in respect of the holder of the Escrowed Shares on or before 20 June 2013.

Escrowed Shares means during the Escrow Period, one half of the Bidder Ordinary Shares issued by the Bidder as the Scheme Consideration.

Implementation Date means the Business Day after the Scheme Record Date.

Listing Rules means the listing rules of ASX as amended from time to time.

Merger Implementation Deed means the Merger Implementation Deed between Target and Bidder.

Permitted Transferee means

- (a) on death of the Scheme Shareholder, a personal representative of a Scheme Shareholder or another person the personal representative determines is entitled to the Bidder Ordinary Shares;
- (b) a person entitled to Bidder Ordinary Shares because of the bankruptcy of a Scheme Shareholder; and
- (c) a person entitled to shares because of the mental incapacity of a Scheme Shareholder;
- (d) any spouse or child of the Scheme Shareholder;
- (e) any company controlled by the Scheme Shareholder; and
- (f) any trustee of a family trust of which the Scheme Shareholder is a beneficiary.

Proper ASTC Transfer has the meaning given in regulation 1.0.02(1) of the *Corporations Regulations 2001 (Cth.)*.

Registered Address means, in relation to a Target A Class Shareholder, the address shown in the Target Register at the Scheme Record Date.

Scheme means this scheme of arrangement between Target and Scheme Shareholders, under which all the Scheme Shares will be transferred to Bidder under Part 5.1 of the Corporations Act as described in clause 4, in consideration for the Scheme Consideration, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the *Corporations Act* to the extent they are approved in writing by Target in accordance with clause 9.7.

Scheme Consideration means 1.4921 Bidder Ordinary Shares.

Scheme Date means the date on which the Merger Implementation Deed is executed by all parties to the document.

Scheme Meeting means the meeting of Scheme Shareholders ordered by the Court to be convened pursuant to section 411(1) of the *Corporations Act* to consider this Scheme.

Scheme Record Date means 8.00 pm on the second Business Day after the Effective Date.

Scheme Shareholders means each person who is a Target A Class Shareholder at the Scheme Record Date.

Scheme Shares means all Target A Class Shares as at the Scheme Record Date and for the avoidance of doubt includes any Target A Class Shares issued on or before the Scheme Record Date.

Scheme Share Transfer means, for each Scheme Shareholder, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Hearing Date means the first day on which the application made to the Court for an order approving this Scheme pursuant to section 411(4)(b) of the *Corporations Act* is heard, or if the hearing of the application is adjourned for any reason, the first day of the adjourned hearing.

Sunset Date means 8.00 pm on 28 February 2011 or such other date and time agreed in writing between Bidder and Target.

Target A Class Share means an issued A class share in Target.

Target A Class Shareholder means each person who is registered in the Target Register as a holder of Target A Class Shares.

Target Board means the board of directors of Target as constituted from time to time.

Target Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the *Corporations Act*.

Interpretation

1.2 In this Scheme, unless the context requires otherwise:

- (a) a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
 - (iv) to a party means a party to this Scheme;
 - (v) to a clause, paragraph, Schedule or Annexure is to a clause, paragraph, Schedule or Annexure of or to this Scheme;
 - (vi) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency; and
 - (B) the person's successors, permitted assigns, substitutes, executors and administrators;
 - (vii) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
 - (viii) to any time is to Sydney time;
 - (ix) to "\$" is to the lawful currency of Australia; and

- (b) the word "includes" in any form is not a word of limitation;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

2 Preliminary

Target

- 2.1 Target is a public company limited by shares, incorporated in Australia and registered in Queensland. Its registered office is at Level 14, Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall, Queensland, 4217.
- 2.2 Target is not listed, and Target A Class Shares are not quoted on any securities exchange.
- 2.3 As at the Scheme Date, the Target had the following securities on issue:
 - (a) 27,246,701 ordinary shares;
 - (b) 8,428,583 A class shares;
 - (c) 10,984,245 redeemable preference shares; and
 - (d) 1 Z class share.

Bidder

- 2.4 Bidder is a public company limited by shares, incorporated in Australia and registered in Western Australia. Its registered office is at Level 2, 6 Thelma Street, West Perth, Western Australia, 6005.
- 2.5 Bidder is admitted to the official list of ASX and Bidder Ordinary Shares are officially quoted on ASX.
- 2.6 As at the Scheme Date, the Bidder had the following securities on issue:
 - (a) 160,921,844 fully paid ordinary shares;
 - (b) 3,000,000 partly paid ordinary shares of 18 cents each partly paid to 3 cents with the balance payable no later than 31 October 2012; and
 - (c) 6,000,000 options to acquire fully paid ordinary shares with an exercise price of \$1.25 per share and expiring on 27 November 2010.

Effect of Scheme

- 2.7 If this Scheme becomes Effective:

- (a) in consideration of the transfer of all Scheme Shares to Bidder, Bidder will issue to each Scheme Shareholder, the Scheme Consideration in respect of each Scheme Share held by the Scheme Shareholder and seek quotation on the ASX of the Bidder Ordinary Shares, in accordance with the terms of this Scheme and the Deed Poll;
- (b) subject to Bidder having complied in full with its obligations in clause 5 and in the Deed Poll:
 - (i) all of the Scheme Shares will be transferred to Bidder on the Implementation Date; and
 - (ii) Target will enter the name and address of Bidder in the Target Register as the holder of all of the Scheme Shares.

Merger Implementation Deed and Deed Poll

- 2.8 Target and Bidder have entered into the Merger Implementation Deed which sets out the terms on which Target and Bidder have agreed to implement this Scheme.
- 2.9 Bidder has executed the Deed Poll in favour of each Scheme Shareholder pursuant to which it has covenanted to perform its obligations under this Scheme, including to provide the Scheme Consideration.

3 Conditions precedent

Conditions precedent to Scheme

- 3.1 This Scheme is conditional on:
 - (a) as at 8.00 am on the Second Court Hearing Date, neither the Merger Implementation Deed nor the Deed Poll having been terminated;
 - (b) all of the conditions precedent set out in clause 3.1 of the Merger Implementation Deed (other than the condition precedent in clause 3.1(u) of that deed regarding Court approval pursuant to section 411(4)(b) of the Corporations Act) having been satisfied or waived in accordance with the terms of that deed as at 8.00 am on the Second Court Hearing Date;
 - (c) the Court having approved this Scheme with or without modification, pursuant to section 411(4)(b) of the *Corporations Act*, and if applicable, Target having accepted in writing any modification required by the Court; and
 - (d) Target having lodged with ASIC an office copy of any order made by the Court pursuant to section 411(4)(b) of the Corporations Act approving the Scheme, the Target Redeemable Preference Share Scheme, Target Z Class Share Scheme and the Target Ordinary Share Scheme (each as defined in the Merger Implementation Deed),

and the provisions of clauses 4 to 9 (both inclusive) will not come into effect unless and until each of these conditions precedent has been satisfied.

Certificate in relation to conditions precedent

- 3.2 On the Second Court Hearing Date, Target and Bidder will each provide to the Court a certificate confirming whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(c) and 3.1(d) of this Scheme)

have been satisfied or waived as at 8.00 am on the Second Court Hearing Date and confirming whether or not the Merger Implementation Deed has been terminated.

- 3.3 The giving of a certificate by each of Target and Bidder under clause 3.2 confirming that any conditions precedent set out in clause 3.1 have been satisfied or waived and that the Merger Implementation Deed has not been terminated as at 8.00 am on the Second Court Hearing Date will be conclusive evidence of those matters.

Termination of Merger Implementation Deed

- 3.4 Without limiting rights under the Merger Implementation Deed, in the event that the Merger Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, Target and Bidder are each released from:
- (a) any further obligation to take steps to implement the Scheme;
 - (b) any liability with respect to the Scheme; and
 - (c) in the case of Bidder, any liability under the Deed Poll.

Sunset Date

- 3.5 This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

4 Implementation of Scheme

Lodgement of Court order

- 4.1 Following approval of this Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act, Target will, as soon as is reasonably practicable, lodge with ASIC an office copy of the Court order approving this Scheme pursuant to section 411(10) of the Corporations Act.

Transfer of Scheme Shares

- 4.2 On the Implementation Date, but subject to Bidder having actually provided the Scheme Consideration for the Scheme Shares in accordance with the manner contemplated in clause 5.2:
- (a) all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder without the need for any further act by any Scheme Shareholder (other than acts performed by Target as attorney and agent for Scheme Shareholders under clause 9.1) by:
 - (i) Target delivering to Bidder a duly completed Scheme Share Transfer executed on behalf of the Scheme Shareholders for execution by Bidder; and
 - (ii) Bidder duly executing the Scheme Share Transfer and delivering it to Target for registration; and
 - (b) Target will enter the name and address of Bidder in the Target Register as the holder of all of the Scheme Shares as soon as practicable following receipt of the duly executed Scheme Share Transfer from Bidder under clause 4.2(a)(ii).

Entitlement to Scheme Consideration

- 4.3 On the Implementation Date, in consideration for the transfer to Bidder of the Scheme Shares, each Scheme Shareholder will be entitled to receive from Bidder the Scheme Consideration in respect of each of their Scheme Shares and Bidder must provide the Scheme Consideration in accordance with clause 5.

Fractional entitlements

- 4.4 If a fractional entitlement to a Bidder Ordinary Share arises from the calculation of the Scheme Consideration payable to a Scheme Shareholder in respect of its Scheme Shares, then the fractional entitlement to a Bidder Ordinary Share will be rounded to the nearest whole number and will be rounded up if the fractional entitlement is one half.

Shareholding splitting or division

- 4.5 If Target and Bidder are of the opinion that a Scheme Shareholder has been a party to a shareholding splitting or division in an attempt to gain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, then Target and Bidder reserve the right to round the entitlement of such holdings so as to provide only the number of Bidder Ordinary Shares that would have been received but for the splitting or division.

5 Provision of Scheme Consideration

- 5.1 Subject to clause 8, the Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.
- 5.2 The obligation of Bidder to provide the Scheme Consideration to the Scheme Shareholders in respect of each Scheme Share registered in the name of the Scheme Shareholders will be satisfied by Bidder:
- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the Bidder Ordinary Shares and entering the name and Registered Address of that Scheme Shareholder in the Bidder Register as the holder of the Bidder Ordinary Shares issued to that Scheme Shareholder;
 - (b) within 5 Business Days after the Implementation Date, dispatching or procuring the dispatch to that Scheme Shareholder by pre-paid post to their Registered Address, of an uncertificated holding statement in the name of that Scheme Shareholder representing the Bidder Ordinary Shares issued to them under the Scheme; and
 - (c) making an application to ASX for the quotation of the Bidder Ordinary Shares on ASX in accordance with clause 6.

General

- 5.3 Each Scheme Shareholder to whom Bidder Ordinary Shares are to be issued under this Scheme agrees:
- (a) to become a member of Bidder for the purposes of section 231 of the *Corporations Act*;

- (b) to have their name and Registered Address entered in the Bidder Register; and
 - (c) to be bound by the constitution of Bidder as in force from time to time in respect of the Bidder Ordinary Shares.
- 5.4 Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and Target relating to Scheme Shares at the Scheme Record Date (including, without limitation, any instructions relating to payment of dividends or to communications from Target) will from the Scheme Record Date be deemed to be a similarly binding instruction or notification to, and accepted by, Bidder in respect of the Bidder Ordinary Shares issued to the Scheme Shareholder until that instruction or notification is revoked or amended in writing addressed to Bidder at the Bidder Share Registry. Any such instructions or notifications accepted by Bidder will apply to and in respect of Bidder Ordinary Shares issued as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of this Scheme.

Joint holders

- 5.5 In the case of Scheme Shares held in joint names any uncertificated holding statements or certificates for Bidder Ordinary Shares to be issued to Scheme Shareholders will record the joint holders as the registered holder of the Bidder Ordinary Shares and will be forwarded to the holder whose name appears first in the Target Register at the Scheme Record Date.

6 Quotation of Bidder Ordinary Shares

- 6.1 Bidder will use its best endeavours to procure that the Bidder Ordinary Shares to be issued pursuant to this Scheme will be quoted on ASX:
- (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if Bidder Ordinary Shares are subject to a trading halt on that day, on first Business Day after the trading halt has ended); and
 - (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

7 Dealings in Target A Class Shares

Determination of Scheme Shareholders

- 7.1 For the purpose of determining the persons that are Scheme Shareholders, dealings in Target A Class Shares will only be recognised if registrable transfers or transmission applications in respect of those dealings are received on or before the Scheme Record Date at Target's registered office.
- 7.2 Target will register registrable transfers or transmission applications of the kind referred to in clause 7.1 by the Scheme Record Date.
- 7.3 Target will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Target A Class Shares received after the Scheme Record Date (other than the transfers contemplated by clause 4.2).

- 7.4 If the Scheme becomes Effective, a holder of Target A Class Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Target A Class Shares or any interest in them after the Effective Date and any such disposal will be void and of no legal effect whatsoever.

Maintenance of Target Register

- 7.5 For the purpose of determining entitlements to the Scheme Consideration, Target will, until the Scheme Consideration has been provided, maintain or procure the maintenance of the Target Register in accordance with this clause 7. The Target Register in this form will solely determine entitlements to the Scheme Consideration.

Effect of certificates and holding statements

- 7.6 After the Scheme Record Date (other than statements of holding in favour of Bidder and its successors in title after the Implementation Date), all certificates and holding statements for the Scheme Shares will cease to have effect as documents of title. Subject to provision of the Scheme Consideration by Bidder and registration of the transfer to Bidder contemplated in clause 4.2, after the Scheme Record Date, each entry on the Target Register at the Scheme Record Date (other than entries in respect of Bidder and its successors in title) will cease to have any effect other than as evidence of an entitlement to the Scheme Consideration.

Information to be made available to Bidder

- 7.7 Target will procure that, as soon as reasonably practicable after the Scheme Record Date, details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Shareholder as shown in the Target Register at the Scheme Record Date are made available to Bidder in such form as Bidder or the Bidder Share Registry reasonably requires.

8 Dealings in Bidder Ordinary Shares

Holding lock during Escrow Period

- 8.1 Subject to clauses 8.5, 8.6 and 8.7, Scheme Shareholders are deemed to have agreed as a fundamental condition of this Scheme and consented to the following matters in relation to the Scheme Consideration:
- (a) subject to clause 8.1(c), to the extent permitted by the ASTC Settlement Rules, a holding lock being placed on the Escrowed Shares during the Escrow Period on CHESS or any other register to prevent a Proper ASTC Transfer of the Escrowed Shares;
 - (b) the Escrowed Shares being recorded in a sub-position on the Bidder Register unless and until those Escrowed Shares are released from that sub-position in accordance with this clause 8; and
 - (c) Bidder procuring the removal of the holding lock referred to in clause 8.1(a) applicable to the Escrowed Shares immediately after the expiry of the Escrow Period.
- 8.2 The holding lock placed on the Scheme Shareholders' Bidder Ordinary Shares will prevent the Scheme Shareholders from transferring or disposing those Bidder Ordinary Shares during the Escrow Period other than as provided in this clause 8.

Release of holding lock

- 8.3 Subject to clauses 8.5, 8.6, 8.7, 8.9 and 8.10, the holding lock placed on the Bidder Ordinary Shares as described in clause 8.1 will be released on the expiry of the Escrow Period.

Restrictions during Escrow Period

- 8.4 Subject to clauses 8.5, 8.6 and 8.7, Scheme Shareholders will not be permitted, during the Escrow Period, to do any of the following:
- (a) Deal, directly or indirectly, in any or all of the Escrowed Shares or Deal, directly or indirectly, in any interest or right in respect of any or all of the Escrowed Shares;
 - (b) create, or agree or offer to create, a security interest or encumbrance over or affecting any or all of the Escrowed Shares; or
 - (c) do or omit to do any act which would have the effect of transferring effective ownership or control of any or all of the Escrowed Shares.

Takeovers

- 8.5 If at any time:
- (a) any person makes a takeover bid in respect of all of the ordinary shares of the Bidder under Chapter 6 of the Corporations Act; and
 - (b) acceptances of that bid are received from the holders of 50% or more of the ordinary shares of the Bidder,
- the Scheme Shareholders may deal in any or all of the Escrowed Shares during the Escrow Period in order to accept the takeover bid.

- 8.6 If the takeover bid does not become unconditional, the escrow obligations in this clause 8 continue to apply to any Bidder Ordinary Shares.

Schemes of arrangement

- 8.7 Scheme Shareholders may Deal in any or all of the Escrowed Shares during the Escrow Period in order to effect the transfer or cancellation of the Escrowed Shares as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, provided that any Escrowed Shares which are the subject of the scheme of arrangement will remain subject to the escrow arrangements set out in this clause 8.7 if the merger by scheme of arrangement does not take effect.

Application of Listing Rules

- 8.8 To the extent of any inconsistency between this clause 8 and the Listing Rules, the Listing Rules prevail.

Other permitted Dealings

- 8.9 Scheme Shareholders may Deal in any or all of the Escrowed Shares during the Escrow Period to the extent that the Dealing involves the transfer of any or all of the Escrowed Shares to a Permitted Transferee provided that:
- (a) the transferee of the Escrowed Shares enters into a deed containing terms to the same effect as the provisions of this clause 8, prior to any transfer;

- (b) where such a transferee ceases to be a Permitted Transferee, it will immediately notify the Bidder of such event; and
- (c) where such a transferee ceases to be a Permitted Transferee (other than a Permitted Transferee under paragraphs (b) to (d) of the definition of Permitted Transferee) it shall within five days of such event transfer any Escrowed Shares transferred to the Scheme Shareholder who transferred the Bidder Ordinary Shares to the Permitted Transferee.

Release by the Bidder Board

- 8.10 The Bidder Board, in its absolute discretion, may release a Scheme Shareholder from all or part of the escrow restriction in clause 8 by written notice to the Scheme Shareholder.

9 General Scheme provisions

Appointment of Target as agent and attorney

- 9.1 Each Scheme Shareholder, without the need for any further act, irrevocably appoints Target and each of the directors and secretaries of Target, jointly and severally, as its agent and attorney for the purpose of executing any document or doing any other act necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including executing a Scheme Share Transfer and executing an agreement or deed with Bidder giving effect as between Bidder and each Scheme Shareholder to the provisions set out in clause 8 relating to the Escrowed Shares.

Scheme Shareholders' consent

- 9.2 Each Scheme Shareholder consents to Target doing all things and executing all deeds, instruments, transfers and other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Agreement by Scheme Shareholders

- 9.3 Each Scheme Shareholder agrees to the transfer of all of their Scheme Shares to Bidder in accordance with the terms of this Scheme.

Warranty by Scheme Shareholders

- 9.4 Each Scheme Shareholder is deemed to have warranted to Bidder, and is deemed to have authorised Target to warrant to Bidder as agent and attorney for the Scheme Shareholder by virtue of this clause, that:
- (a) all of their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Bidder under this Scheme will, on the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise (but acknowledging that a security interest holder may potentially have an interest in the Scheme Consideration in accordance with the terms of such security interest); and
 - (b) subject to any restrictions in the terms of issue, they have the full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those shares).

Title to Scheme Shares

- 9.5 Subject to provision of the Scheme Consideration for the Scheme Shares in accordance with clause 5.2, on and from the Implementation Date and pending registration by Target of Bidder in the Target Register as the holder of all of the Scheme Shares, Bidder will be beneficially entitled to all of the Scheme Shares transferred to it under this Scheme.

Appointment of Bidder as sole proxy

- 9.6 Subject to provision of the Scheme Consideration for the Scheme Shares in accordance with clause 5.2, on and from the Implementation Date and pending registration by Target of Bidder in the Target Register as the holder of all of the Scheme Shares, each Scheme Shareholder:
- (a) is deemed to have irrevocably appointed the Chairman of Bidder as their sole proxy and, where applicable, corporate representative, to attend shareholders' meetings of Target, exercise the votes attached to the Scheme Shares registered in their name and sign any shareholders' resolutions, whether in person, by proxy or by corporate representative;
 - (b) must not attend or vote at any shareholders' meetings of Target, or sign any resolutions, whether in person, by proxy or by corporate representative, other than in accordance with this clause 9.6; and
 - (c) must take all other actions in the capacity of the registered holder of Scheme Shares as Bidder directs.

Target undertakes in favour of each Scheme Shareholder that it will appoint the Chairman of Bidder as that Scheme Shareholder's proxy or, where applicable, corporate representative, in accordance with this clause 9.6.

Scheme alterations and conditions

- 9.7 If the Court proposes to approve this Scheme subject to any alterations or conditions, Target may, by its counsel or solicitors, and with the consent of Bidder, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Shareholders, provided that in no circumstances will Target be obliged to do so.

Effect of Scheme

- 9.8 This Scheme binds Target and all Target A Class Shareholders (including any Target A Class Shareholders who do not attend the Scheme Meeting, do not vote at that meeting or vote against this Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Target.

Enforcement of Deed Poll

- 9.9 Target undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Shareholders.

No liability when acting in good faith

- 9.10 Neither Target nor Bidder, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

Notices

- 9.11 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be deemed to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office.

Further assurances

- 9.12 Subject to clause 9.7, Target will execute all deeds, instruments, transfers and other documents and do all acts and things (on its own behalf and on behalf of each Scheme Shareholder) as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Costs and stamp duty

- 9.13 Bidder will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Bidder.

10 Governing law and jurisdiction

- 10.1 This Scheme is governed by the laws of New South Wales.
- 10.2 Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure G

PIH Z Class Shares Deed Poll

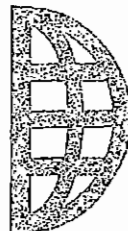


Target Z Class Shares Deed Poll

**By Centrepoint Alliance Limited (ACN 052
507 207) (Bidder)**

in favour of each Scheme Shareholder

BAKER & MCKENZIE
Solicitors
Level 19
181 William Street
MELBOURNE VIC 3000
Tel: (03) 9517-4200
Fax: (03) 9514-2103
Email: richard.lustig@bakermckenzie.com
Email: simon.schenkel@bakermckenzie.com
I142349-vj\WELDMS\AUSSG



A handwritten signature in black ink, appearing to be 'M. Schenkel'.

Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Nature of Deed Poll	2
3	Conditions precedent and termination	2
4	Provision of Scheme Consideration	2
5	Representations and warranties	3
6	Continuing obligations	4
7	Notices	4
8	General	5
9	Governing law and jurisdiction	6

Date

2010

by: **Centrepont Alliance Limited** (ACN 052 507 507) of Level 2, 6 Thelma Street,
West Perth, Western Australia, 6005 (*Bidder*)

in favour of: **Each holder of issued Z class shares in the capital of Professional
Investment Holdings Ltd** (ACN 074 949 429) of Level 14, Corporate Centre
One, Corner Bundall Road & Slayter Avenue, Bundall, Queensland, 4217 (*Target*)
as at the Scheme Record Date (*Scheme Shareholders*)

Recitals

- A The Target Board considers that it is in the interests of Target and Scheme Shareholders that Scheme Shareholders be given the opportunity to consider and, if thought fit, approve the Scheme.
- B Accordingly, the Target Board has resolved that Target should propose the Scheme.
- C The effect of the Scheme will be that all of the Scheme Shares will be transferred to Bidder.
- D Bidder and Target have entered into a Merger Implementation Deed.
- E Under the Merger Implementation Deed, Bidder has agreed subject to the satisfaction or waiver of certain conditions, to take all necessary steps to implement and complete the Scheme as soon as is reasonably practicable, including executing this Deed Poll and providing the Scheme Consideration.
- F Bidder is entering into this Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform its obligations under the Scheme.

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this Deed Poll:

- (a) *Scheme* means the scheme of arrangement under Part 5.1 of the *Corporations Act* between Target and Scheme Shareholders substantially in the form set out in Annexure 7 of the Merger Implementation Deed between Target and Bidder, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the *Corporations Act* and approved in writing by Bidder and Target; and
- (b) unless the context requires otherwise, all other words and phrases defined in the Scheme have the same meaning in this Deed Poll.

Interpretation

- 1.2 Clause 1.2 of the Scheme applies to the interpretation of this Deed Poll except that references to "this Scheme" in that clause are to be read as references to "this Deed Poll".

2 Nature of Deed Poll

- 2.1 Bidder acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

3 Conditions precedent and termination

Conditions precedent

- 3.1 Bidder's obligations under clause 4 are subject to the Scheme becoming Effective.

Termination

- 3.2 Subject to clause 3.3, Bidder's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect if:
- (a) the Merger Implementation Deed is terminated; or
 - (b) the Scheme does not become Effective on or before the Sunset Date.
- 3.3 Notwithstanding any other provision in the Merger Implementation Deed, if the Scheme is approved by the Court with or without modification pursuant to section 411(4)(b) of the Corporations Act, Bidder will have no right to terminate the Merger Implementation Deed.

Consequences of termination

- 3.4 If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:
- (a) Bidder is released from its obligations to further perform this Deed Poll except those obligations contained in clause 8.1 and any other obligations which by their nature survive termination; and
 - (b) Scheme Shareholders retain the rights they have against Bidder in respect of any breach of this Deed Poll which occurs before it is terminated.

4 Provision of Scheme Consideration

Compliance with Merger Implementation Deed obligations generally

- 4.1 Subject to clause 3.1, Bidder will comply with its obligations under the Merger Implementation Deed to do all acts and things as may be necessary or desirable on its part to give full effect to the Scheme.

Provision of Scheme Consideration

- 4.2 Subject to clause 3.1, in consideration of the transfer to Bidder of all of the Scheme Shares, Bidder undertakes in favour of each Scheme Shareholder to provide the Scheme Consideration to each Scheme Shareholder in accordance with the Scheme.
- 4.3 The obligation of Bidder to issue the Scheme Consideration to the Scheme Shareholders in respect of each Scheme Share registered in the name of the Scheme Shareholders will be satisfied by Bidder:
- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the Bidder Ordinary Shares comprising the Bidder Ordinary Share Component of the Scheme Consideration and entering the name and Registered Address of each Scheme Shareholder in the Bidder Register as the holder of the Bidder Ordinary Shares (in each case rounded as required by the Scheme) issued to each Scheme Shareholder;
 - (b) within 5 Business Days after the Implementation Date, dispatching or procuring the dispatch to each Scheme Shareholder by pre-paid post to their Registered Address, of an uncertificated holding statement in the name of the Scheme Shareholder representing the Bidder Ordinary Shares issued to them under the Scheme; and
 - (c) making an application to ASX for the quotation of the Bidder Ordinary Shares comprising the Bidder Ordinary Share Component on ASX in accordance with clause 4.6.

Joint holders

- 4.4 In the case of Scheme Shares held in joint names any uncertificated holding statements for Bidder Ordinary Shares will be issued to Scheme Shareholders in the names of the joint holders and will be forwarded to the holder whose name appears first in the Target Register at the Scheme Record Date.

Status of Bidder Ordinary Shares

- 4.5 The Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.

Trading of Bidder Ordinary Shares

- 4.6 Bidder will use its best endeavours to procure that the Bidder Ordinary Shares to be issued pursuant to the Scheme will be quoted on ASX:
- (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if Bidder Ordinary Shares are subject to a trading halt on that day, on first Business Day after the trading halt has ended); and
 - (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

5 Representations and warranties

- 5.1 Bidder represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding upon it and enforceable against it in accordance with its terms; and
- (e) the Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.

6 Continuing obligations

6.1 This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this Deed Poll; or
- (b) the earlier termination of this Deed Poll under clause 3.2.

7 Notices

7.1 Any notice or other communication given to Bidder under or in connection with this Deed Poll must be:

- (a) in legible writing and in English;
- (b) addressed to Bidder at the address or fax number set out below:

Attention:	Company Secretary
Address:	Level 2, 6 Thelma Street, West Perth, Western Australia, 6005.
Fax no:	1300 737 660

- (c) signed by the sender or a person duly authorised by the sender; and
- (d) sent to Bidder by hand, prepaid post (airmail if to or from a place outside Australia) or fax.

7.2 Without limiting any other means by which a party may be able to prove that a notice has been received by Bidder, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of Bidder;
- (b) if sent by pre-paid post, 3 Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to Bidder's fax number,

but if a notice is served by hand, or is received by Bidder's fax, on a day that is not a Business Day, or after 5.00 pm (Bidder's local time) on a Business Day, the notice will be considered to have been received by Bidder at 9.00 am (Bidder's local time) on the next Business Day.

8 General

Stamp duty

8.1 Bidder will:

- (a) pay all stamp duty (including fines, penalties and interest) on or in connection with this Deed Poll, the performance of this Deed Poll and each transaction effected by or made, or any instrument executed, under this Deed Poll (including the transfer of the Scheme Shares to Bidder); and
- (b) indemnify each Scheme Shareholder on demand against any liability arising from failure to comply with clause 8.1(a).

Waiver

8.2 Waiver of any right arising from a breach of this Deed Poll or of any right, power, authority, discretion or remedy arising upon default under this Deed Poll must be in writing and signed by the party granting the waiver.

8.3 A failure or delay in exercise, or partial exercise, of:

- (a) a right arising from a breach of this Deed Poll; or
- (b) a right, power, authority, discretion or remedy created or arising upon default under this Deed Poll,

does not result in a waiver of that right, power, authority, discretion or remedy.

8.4 A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this Deed Poll or on a default under this Deed Poll as constituting a waiver of that right, power, authority, discretion or remedy.

8.5 A party may not rely on any conduct of another party as a defence to exercise of a right, power, authority, discretion or remedy by that other party.

Variation

8.6 A provision of this Deed Poll may not be varied unless:

- (a) before the date of the Scheme Meeting, the variation is agreed to in writing by Target;
or
- (b) on or after the date of the Scheme Meeting, the variation is agreed to writing by Target
and the Court indicates the variation would not itself preclude approval of the Scheme,
- in which event Bidder will enter into a further deed poll in favour of each Scheme Shareholder
giving effect to the amendment.

Rights cumulative

- 8.7 The rights, powers and remedies of Bidder and of each Scheme Shareholder under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law or equity independently of this Deed Poll.

Assignment

- 8.8 The rights and obligations of Bidder and of each Scheme Shareholder under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt or purport to do so without the prior written consent of Bidder and Target.

Further assurances

- 8.9 Bidder will execute all deeds and other documents and do all acts and things (on its own behalf or on behalf of each Scheme Shareholder) as may be necessary or desirable to give full effect to this Deed Poll and the transactions contemplated by it.

9 Governing law and jurisdiction

- 9.1 This Deed Poll is governed by the laws of New South Wales. Bidder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Execution

Executed as a deed poll.

Signed by **Centrepont Alliance Limited**
by a director and secretary/director:)

Signature of secretary/director

Signature of director

Name of secretary/director (please print)

Name of director (please print)

Annexure H

Scheme of Arrangement for PIH Z Class Shares



Target Z Class Shares Scheme of Arrangement

**Professional Investment Holdings Ltd
(ACN 074 949 429) (Target)**

**The holders of Z class shares in Target as at
the Scheme Record Date**

BAKER & MCKENZIE

Solicitors
Level 19
181 William Street
MELBOURNE VIC 3000
Tel: (03) 9617-4200
Fax: (03) 9614-2103
Email: richard.lustig@bakermckenzie.com
Email: simon.schenkel@bakermckenzie.com

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Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Preliminary	5
3	Conditions precedent	6
4	Implementation of Scheme	7
5	Provision of Scheme Consideration	8
6	Quotation of Bidder Ordinary Shares	9
7	Dealings in Target Z Class Shares	9
8	Dealings in Bidder Ordinary Shares	10
9	General Scheme provisions	12
10	Governing law and jurisdiction	14

Scheme of Arrangement

pursuant to section 411 of the *Corporations Act 2001* (Cth)

between: **Professional Investment Holdings Ltd** (ACN 074 949 429) of Level 14,
Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall,
Queensland, 4217 (*Target*)

and: **The holders of Z class shares in Target as at the Scheme Record Date**

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this Scheme, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd.

ASTC Settlement Rules means the operating rules of the ASTC.

ASX means ASX Limited or the securities market which it operates, as the context requires.

Authorised Representative means any of the following:

- (a) a body corporate authorised by an entity in accordance with section 916A of the Corporations Act;
- (b) an Australian financial services licensee (as that term is defined in section 761A of the Corporations Act) that subscribes (or proposes or intends to subscribe) to an entity's financial services and that has an agreement, arrangement or understanding with an entity under which it shares with that entity the revenue generated by the licensee from the provision of financial services or any similar agreement, arrangement or understanding; or
- (c) an associate (as defined in each of sections 10 to 17 of the Corporations Act) of either (a) or (b).

Authorised Representative Change Event means, in respect of a holder of Escrowed Shares, that holder becomes an Authorised Representative of an entity other than Professional Investment Services Pty Ltd without the prior written consent of Bidder.

Bidder means Centrepont Alliance Limited.

Bidder Board means Bidder's board of directors as constituted from time to time.

Bidder Distribution means as set out in the Merger Implementation Deed.

Bidder Ordinary Share means a fully paid ordinary share in Bidder.

Bidder Register means the register of members of Bidder maintained by or on behalf of Bidder in accordance with section 168(1) of the *Corporations Act*.

Bidder Share Registry means Computershare Investor Services Pty Limited.

Business Day means a day that is not a Saturday, Sunday, or a public holiday or bank holiday in Melbourne or Sydney.

CHESS means Clearing House Electronic Sub-register System and means the system established and operated by ASTC for the clearing and settlement of transactions in CHESS approved securities, the transfer of securities and the registration of transfers.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of New South Wales or such other court as the Target and Bidder may agree.

Deal means:

- (a) sell, assign, transfer or otherwise dispose of;
- (b) agree or offer to sell, assign, transfer or otherwise dispose of;
- (c) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the Scheme Shareholder to sell, assign, transfer or otherwise dispose of; and
- (d) decrease or agree to decrease an economic interest.

Deed Poll means the deed poll executed by Bidder substantially in the form of Annexure 7 of the Merger Implementation Deed under which Bidder covenants in favour of each Scheme Shareholder to perform its obligations under this Scheme and under the Merger Implementation Deed as regards the implementation of this Scheme.

Effective means, when used in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Court order made for the purposes of section 411(4)(b) of the Corporations Act in relation to this Scheme but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Escrow Period means

- (a) in respect of one half of the Escrowed Shares, the period of time beginning on the Implementation Date and ending on 20 June 2012; and
- (b) in respect of the other half of the Escrowed Shares, the period of time beginning on the Implementation Date and ending on:
 - (i) 20 June 2013 if no Authorised Representative Change Event occurs in respect of the holder of the Escrowed Shares on or before that date; and
 - (ii) 20 June 2015 if an Authorised Representative Change Event has occurred in respect of the holder of the Escrowed Shares on or before 20 June 2013.

Escrowed Shares means during the Escrow Period, one half of the Bidder Ordinary Shares issued by the Bidder as the Scheme Consideration.

Implementation Date means the Business Day after the Scheme Record Date.

Listing Rules means the listing rules of ASX as amended from time to time.

Merger Implementation Deed means the Merger Implementation Deed between Target and Bidder.

Permitted Transferee means

- (a) on death of the Scheme Shareholder, a personal representative of a Scheme Shareholder or another person the personal representative determines is entitled to the Bidder Ordinary Shares;
- (b) a person entitled to Bidder Ordinary Shares because of the bankruptcy of a Scheme Shareholder; and
- (c) a person entitled to shares because of the mental incapacity of a Scheme Shareholder;
- (d) any spouse or child of the Scheme Shareholder;
- (e) any company controlled by the Scheme Shareholder; and
- (f) any trustee of a family trust of which the Scheme Shareholder is a beneficiary.

Proper ASTC Transfer has the meaning given in regulation 1.0.02(1) of the *Corporations Regulations 2001 (Cth.)*.

Registered Address means, in relation to a Target Z Class Shareholder, the address shown in the Target Register at the Scheme Record Date.

Scheme means this scheme of arrangement between Target and Scheme Shareholders, under which all the Scheme Shares will be transferred to Bidder under Part 5.1 of the Corporations Act as described in clause 4, in consideration for the Scheme Consideration, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the *Corporations Act* to the extent they are approved in writing by Target in accordance with clause 9.7.

Scheme Consideration means 1.4921 Bidder Ordinary Shares.

Scheme Date means the date on which the Merger Implementation Deed is executed by all parties to the document.

Scheme Meeting means the meeting of Scheme Shareholders ordered by the Court to be convened pursuant to section 411(1) of the *Corporations Act* to consider this Scheme.

Scheme Record Date means 8.00 pm on the second Business Day after the Effective Date.

Scheme Shareholders means each person who is a Target Z Class Shareholder at the Scheme Record Date.

Scheme Shares means all Target Z Class Shares as at the Scheme Record Date and for the avoidance of doubt includes any Target Z Class Shares issued on or before the Scheme Record Date.

Scheme Share Transfer means, for each Scheme Shareholder, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Hearing Date means the first day on which the application made to the Court for an order approving this Scheme pursuant to section 411(4)(b) of the *Corporations Act* is heard, or if the hearing of the application is adjourned for any reason, the first day of the adjourned hearing.

Sunset Date means 8.00 pm on 28 February 2011 or such other date and time agreed in writing between Bidder and Target.

Target Board means the board of directors of Target as constituted from time to time.

Target Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the *Corporations Act*.

Target Z Class Share means an issued Z class share in Target.

Target Z Class Shareholder means each person who is registered in the Target Register as a holder of Target Z Class Shares.

Interpretation

1.2 In this Scheme, unless the context requires otherwise:

- (a) a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
 - (iv) to a party means a party to this Scheme;
 - (v) to a clause, paragraph, Schedule or Annexure is to a clause, paragraph, Schedule or Annexure of or to this Scheme;
 - (vi) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency; and
 - (B) the person's successors, permitted assigns, substitutes, executors and administrators;
 - (vii) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
 - (viii) to any time is to Sydney time;
 - (ix) to "\$" is to the lawful currency of Australia; and

- (b) the word "includes" in any form is not a word of limitation;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

2 Preliminary

Target

- 2.1 Target is a public company limited by shares, incorporated in Australia and registered in Queensland. Its registered office is at Level 14, Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall, Queensland, 4217.
- 2.2 Target is not listed, and Target Z Class Shares are not quoted on any securities exchange.
- 2.3 As at the Scheme Date, the Target had the following securities on issue:
 - (a) 27,246,701 ordinary shares;
 - (b) 8,428,583 A class shares;
 - (c) 10,984,245 redeemable preference shares; and
 - (d) 1 Z class share.

Bidder

- 2.4 Bidder is a public company limited by shares, incorporated in Australia and registered in Western Australia. Its registered office is at Level 2, 6 Thelma Street, West Perth, Western Australia, 6005.
- 2.5 Bidder is admitted to the official list of ASX and Bidder Ordinary Shares are officially quoted on ASX.
- 2.6 As at the Scheme Date, the Bidder had the following securities on issue:
 - (a) 160,921,844 fully paid ordinary shares;
 - (b) 3,000,000 partly paid ordinary shares of 18 cents each partly paid to 3 cents with the balance payable no later than 31 October 2012; and
 - (c) 6,000,000 options to acquire fully paid ordinary shares with an exercise price of \$1.25 per share and expiring on 27 November 2010.

Effect of Scheme

- 2.7 If this Scheme becomes Effective:

- (a) in consideration of the transfer of all Scheme Shares to Bidder, Bidder will issue to each Scheme Shareholder, the Scheme Consideration in respect of each Scheme Share held by the Scheme Shareholder and seek quotation on the ASX of the Bidder Ordinary Shares, in accordance with the terms of this Scheme and the Deed Poll;
- (b) subject to Bidder having complied in full with its obligations in clause 5 and in the Deed Poll:
 - (i) all of the Scheme Shares will be transferred to Bidder on the Implementation Date; and
 - (ii) Target will enter the name and address of Bidder in the Target Register as the holder of all of the Scheme Shares.

Merger Implementation Deed and Deed Poll

- 2.8 Target and Bidder have entered into the Merger Implementation Deed which sets out the terms on which Target and Bidder have agreed to implement this Scheme.
- 2.9 Bidder has executed the Deed Poll in favour of each Scheme Shareholder pursuant to which it has covenanted to perform its obligations under this Scheme, including to provide the Scheme Consideration.

3 Conditions precedent

Conditions precedent to Scheme

- 3.1 This Scheme is conditional on:
 - (a) as at 8.00 am on the Second Court Hearing Date, neither the Merger Implementation Deed nor the Deed Poll having been terminated;
 - (b) all of the conditions precedent set out in clause 3.1 of the Merger Implementation Deed (other than the condition precedent in clause 3.1(u) of that deed regarding Court approval pursuant to section 411(4)(b) of the Corporations Act) having been satisfied or waived in accordance with the terms of that deed as at 8.00 am on the Second Court Hearing Date;
 - (c) the Court having approved this Scheme with or without modification, pursuant to section 411(4)(b) of the *Corporations Act*, and if applicable, Target having accepted in writing any modification required by the Court; and
 - (d) Target having lodged with ASIC an office copy of any order made by the Court pursuant to section 411(4)(b) of the Corporations Act approving the Scheme, the Target Redeemable Preference Share Scheme, Target A Class Share Scheme and the Target Ordinary Share Scheme (each as defined in the Merger Implementation Deed),

and the provisions of clauses 4 to 9 (both inclusive) will not come into effect unless and until each of these conditions precedent has been satisfied.

Certificate in relation to conditions precedent

- 3.2 On the Second Court Hearing Date, Target and Bidder will each provide to the Court a certificate confirming whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(c) and 3.1(d) of this Scheme)

have been satisfied or waived as at 8.00 am on the Second Court Hearing Date and confirming whether or not the Merger Implementation Deed has been terminated.

- 3.3 The giving of a certificate by each of Target and Bidder under clause 3.2 confirming that any conditions precedent set out in clause 3.1 have been satisfied or waived and that the Merger Implementation Deed has not been terminated as at 8.00 am on the Second Court Hearing Date will be conclusive evidence of those matters.

Termination of Merger Implementation Deed

- 3.4 Without limiting rights under the Merger Implementation Deed, in the event that the Merger Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, Target and Bidder are each released from:
- (a) any further obligation to take steps to implement the Scheme;
 - (b) any liability with respect to the Scheme; and
 - (c) in the case of Bidder, any liability under the Deed Poll.

Sunset Date

- 3.5 This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

4 Implementation of Scheme

Lodgement of Court order

- 4.1 Following approval of this Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act, Target will, as soon as is reasonably practicable, lodge with ASIC an office copy of the Court order approving this Scheme pursuant to section 411(10) of the Corporations Act.

Transfer of Scheme Shares

- 4.2 On the Implementation Date, but subject to Bidder having actually provided the Scheme Consideration for the Scheme Shares in accordance with the manner contemplated in clause 5.2:
- (a) all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder without the need for any further act by any Scheme Shareholder (other than acts performed by Target as attorney and agent for Scheme Shareholders under clause 9.1) by:
 - (i) Target delivering to Bidder a duly completed Scheme Share Transfer executed on behalf of the Scheme Shareholders for execution by Bidder; and
 - (ii) Bidder duly executing the Scheme Share Transfer and delivering it to Target for registration; and
 - (b) Target will enter the name and address of Bidder in the Target Register as the holder of all of the Scheme Shares as soon as practicable following receipt of the duly executed Scheme Share Transfer from Bidder under clause 4.2(a)(ii).

Entitlement to Scheme Consideration

- 4.3 On the Implementation Date, in consideration for the transfer to Bidder of the Scheme Shares, each Scheme Shareholder will be entitled to receive from Bidder the Scheme Consideration in respect of each of their Scheme Shares and Bidder must provide the Scheme Consideration in accordance with clause 5.

Fractional entitlements

- 4.4 If a fractional entitlement to a Bidder Ordinary Share arises from the calculation of the Scheme Consideration payable to a Scheme Shareholder in respect of its Scheme Shares, then the fractional entitlement to a Bidder Ordinary Share will be rounded to the nearest whole number and will be rounded up if the fractional entitlement is one half.

Shareholding splitting or division

- 4.5 If Target and Bidder are of the opinion that a Scheme Shareholder has been a party to a shareholding splitting or division in an attempt to gain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, then Target and Bidder reserve the right to round the entitlement of such holdings so as to provide only the number of Bidder Ordinary Shares that would have been received but for the splitting or division.

5 Provision of Scheme Consideration

- 5.1 Subject to clause 8, the Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.
- 5.2 The obligation of Bidder to provide the Scheme Consideration to the Scheme Shareholders in respect of each Scheme Share registered in the name of the Scheme Shareholders will be satisfied by Bidder:
- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the Bidder Ordinary Shares and entering the name and Registered Address of that Scheme Shareholder in the Bidder Register as the holder of the Bidder Ordinary Shares issued to that Scheme Shareholder;
 - (b) within 5 Business Days after the Implementation Date, dispatching or procuring the dispatch to that Scheme Shareholder by pre-paid post to their Registered Address, of an uncertificated holding statement in the name of that Scheme Shareholder representing the Bidder Ordinary Shares issued to them under the Scheme; and
 - (c) making an application to ASX for the quotation of the Bidder Ordinary Shares on ASX in accordance with clause 6.

General

- 5.3 Each Scheme Shareholder to whom Bidder Ordinary Shares are to be issued under this Scheme agrees:
- (a) to become a member of Bidder for the purposes of section 231 of the *Corporations Act*;

- (b) to have their name and Registered Address entered in the Bidder Register; and
 - (c) to be bound by the constitution of Bidder as in force from time to time in respect of the Bidder Ordinary Shares.
- 5.4 Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and Target relating to Scheme Shares at the Scheme Record Date (including, without limitation, any instructions relating to payment of dividends or to communications from Target) will from the Scheme Record Date be deemed to be a similarly binding instruction or notification to, and accepted by, Bidder in respect of the Bidder Ordinary Shares issued to the Scheme Shareholder until that instruction or notification is revoked or amended in writing addressed to Bidder at the Bidder Share Registry. Any such instructions or notifications accepted by Bidder will apply to and in respect of Bidder Ordinary Shares issued as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of this Scheme.

Joint holders

- 5.5 In the case of Scheme Shares held in joint names any uncertificated holding statements or certificates for Bidder Ordinary Shares to be issued to Scheme Shareholders will record the joint holders as the registered holder of the Bidder Ordinary Shares and will be forwarded to the holder whose name appears first in the Target Register at the Scheme Record Date.

6 Quotation of Bidder Ordinary Shares

- 6.1 Bidder will use its best endeavours to procure that the Bidder Ordinary Shares to be issued pursuant to this Scheme will be quoted on ASX:
- (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if Bidder Ordinary Shares are subject to a trading halt on that day, on first Business Day after the trading halt has ended); and
 - (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

7 Dealings in Target Z Class Shares

Determination of Scheme Shareholders

- 7.1 For the purpose of determining the persons that are Scheme Shareholders, dealings in Target Z Class Shares will only be recognised if registrable transfers or transmission applications in respect of those dealings are received on or before the Scheme Record Date at Target's registered office.
- 7.2 Target will register registrable transfers or transmission applications of the kind referred to in clause 7.1 by the Scheme Record Date.
- 7.3 Target will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Target Z Class Shares received after the Scheme Record Date (other than the transfers contemplated by clause 4.2).

- 7.4 If the Scheme becomes Effective, a holder of Target Z Class Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Target Z Class Shares or any interest in them after the Effective Date and any such disposal will be void and of no legal effect whatsoever.

Maintenance of Target Register

- 7.5 For the purpose of determining entitlements to the Scheme Consideration, Target will, until the Scheme Consideration has been provided, maintain or procure the maintenance of the Target Register in accordance with this clause 7. The Target Register in this form will solely determine entitlements to the Scheme Consideration.

Effect of certificates and holding statements

- 7.6 After the Scheme Record Date (other than statements of holding in favour of Bidder and its successors in title after the Implementation Date), all certificates and holding statements for the Scheme Shares will cease to have effect as documents of title. Subject to provision of the Scheme Consideration by Bidder and registration of the transfer to Bidder contemplated in clause 4.2, after the Scheme Record Date, each entry on the Target Register at the Scheme Record Date (other than entries in respect of Bidder and its successors in title) will cease to have any effect other than as evidence of an entitlement to the Scheme Consideration.

Information to be made available to Bidder

- 7.7 Target will procure that, as soon as reasonably practicable after the Scheme Record Date, details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Shareholder as shown in the Target Register at the Scheme Record Date are made available to Bidder in such form as Bidder or the Bidder Share Registry reasonably requires.

8 Dealings in Bidder Ordinary Shares

Holding lock during Escrow Period

- 8.1 Subject to clauses 8.5, 8.6 and 8.7, Scheme Shareholders are deemed to have agreed as a fundamental condition of this Scheme and consented to the following matters in relation to the Scheme Consideration:
- (a) subject to clause 8.1(c), to the extent permitted by the ASTC Settlement Rules, a holding lock being placed on the Escrowed Shares during the Escrow Period on CHESS or any other register to prevent a Proper ASTC Transfer of the Escrowed Shares;
 - (b) the Escrowed Shares being recorded in a sub-position on the Bidder Register unless and until those Escrowed Shares are released from that sub-position in accordance with this clause 8; and
 - (c) Bidder procuring the removal of the holding lock referred to in clause 8.1(a) applicable to the Escrowed Shares immediately after the expiry of the Escrow Period.
- 8.2 The holding lock placed on the Scheme Shareholders' Bidder Ordinary Shares will prevent the Scheme Shareholders from transferring or disposing those Bidder Ordinary Shares during the Escrow Period other than as provided in this clause 8.

Release of holding lock

- 8.3 Subject to clauses 8.5, 8.6, 8.7, 8.9 and 8.10, the holding lock placed on the Bidder Ordinary Shares as described in clause 8.1 will be released on the expiry of the Escrow Period.

Restrictions during Escrow Period

- 8.4 Subject to clauses 8.5, 8.6 and 8.7, Scheme Shareholders will not be permitted, during the Escrow Period, to do any of the following:
- (a) Deal, directly or indirectly, in any or all of the Escrowed Shares or Deal, directly or indirectly, in any interest or right in respect of any or all of the Escrowed Shares;
 - (b) create, or agree or offer to create, a security interest or encumbrance over or affecting any or all of the Escrowed Shares; or
 - (c) do or omit to do any act which would have the effect of transferring effective ownership or control of any or all of the Escrowed Shares.

Takeovers

- 8.5 If at any time:
- (a) any person makes a takeover bid in respect of all of the ordinary shares of the Bidder under Chapter 6 of the Corporations Act; and
 - (b) acceptances of that bid are received from the holders of 50% or more of the ordinary shares of the Bidder,
- the Scheme Shareholders may deal in any or all of the Escrowed Shares during the Escrow Period in order to accept the takeover bid.

- 8.6 If the takeover bid does not become unconditional, the escrow obligations in this clause 8 continue to apply to any Bidder Ordinary Shares.

Schemes of arrangement

- 8.7 Scheme Shareholders may Deal in any or all of the Escrowed Shares during the Escrow Period in order to effect the transfer or cancellation of the Escrowed Shares as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, provided that any Escrowed Shares which are the subject of the scheme of arrangement will remain subject to the escrow arrangements set out in this clause 8.7 if the merger by scheme of arrangement does not take effect.

Application of Listing Rules

- 8.8 To the extent of any inconsistency between this clause 8 and the Listing Rules, the Listing Rules prevail.

Other permitted Dealings

- 8.9 Scheme Shareholders may Deal in any or all of the Escrowed Shares during the Escrow Period to the extent that the Dealing involves the transfer of any or all of the Escrowed Shares to a Permitted Transferee provided that:
- (a) the transferee of the Escrowed Shares enters into a deed containing terms to the same effect as the provisions of this clause 8, prior to any transfer;

- (b) where such a transferee ceases to be a Permitted Transferee, it will immediately notify the Bidder of such event; and
- (c) where such a transferee ceases to be a Permitted Transferee (other than a Permitted Transferee under paragraphs (b) to (d) of the definition of Permitted Transferee) it shall within five days of such event transfer any Escrowed Shares transferred to the Scheme Shareholder who transferred the Bidder Ordinary Shares to the Permitted Transferee.

Release by the Bidder Board

- 8.10 The Bidder Board, in its absolute discretion, may release a Scheme Shareholder from all or part of the escrow restriction in clause 8 by written notice to the Scheme Shareholder.

9 General Scheme provisions

Appointment of Target as agent and attorney

- 9.1 Each Scheme Shareholder, without the need for any further act, irrevocably appoints Target and each of the directors and secretaries of Target, jointly and severally, as its agent and attorney for the purpose of executing any document or doing any other act necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including executing a Scheme Share Transfer and executing an agreement or deed with Bidder giving effect as between Bidder and each Scheme Shareholder to the provisions set out in clause 8 relating to the Escrowed Shares.

Scheme Shareholders' consent

- 9.2 Each Scheme Shareholder consents to Target doing all things and executing all deeds, instruments, transfers and other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Agreement by Scheme Shareholders

- 9.3 Each Scheme Shareholder agrees to the transfer of all of their Scheme Shares to Bidder in accordance with the terms of this Scheme.

Warranty by Scheme Shareholders

- 9.4 Each Scheme Shareholder is deemed to have warranted to Bidder, and is deemed to have authorised Target to warrant to Bidder as agent and attorney for the Scheme Shareholder by virtue of this clause, that:
- (a) all of their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Bidder under this Scheme will, on the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and other interests of third parties of any kind, whether legal or otherwise (but acknowledging that a security interest holder may potentially have an interest in the Scheme Consideration in accordance with the terms of such security interest); and
 - (b) subject to any restrictions in the terms of issue, they have the full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those shares).

Title to Scheme Shares

- 9.5 Subject to provision of the Scheme Consideration for the Scheme Shares in accordance with clause 5.2, on and from the Implementation Date and pending registration by Target of Bidder in the Target Register as the holder of all of the Scheme Shares, Bidder will be beneficially entitled to all of the Scheme Shares transferred to it under this Scheme.

Appointment of Bidder as sole proxy

- 9.6 Subject to provision of the Scheme Consideration for the Scheme Shares in accordance with clause 5.2, on and from the Implementation Date and pending registration by Target of Bidder in the Target Register as the holder of all of the Scheme Shares, each Scheme Shareholder:
- (a) is deemed to have irrevocably appointed the Chairman of Bidder as their sole proxy and, where applicable, corporate representative, to attend shareholders' meetings of Target, exercise the votes attached to the Scheme Shares registered in their name and sign any shareholders' resolutions, whether in person, by proxy or by corporate representative;
 - (b) must not attend or vote at any shareholders' meetings of Target, or sign any resolutions, whether in person, by proxy or by corporate representative, other than in accordance with this clause 9.6; and
 - (c) must take all other actions in the capacity of the registered holder of Scheme Shares as Bidder directs.

Target undertakes in favour of each Scheme Shareholder that it will appoint the Chairman of Bidder as that Scheme Shareholder's proxy or, where applicable, corporate representative, in accordance with this clause 9.6.

Scheme alterations and conditions

- 9.7 If the Court proposes to approve this Scheme subject to any alterations or conditions, Target may, by its counsel or solicitors, and with the consent of Bidder, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Shareholders, provided that in no circumstances will Target be obliged to do so.

Effect of Scheme

- 9.8 This Scheme binds Target and all Target Z Class Shareholders (including any Target Z Class Shareholders who do not attend the Scheme Meeting, do not vote at that meeting or vote against this Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Target.

Enforcement of Deed Poll

- 9.9 Target undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Shareholders.

No liability when acting in good faith

- 9.10 Neither Target nor Bidder, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

Notices

- 9.11 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be deemed to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office.

Further assurances

- 9.12 Subject to clause 9.7, Target will execute all deeds, instruments, transfers and other documents and do all acts and things (on its own behalf and on behalf of each Scheme Shareholder) as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Costs and stamp duty

- 9.13 Bidder will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Bidder.

10 Governing law and jurisdiction

- 10.1 This Scheme is governed by the laws of New South Wales.
- 10.2 Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure I

PIH Redeemable Preference Shares Deed Poll



Target Redeemable Preference Shares Deed Poll

**By Centrepoint Alliance Limited (ACN 052
507 207) (Bidder)**

in favour of each Scheme Shareholder

11/07/07
11/07

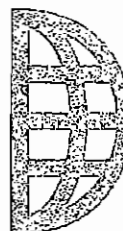
BAKER & MCKENZIE

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MELBOURNE VIC 3000
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Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Nature of Deed Poll	2
3	Conditions precedent and termination	2
4	Provision of Scheme Consideration	2
5	Representations and warranties	3
6	Continuing obligations	4
7	Notices	4
8	General	5
9	Governing law and jurisdiction	6

Date

2010

by: **Centrepont Alliance Limited** (ACN 052 507 507) of Level 2, 6 Thelma Street,
West Perth, Western Australia, 6005 (*Bidder*)

in favour of: **Each holder of issued redeemable preference shares in the capital of
Professional Investment Holdings Ltd** (ACN 074 949 429) of Level 14,
Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall,
Queensland, 4217 (*Target*) as at the Scheme Record Date (*Scheme Shareholders*)

Recitals

- A The Target Board considers that it is in the interests of Target and Scheme Shareholders that Scheme Shareholders be given the opportunity to consider and, if thought fit, approve the Scheme.
- B Accordingly, the Target Board has resolved that Target should propose the Scheme.
- C The effect of the Scheme will be that all of the Scheme Shares will be transferred to Bidder.
- D Bidder and Target have entered into a Merger Implementation Deed.
- E Under the Merger Implementation Deed, Bidder has agreed subject to the satisfaction or waiver of certain conditions, to take all necessary steps to implement and complete the Scheme as soon as is reasonably practicable, including executing this Deed Poll and providing the Scheme Consideration.
- F Bidder is entering into this Deed Poll for the purpose of covenanting in favour of Scheme Shareholders to perform its obligations under the Scheme.

Operative provisions

1 Definitions and Interpretation

Definitions

1.1 In this Deed Poll:

- (a) **Scheme** means the scheme of arrangement under Part 5.1 of the *Corporations Act* between Target and Scheme Shareholders substantially in the form set out in Annexure 9 of the Merger Implementation Deed between Target and Bidder, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the *Corporations Act* and approved in writing by Bidder and Target; and
- (b) unless the context requires otherwise, all other words and phrases defined in the Scheme have the same meaning in this Deed Poll.

Interpretation

- 1.2 Clause 1.2 of the Scheme applies to the interpretation of this Deed Poll except that references to "this Scheme" in that clause are to be read as references to "this Deed Poll".

2 Nature of Deed Poll

- 2.1 Bidder acknowledges that this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it.

3 Conditions precedent and termination

Conditions precedent

- 3.1 Bidder's obligations under clause 4 are subject to the Scheme becoming Effective.

Termination

- 3.2 Subject to clause 3.3, Bidder's obligations under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect if:

- (a) the Merger Implementation Deed is terminated; or
(b) the Scheme does not become Effective on or before the Sunset Date.

- 3.3 Notwithstanding any other provision in the Merger Implementation Deed, if the Scheme is approved by the Court with or without modification pursuant to section 411(4)(b) of the Corporations Act, Bidder will have no right to terminate the Merger Implementation Deed.

Consequences of termination

- 3.4 If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:
- (a) Bidder is released from its obligations to further perform this Deed Poll except those obligations contained in clause 8.1 and any other obligations which by their nature survive termination; and
- (b) Scheme Shareholders retain the rights they have against Bidder in respect of any breach of this Deed Poll which occurs before it is terminated.

4 Provision of Scheme Consideration

Compliance with Merger Implementation Deed obligations generally

- 4.1 Subject to clause 3.1, Bidder will comply with its obligations under the Merger Implementation Deed to do all acts and things as may be necessary or desirable on its part to give full effect to the Scheme.

Provision of Scheme Consideration

- 4.2 Subject to clause 3.1, in consideration of the transfer to Bidder of all of the Scheme Shares, Bidder undertakes in favour of each Scheme Shareholder to provide the Scheme Consideration to each Scheme Shareholder in accordance with the Scheme.
- 4.3 The obligation of Bidder to issue the Scheme Consideration to the Scheme Shareholders in respect of each Scheme Share registered in the name of the Scheme Shareholders will be satisfied by Bidder:
- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the Bidder Ordinary Shares comprising the Bidder Ordinary Share Component of the Scheme Consideration and entering the name and Registered Address of each Scheme Shareholder in the Bidder Register as the holder of the Bidder Ordinary Shares (in each case rounded as required by the Scheme) issued to each Scheme Shareholder;
 - (b) within 5 Business Days after the Implementation Date, dispatching or procuring the dispatch to each Scheme Shareholder by pre-paid post to their Registered Address, of an uncertificated holding statement in the name of the Scheme Shareholder representing the Bidder Ordinary Shares issued to them under the Scheme; and
 - (c) making an application to ASX for the quotation of the Bidder Ordinary Shares comprising the Bidder Ordinary Share Component on ASX in accordance with clause 4.6.

Joint holders

- 4.4 In the case of Scheme Shares held in joint names any uncertificated holding statements for Bidder Ordinary Shares will be issued to Scheme Shareholders in the names of the joint holders and will be forwarded to the holder whose name appears first in the Target Register at the Scheme Record Date.

Status of Bidder Ordinary Shares

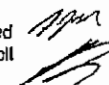
- 4.5 The Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.

Trading of Bidder Ordinary Shares

- 4.6 Bidder will use its best endeavours to procure that the Bidder Ordinary Shares to be issued pursuant to the Scheme will be quoted on ASX:
- (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if Bidder Ordinary Shares are subject to a trading halt on that day, on first Business Day after the trading halt has ended); and
 - (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

5 Representations and warranties

- 5.1 Bidder represents and warrants that:



- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding upon it and enforceable against it in accordance with its terms; and
- (e) the Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.

6 Continuing obligations

6.1 This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this Deed Poll; or
- (b) the earlier termination of this Deed Poll under clause 3.2.

7 Notices

7.1 Any notice or other communication given to Bidder under or in connection with this Deed Poll must be:

- (a) in legible writing and in English;
- (b) addressed to Bidder at the address or fax number set out below:

Attention:	Company Secretary
Address:	Level 2, 6 Thelma Street, West Perth, Western Australia, 6005.
Fax no:	1300 737 660

- (c) signed by the sender or a person duly authorised by the sender; and
- (d) sent to Bidder by hand, prepaid post (airmail if to or from a place outside Australia) or fax.

7.2 Without limiting any other means by which a party may be able to prove that a notice has been received by Bidder, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of Bidder;
- (b) if sent by pre-paid post, 3 Business Days (if posted within Australia to an address in Australia) or 10 Business Days (if posted from one country to another) after the date of posting; or
- (c) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to Bidder's fax number,

but if a notice is served by hand, or is received by Bidder's fax, on a day that is not a Business Day, or after 5.00 pm (Bidder's local time) on a Business Day, the notice will be considered to have been received by Bidder at 9.00 am (Bidder's local time) on the next Business Day.

8 General

Stamp duty

8.1 Bidder will:

- (a) pay all stamp duty (including fines, penalties and interest) on or in connection with this Deed Poll, the performance of this Deed Poll and each transaction effected by or made, or any instrument executed, under this Deed Poll (including the transfer of the Scheme Shares to Bidder); and
- (b) indemnify each Scheme Shareholder on demand against any liability arising from failure to comply with clause 8.1(a).

Waiver

- 8.2 Waiver of any right arising from a breach of this Deed Poll or of any right, power, authority, discretion or remedy arising upon default under this Deed Poll must be in writing and signed by the party granting the waiver.
- 8.3 A failure or delay in exercise, or partial exercise, of:
 - (a) a right arising from a breach of this Deed Poll; or
 - (b) a right, power, authority, discretion or remedy created or arising upon default under this Deed Poll,
 does not result in a waiver of that right, power, authority, discretion or remedy.
- 8.4 A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this Deed Poll or on a default under this Deed Poll as constituting a waiver of that right, power, authority, discretion or remedy.
- 8.5 A party may not rely on any conduct of another party as a defence to exercise of a right, power, authority, discretion or remedy by that other party.

Variation

- 8.6 A provision of this Deed Poll may not be varied unless:

- (a) before the date of the Scheme Meeting, the variation is agreed to in writing by Target;
or
 - (b) on or after the date of the Scheme Meeting, the variation is agreed to writing by Target
and the Court indicates the variation would not itself preclude approval of the Scheme,
- in which event Bidder will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

Rights cumulative

- 8.7 The rights, powers and remedies of Bidder and of each Scheme Shareholder under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law or equity independently of this Deed Poll.

Assignment

- 8.8 The rights and obligations of Bidder and of each Scheme Shareholder under this Deed Poll are personal and must not be assigned, encumbered or otherwise dealt with at law or in equity and no person may attempt or purport to do so without the prior written consent of Bidder and Target.

Further assurances

- 8.9 Bidder will execute all deeds and other documents and do all acts and things (on its own behalf or on behalf of each Scheme Shareholder) as may be necessary or desirable to give full effect to this Deed Poll and the transactions contemplated by it.

9 Governing law and jurisdiction

- 9.1 This Deed Poll is governed by the laws of New South Wales. Bidder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

Execution

Executed as a deed poll.

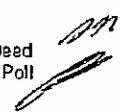
Signed by Centrepont Alliance Limited)
by a director and secretary/director:)

Signature of secretary/director

Signature of director

Name of secretary/director (please print)

Name of director (please print)



Annexure J

Scheme of Arrangement for PIH Redeemable Preference Shares

Target Redeemable Preference Shares Scheme of Arrangement

**Professional Investment Holdings Ltd
(ACN 074 949 429) (Target)**

**The holders of redeemable preference
shares in Target as at the Scheme Record
Date**

BAKER & MCKENZIE

Solicitors
Level 19

181 William Street
MELBOURNE VIC 3000

Tel: (03) 9617-4200
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Email: richard.lustig@bakermckenzie.com
Email: simon.schenkel@bakermckenzie.com

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Contents

Clause Number	Heading	Page
1	Definitions and interpretation	1
2	Preliminary	5
3	Conditions precedent	6
4	Implementation of Scheme	7
5	Provision of Scheme Consideration	8
6	Quotation of Bidder Ordinary Shares	9
7	Dealings in Target Redeemable Preference Shares	9
8	Dealings in Bidder Ordinary Shares	10
9	General Scheme provisions	12
10	Governing law and jurisdiction	14

Scheme of Arrangement

pursuant to section 411 of the *Corporations Act 2001* (Cth)

between: **Professional Investment Holdings Ltd** (ACN 074 949 429) of Level 14,
Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall,
Queensland, 4217 (*Target*)

and: **The holders of redeemable preference shares in Target as at the
Scheme Record Date**

Operative provisions

1 Definitions and interpretation

Definitions

1.1 In this Scheme, unless the context requires otherwise:

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd.

ASTC Settlement Rules means the operating rules of the ASTC.

ASX means ASX Limited or the securities market which it operates, as the context requires.

Authorised Representative means any of the following:

- (a) a body corporate authorised by an entity in accordance with section 916A of the Corporations Act;
- (b) an Australian financial services licensee (as that term is defined in section 761A of the Corporations Act) that subscribes (or proposes or intends to subscribe) to an entity's financial services and that has an agreement, arrangement or understanding with an entity under which it shares with that entity the revenue generated by the licensee from the provision of financial services or any similar agreement, arrangement or understanding; or
- (c) an associate (as defined in each of sections 10 to 17 of the Corporations Act) of either (a) or (b).

Authorised Representative Change Event means, in respect of a holder of Escrowed Shares, that holder becomes an Authorised Representative of an entity other than Professional Investment Services Pty Ltd without the prior written consent of Bidder.

Bidder means Centrepont Alliance Limited.

Bidder Board means Bidder's board of directors as constituted from time to time.

Bidder Distribution means as set out in the Merger Implementation Deed.

Bidder Ordinary Share means a fully paid ordinary share in Bidder.

Bidder Register means the register of members of Bidder maintained by or on behalf of Bidder in accordance with section 168(1) of the *Corporations Act*.

Bidder Share Registry means Computershare Investor Services Pty Limited.

Business Day means a day that is not a Saturday, Sunday, or a public holiday or bank holiday in Melbourne or Sydney.

CHESS means Clearing House Electronic Sub-register System and means the system established and operated by ASTC for the clearing and settlement of transactions in CHESS approved securities, the transfer of securities and the registration of transfers.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of New South Wales or such other court as the Target and Bidder may agree.

Deal means:

- (a) sell, assign, transfer or otherwise dispose of;
- (b) agree or offer to sell, assign, transfer or otherwise dispose of;
- (c) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the Scheme Shareholder to sell, assign, transfer or otherwise dispose of; and
- (d) decrease or agree to decrease an economic interest.

Deed Poll means the deed poll executed by Bidder substantially in the form of Annexure 9 of the Merger Implementation Deed under which Bidder covenants in favour of each Scheme Shareholder to perform its obligations under this Scheme and under the Merger Implementation Deed as regards the implementation of this Scheme.

Effective means, when used in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the Court order made for the purposes of section 411(4)(b) of the Corporations Act in relation to this Scheme but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Escrow Period means

- (a) in respect of one half of the Escrowed Shares, the period of time beginning on the Implementation Date and ending on 20 June 2012; and
- (b) in respect of the other half of the Escrowed Shares, the period of time beginning on the Implementation Date and ending on:
 - (i) 20 June 2013 if no Authorised Representative Change Event occurs in respect of the holder of the Escrowed Shares on or before that date; and
 - (ii) 20 June 2015 if an Authorised Representative Change Event has occurred in respect of the holder of the Escrowed Shares on or before 20 June 2013.

Escrowed Shares means during the Escrow Period, one half of the Bidder Ordinary Shares issued by the Bidder as the Scheme Consideration.

Implementation Date means the Business Day after the Scheme Record Date.

Listing Rules means the listing rules of ASX as amended from time to time.

Merger Implementation Deed means the Merger Implementation Deed between Target and Bidder.

Permitted Transferee means

- (a) on death of the Scheme Shareholder, a personal representative of a Scheme Shareholder or another person the personal representative determines is entitled to the Bidder Ordinary Shares;
- (b) a person entitled to Bidder Ordinary Shares because of the bankruptcy of a Scheme Shareholder; and
- (c) a person entitled to shares because of the mental incapacity of a Scheme Shareholder;
- (d) any spouse or child of the Scheme Shareholder;
- (e) any company controlled by the Scheme Shareholder; and
- (f) any trustee of a family trust of which the Scheme Shareholder is a beneficiary.

Proper ASTC Transfer has the meaning given in regulation 1.0.02(1) of the *Corporations Regulations 2001 (Cth.)*.

Registered Address means, in relation to a Target Redeemable Preference Shareholder, the address shown in the Target Register at the Scheme Record Date.

Scheme means this scheme of arrangement between Target and Scheme Shareholders, under which all the Scheme Shares will be transferred to Bidder under Part 5.1 of the Corporations Act as described in clause 4, in consideration for the Scheme Consideration, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the *Corporations Act* to the extent they are approved in writing by Target in accordance with clause 9.7.

Scheme Consideration means 1.4921 Bidder Ordinary Shares.

Scheme Date means the date on which the Merger Implementation Deed is executed by all parties to the document.

Scheme Meeting means the meeting of Scheme Shareholders ordered by the Court to be convened pursuant to section 411(1) of the *Corporations Act* to consider this Scheme.

Scheme Record Date means 8.00 pm on the second Business Day after the Effective Date.

Scheme Shareholders means each person who is a Target Redeemable Preference Shareholder at the Scheme Record Date.

Scheme Shares means all Target Redeemable Preference Shares as at the Scheme Record Date and for the avoidance of doubt includes any Target Redeemable Preference Shares issued on or before the Scheme Record Date.

Scheme Share Transfer means, for each Scheme Shareholder, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Hearing Date means the first day on which the application made to the Court for an order approving this Scheme pursuant to section 411(4)(b) of the *Corporations Act* is heard, or if the hearing of the application is adjourned for any reason, the first day of the adjourned hearing.

Sunset Date means 8.00 pm on 28 February 2011 or such other date and time agreed in writing between Bidder and Target.

Target Board means the board of directors of Target as constituted from time to time.

Target Redeemable Preference Share means an issued redeemable preference share in Target.

Target Redeemable Preference Shareholder means each person who is registered in the Target Register as a holder of Target Redeemable Preference Shares.

Target Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the *Corporations Act*.

Interpretation

1.2 In this Scheme, unless the context requires otherwise:

- (a) a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a gender includes all genders;
 - (iii) to a document or instrument is a reference to that document or instrument as amended, consolidated, supplemented, novated or replaced;
 - (iv) to a party means a party to this Scheme;
 - (v) to a clause, paragraph, Schedule or Annexure is to a clause, paragraph, Schedule or Annexure of or to this Scheme;
 - (vi) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency; and
 - (B) the person's successors, permitted assigns, substitutes, executors and administrators;
 - (vii) to a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced and includes a reference to any regulation, by-law or other subordinate legislation;
 - (viii) to any time is to Sydney time;

- (ix) to "\$" is to the lawful currency of Australia; and
- (b) the word "includes" in any form is not a word of limitation;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) headings are for convenience only and do not affect interpretation;
- (e) if a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day; and
- (f) if a period must be calculated from, after or before a day or the day of an act or event, it must be calculated excluding that day.

2 Preliminary

Target

- 2.1 Target is a public company limited by shares, incorporated in Australia and registered in Queensland. Its registered office is at Level 14, Corporate Centre One, Corner Bundall Road & Slayter Avenue, Bundall, Queensland, 4217.
- 2.2 Target is not listed, and Target Redeemable Preference Shares are not quoted on any securities exchange.
- 2.3 As at the Scheme Date, the Target had the following securities on issue:
 - (a) 27,246,701 ordinary shares;
 - (b) 8,428,583 A class shares;
 - (c) 10,984,245 redeemable preference shares; and
 - (d) 1 Z class share.

Bidder

- 2.4 Bidder is a public company limited by shares, incorporated in Australia and registered in Western Australia. Its registered office is at Level 2, 6 Thelma Street, West Perth, Western Australia, 6005.
- 2.5 Bidder is admitted to the official list of ASX and Bidder Ordinary Shares are officially quoted on ASX.
- 2.6 As at the Scheme Date, the Bidder had the following securities on issue:
 - (a) 160,921,844 fully paid ordinary shares;
 - (b) 3,000,000 partly paid ordinary shares of 18 cents each partly paid to 3 cents with the balance payable no later than 31 October 2012; and
 - (c) 6,000,000 options to acquire fully paid ordinary shares with an exercise price of \$1.25 per share and expiring on 27 November 2010.

Effect of Scheme

2.7 If this Scheme becomes Effective:

- (a) in consideration of the transfer of all Scheme Shares to Bidder, Bidder will issue to each Scheme Shareholder, the Scheme Consideration in respect of each Scheme Share held by the Scheme Shareholder and seek quotation on the ASX of the Bidder Ordinary Shares, in accordance with the terms of this Scheme and the Deed Poll;
- (b) subject to Bidder having complied in full with its obligations in clause 5 and in the Deed Poll:
 - (i) all of the Scheme Shares will be transferred to Bidder on the Implementation Date; and
 - (ii) Target will enter the name and address of Bidder in the Target Register as the holder of all of the Scheme Shares.

Merger Implementation Deed and Deed Poll

2.8 Target and Bidder have entered into the Merger Implementation Deed which sets out the terms on which Target and Bidder have agreed to implement this Scheme.

2.9 Bidder has executed the Deed Poll in favour of each Scheme Shareholder pursuant to which it has covenanted to perform its obligations under this Scheme, including to provide the Scheme Consideration.

3 Conditions precedent

Conditions precedent to Scheme

3.1 This Scheme is conditional on:

- (a) as at 8.00 am on the Second Court Hearing Date, neither the Merger Implementation Deed nor the Deed Poll having been terminated;
- (b) all of the conditions precedent set out in clause 3.1 of the Merger Implementation Deed (other than the condition precedent in clause 3.1(u) of that deed regarding Court approval pursuant to section 411(4)(b) of the Corporations Act) having been satisfied or waived in accordance with the terms of that deed as at 8.00 am on the Second Court Hearing Date;
- (c) the Court having approved this Scheme with or without modification, pursuant to section 411(4)(b) of the *Corporations Act*, and if applicable, Target having accepted in writing any modification required by the Court; and
- (d) Target having lodged with ASIC an office copy of any order made by the Court pursuant to section 411(4)(b) of the Corporations Act approving the Scheme, the Target A Class Share Scheme, Target Z Class Share Scheme and the Target Ordinary Share Scheme (each as defined in the Merger Implementation Deed),

and the provisions of clauses 4 to 9 (both inclusive) will not come into effect unless and until each of these conditions precedent has been satisfied.

Certificate in relation to conditions precedent

- 3.2 On the Second Court Hearing Date, Target and Bidder will each provide to the Court a certificate confirming whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clauses 3.1(c) and 3.1(d) of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Hearing Date and confirming whether or not the Merger Implementation Deed has been terminated.
- 3.3 The giving of a certificate by each of Target and Bidder under clause 3.2 confirming that any conditions precedent set out in clause 3.1 have been satisfied or waived and that the Merger Implementation Deed has not been terminated as at 8.00 am on the Second Court Hearing Date will be conclusive evidence of those matters.

Termination of Merger Implementation Deed

- 3.4 Without limiting rights under the Merger Implementation Deed, in the event that the Merger Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, Target and Bidder are each released from:
- (a) any further obligation to take steps to implement the Scheme;
 - (b) any liability with respect to the Scheme; and
 - (c) in the case of Bidder, any liability under the Deed Poll.

Sunset Date

- 3.5 This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

4 Implementation of Scheme

Lodgement of Court order

- 4.1 Following approval of this Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act, Target will, as soon as is reasonably practicable, lodge with ASIC an office copy of the Court order approving this Scheme pursuant to section 411(10) of the Corporations Act.

Transfer of Scheme Shares

- 4.2 On the Implementation Date, but subject to Bidder having actually provided the Scheme Consideration for the Scheme Shares in accordance with the manner contemplated in clause 5.2:
- (a) all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder without the need for any further act by any Scheme Shareholder (other than acts performed by Target as attorney and agent for Scheme Shareholders under clause 9.1) by:
 - (i) Target delivering to Bidder a duly completed Scheme Share Transfer executed on behalf of the Scheme Shareholders for execution by Bidder; and
 - (ii) Bidder duly executing the Scheme Share Transfer and delivering it to Target for registration; and

- (b) Target will enter the name and address of Bidder in the Target Register as the holder of all of the Scheme Shares as soon as practicable following receipt of the duly executed Scheme Share Transfer from Bidder under clause 4.2(a)(ii).

Entitlement to Scheme Consideration

- 4.3 On the Implementation Date, in consideration for the transfer to Bidder of the Scheme Shares, each Scheme Shareholder will be entitled to receive from Bidder the Scheme Consideration in respect of each of their Scheme Shares and Bidder must provide the Scheme Consideration in accordance with clause 5.

Fractional entitlements

- 4.4 If a fractional entitlement to a Bidder Ordinary Share arises from the calculation of the Scheme Consideration payable to a Scheme Shareholder in respect of its Scheme Shares, then the fractional entitlement to a Bidder Ordinary Share will be rounded to the nearest whole number and will be rounded up if the fractional entitlement is one half.

Shareholding splitting or division

- 4.5 If Target and Bidder are of the opinion that a Scheme Shareholder has been a party to a shareholding splitting or division in an attempt to gain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, then Target and Bidder reserve the right to round the entitlement of such holdings so as to provide only the number of Bidder Ordinary Shares that would have been received but for the splitting or division.

5 Provision of Scheme Consideration

- 5.1 Subject to clause 8, the Bidder Ordinary Shares to be issued under this Scheme will be duly and validly issued, fully paid and will, upon their issue, rank equally in all respects with all other Bidder Ordinary Shares then on issue other than with respect to a right to receive the Bidder Distribution.
- 5.2 The obligation of Bidder to provide the Scheme Consideration to the Scheme Shareholders in respect of each Scheme Share registered in the name of the Scheme Shareholders will be satisfied by Bidder:
 - (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue the Bidder Ordinary Shares and entering the name and Registered Address of that Scheme Shareholder in the Bidder Register as the holder of the Bidder Ordinary Shares issued to that Scheme Shareholder;
 - (b) within 5 Business Days after the Implementation Date, dispatching or procuring the dispatch to that Scheme Shareholder by pre-paid post to their Registered Address, of an uncertificated holding statement in the name of that Scheme Shareholder representing the Bidder Ordinary Shares issued to them under the Scheme; and
 - (c) making an application to ASX for the quotation of the Bidder Ordinary Shares on ASX in accordance with clause 6.

General

- 5.3 Each Scheme Shareholder to whom Bidder Ordinary Shares are to be issued under this Scheme agrees:
- (a) to become a member of Bidder for the purposes of section 231 of the *Corporations Act*;
 - (b) to have their name and Registered Address entered in the Bidder Register; and
 - (c) to be bound by the constitution of Bidder as in force from time to time in respect of the Bidder Ordinary Shares.
- 5.4 Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and Target relating to Scheme Shares at the Scheme Record Date (including, without limitation, any instructions relating to payment of dividends or to communications from Target) will from the Scheme Record Date be deemed to be a similarly binding instruction or notification to, and accepted by, Bidder in respect of the Bidder Ordinary Shares issued to the Scheme Shareholder until that instruction or notification is revoked or amended in writing addressed to Bidder at the Bidder Share Registry. Any such instructions or notifications accepted by Bidder will apply to and in respect of Bidder Ordinary Shares issued as part of the Scheme Consideration only to the extent that they are not inconsistent with the other provisions of this Scheme.

Joint holders

- 5.5 In the case of Scheme Shares held in joint names any uncertificated holding statements or certificates for Bidder Ordinary Shares to be issued to Scheme Shareholders will record the joint holders as the registered holder of the Bidder Ordinary Shares and will be forwarded to the holder whose name appears first in the Target Register at the Scheme Record Date.

6 Quotation of Bidder Ordinary Shares

- 6.1 Bidder will use its best endeavours to procure that the Bidder Ordinary Shares to be issued pursuant to this Scheme will be quoted on ASX:
- (a) initially on a deferred settlement basis on and from the Business Day after the Effective Date (or, if Bidder Ordinary Shares are subject to a trading halt on that day, on first Business Day after the trading halt has ended); and
 - (b) on an ordinary settlement basis on and from the Business Day after the Implementation Date.

7 Dealings in Target Redeemable Preference Shares

Determination of Scheme Shareholders

- 7.1 For the purpose of determining the persons that are Scheme Shareholders, dealings in Target Redeemable Preference Shares will only be recognised if registrable transfers or transmission applications in respect of those dealings are received on or before the Scheme Record Date at Target's registered office.

- 7.2 Target will register registrable transfers or transmission applications of the kind referred to in clause 7.1 by the Scheme Record Date.
- 7.3 Target will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Target Redeemable Preference Shares received after the Scheme Record Date (other than the transfers contemplated by clause 4.2).
- 7.4 If the Scheme becomes Effective, a holder of Target Redeemable Preference Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Target Redeemable Preference Shares or any interest in them after the Effective Date and any such disposal will be void and of no legal effect whatsoever.

Maintenance of Target Register

- 7.5 For the purpose of determining entitlements to the Scheme Consideration, Target will, until the Scheme Consideration has been provided, maintain or procure the maintenance of the Target Register in accordance with this clause 7. The Target Register in this form will solely determine entitlements to the Scheme Consideration.

Effect of certificates and holding statements

- 7.6 After the Scheme Record Date (other than statements of holding in favour of Bidder and its successors in title after the Implementation Date), all certificates and holding statements for the Scheme Shares will cease to have effect as documents of title. Subject to provision of the Scheme Consideration by Bidder and registration of the transfer to Bidder contemplated in clause 4.2, after the Scheme Record Date, each entry on the Target Register at the Scheme Record Date (other than entries in respect of Bidder and its successors in title) will cease to have any effect other than as evidence of an entitlement to the Scheme Consideration.

Information to be made available to Bidder

- 7.7 Target will procure that, as soon as reasonably practicable after the Scheme Record Date, details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Shareholder as shown in the Target Register at the Scheme Record Date are made available to Bidder in such form as Bidder or the Bidder Share Registry reasonably requires.

8 Dealings in Bidder Ordinary Shares

Holding lock during Escrow Period

- 8.1 Subject to clauses 8.5, 8.6 and 8.7, Scheme Shareholders are deemed to have agreed as a fundamental condition of this Scheme and consented to the following matters in relation to the Scheme Consideration:
- (a) subject to clause 8.1(c), to the extent permitted by the ASTC Settlement Rules, a holding lock being placed on the Escrowed Shares during the Escrow Period on CHESS or any other register to prevent a Proper ASTC Transfer of the Escrowed Shares;
 - (b) the Escrowed Shares being recorded in a sub-position on the Bidder Register unless and until those Escrowed Shares are released from that sub-position in accordance with this clause 8; and

- (c) Bidder procuring the removal of the holding lock referred to in clause 8.1(a) applicable to the Escrowed Shares immediately after the expiry of the Escrow Period.
- 8.2 The holding lock placed on the Scheme Shareholders' Bidder Ordinary Shares will prevent the Scheme Shareholders from transferring or disposing those Bidder Ordinary Shares during the Escrow Period other than as provided in this clause 8.

Release of holding lock

- 8.3 Subject to clauses 8.5, 8.6, 8.7, 8.9 and 8.10, the holding lock placed on the Bidder Ordinary Shares as described in clause 8.1 will be released on the expiry of the Escrow Period.

Restrictions during Escrow Period

- 8.4 Subject to clauses 8.5, 8.6 and 8.7, Scheme Shareholders will not be permitted, during the Escrow Period, to do any of the following:
- (a) Deal, directly or indirectly, in any or all of the Escrowed Shares or Deal, directly or indirectly, in any interest or right in respect of any or all of the Escrowed Shares;
 - (b) create, or agree or offer to create, a security interest or encumbrance over or affecting any or all of the Escrowed Shares; or
 - (c) do or omit to do any act which would have the effect of transferring effective ownership or control of any or all of the Escrowed Shares.

Takeovers

- 8.5 If at any time:
- (a) any person makes a takeover bid in respect of all of the ordinary shares of the Bidder under Chapter 6 of the Corporations Act; and
 - (b) acceptances of that bid are received from the holders of 50% or more of the ordinary shares of the Bidder,
- the Scheme Shareholders may deal in any or all of the Escrowed Shares during the Escrow Period in order to accept the takeover bid.
- 8.6 If the takeover bid does not become unconditional, the escrow obligations in this clause 8 continue to apply to any Bidder Ordinary Shares.

Schemes of arrangement

- 8.7 Scheme Shareholders may Deal in any or all of the Escrowed Shares during the Escrow Period in order to effect the transfer or cancellation of the Escrowed Shares as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act, provided that any Escrowed Shares which are the subject of the scheme of arrangement will remain subject to the escrow arrangements set out in this clause 8.7 if the merger by scheme of arrangement does not take effect.

Application of Listing Rules

- 8.8 To the extent of any inconsistency between this clause 8 and the Listing Rules, the Listing Rules prevail.

Other permitted Dealings

- 8.9 Scheme Shareholders may Deal in any or all of the Escrowed Shares during the Escrow Period to the extent that the Dealing involves the transfer of any or all of the Escrowed Shares to a Permitted Transferee provided that:
- (a) the transferee of the Escrowed Shares enters into a deed containing terms to the same effect as the provisions of this clause 8, prior to any transfer;
 - (b) where such a transferee ceases to be a Permitted Transferee, it will immediately notify the Bidder of such event; and
 - (c) where such a transferee ceases to be a Permitted Transferee (other than a Permitted Transferee under paragraphs (b) to (d) of the definition of Permitted Transferee) it shall within five days of such event transfer any Escrowed Shares transferred to the Scheme Shareholder who transferred the Bidder Ordinary Shares to the Permitted Transferee.

Release by the Bidder Board

- 8.10 The Bidder Board, in its absolute discretion, may release a Scheme Shareholder from all or part of the escrow restriction in clause 8 by written notice to the Scheme Shareholder.

9 General Scheme provisions

Appointment of Target as agent and attorney

- 9.1 Each Scheme Shareholder, without the need for any further act, irrevocably appoints Target and each of the directors and secretaries of Target, jointly and severally, as its agent and attorney for the purpose of executing any document or doing any other act necessary or desirable to give full effect to this Scheme and the transactions contemplated by it, including executing a Scheme Share Transfer and executing an agreement or deed with Bidder giving effect as between Bidder and each Scheme Shareholder to the provisions set out in clause 8 relating to the Escrowed Shares.

Scheme Shareholders' consent

- 9.2 Each Scheme Shareholder consents to Target doing all things and executing all deeds, instruments, transfers and other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Agreement by Scheme Shareholders

- 9.3 Each Scheme Shareholder agrees to the transfer of all of their Scheme Shares to Bidder in accordance with the terms of this Scheme.

Warranty by Scheme Shareholders

- 9.4 Each Scheme Shareholder is deemed to have warranted to Bidder, and is deemed to have authorised Target to warrant to Bidder as agent and attorney for the Scheme Shareholder by virtue of this clause, that:
- (a) all of their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Bidder under this Scheme will, on the date of the transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security

interests and other interests of third parties of any kind, whether legal or otherwise (but acknowledging that a security interest holder may potentially have an interest in the Scheme Consideration in accordance with the terms of such security interest); and

- (b) subject to any restrictions in the terms of issue, they have the full power and capacity to sell and transfer their Scheme Shares (including any rights and entitlements attaching to those shares).

Title to Scheme Shares

- 9.5 Subject to provision of the Scheme Consideration for the Scheme Shares in accordance with clause 5.2, on and from the Implementation Date and pending registration by Target of Bidder in the Target Register as the holder of all of the Scheme Shares, Bidder will be beneficially entitled to all of the Scheme Shares transferred to it under this Scheme.

Appointment of Bidder as sole proxy

- 9.6 Subject to provision of the Scheme Consideration for the Scheme Shares in accordance with clause 5.2, on and from the Implementation Date and pending registration by Target of Bidder in the Target Register as the holder of all of the Scheme Shares, each Scheme Shareholder:
- (a) is deemed to have irrevocably appointed the Chairman of Bidder as their sole proxy and, where applicable, corporate representative, to attend shareholders' meetings of Target, exercise the votes attached to the Scheme Shares registered in their name and sign any shareholders' resolutions, whether in person, by proxy or by corporate representative;
 - (b) must not attend or vote at any shareholders' meetings of Target, or sign any resolutions, whether in person, by proxy or by corporate representative, other than in accordance with this clause 9.6; and
 - (c) must take all other actions in the capacity of the registered holder of Scheme Shares as Bidder directs.

Target undertakes in favour of each Scheme Shareholder that it will appoint the Chairman of Bidder as that Scheme Shareholder's proxy or, where applicable, corporate representative, in accordance with this clause 9.6.

Scheme alterations and conditions

- 9.7 If the Court proposes to approve this Scheme subject to any alterations or conditions, Target may, by its counsel or solicitors, and with the consent of Bidder, consent to those alterations or conditions on behalf of all persons concerned, including, for the avoidance of doubt, all Scheme Shareholders, provided that in no circumstances will Target be obliged to do so.

Effect of Scheme

- 9.8 This Scheme binds Target and all Target Redeemable Preference Shareholders (including any Target Redeemable Preference Shareholders who do not attend the Scheme Meeting, do not vote at that meeting or vote against this Scheme) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Target.

Enforcement of Deed Poll

- 9.9 Target undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Shareholders.

No liability when acting in good faith

- 9.10 Neither Target nor Bidder, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

Notices

- 9.11 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be deemed to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office.

Further assurances

- 9.12 Subject to clause 9.7, Target will execute all deeds, instruments, transfers and other documents and do all acts and things (on its own behalf and on behalf of each Scheme Shareholder) as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

Costs and stamp duty

- 9.13 Bidder will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Bidder.

10 Governing law and jurisdiction

- 10.1 This Scheme is governed by the laws of New South Wales.
- 10.2 Each party irrevocably and unconditionally:
- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure K

Notice of Scheme Meeting (Ordinary Share Shareholders)

Notice of Court ordered Scheme Meeting of Ordinary Share Shareholders of Professional Investment Holdings Limited ACN 074 949 429 (PIH)

Notice is given that, by an order of the New South Wales registry of the Federal Court of Australia, a meeting of Ordinary Share Shareholders of PIH will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217 on 22 November 2010 at 11.00am (**Scheme Meeting**).

Business

The purpose of the Scheme Meeting is to consider, and if thought fit, to approve a scheme of arrangement (with or without modification) (**Scheme**) between PIH and the holders of Ordinary Shares in PIH as at the Record Date (**Scheme Shareholders**) under part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

To assist you in making an informed voting decision, further information on the Scheme is set out in the Scheme Booklet accompanying this notice. A copy of the Scheme is set out in Annexure D, Annexure F, Annexure H, and Annexure J to the Scheme Booklet and its purpose and effect is explained throughout that document.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the glossary of the Scheme Booklet which accompanies this notice.

Resolution

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

That, under section 411 of the Corporations Act, the scheme of arrangement proposed to be entered into between PIH Limited and holders of its fully paid Ordinary Shares (**Scheme**) is approved and the board of directors of PIH is authorised to agree to those modifications or conditions which are thought appropriate by the New South Wales registry of the Federal Court of Australia (**Court**) and, subject to approval of the Scheme by the Court, to implement the Scheme with any of those modifications or conditions.

The Scheme is subject to the approval of the Court under section 411(4)(b) of the Corporations Act.

PIH intends to apply to the Court for approval of the Scheme, subject to this resolution being passed by the requisite majorities at each Scheme Meeting and the Constitution Amendment Resolution being passed by the requisite majorities at the Class Meetings and Extraordinary General Meeting.

Requisite majority

In accordance with section 411(4)(a)(ii) of the Corporations Act, this resolution must be passed by a majority in numbers of holders of Ordinary Shares present and voting (either in person or by proxy) and representing at least 75% of the votes cast on the resolution. The vote will be conducted by poll.

Court approval

The Scheme (with or without modification) is subject to the approval of the New South Wales registry of the Federal Court of Australia.

Dated:

Lisa Sawyer
Company Secretary

Notes

Voting entitlement

Ordinary Shares will be taken to be held by the persons who are the registered holders at 9.00am on 22 November 2010. All Ordinary Share Shareholders at that time are entitled to vote at the Scheme Meeting.

How to vote

Ordinary Share Shareholders entitled to vote at the Scheme Meeting can vote:

- (a) by attending the meeting and voting in person;
- (b) by appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf in their place, using the proxy form accompanying this notice of Scheme Meeting.

Voting in person (or by attorney or corporate representative)

Ordinary Share Shareholders or their attorneys who plan to attend the Scheme Meeting should arrive at the venue by 8.30am on 22 November 2010 so that shareholdings may be checked against the register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the Scheme Meeting, a corporation which is an Ordinary Share Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

- 1 A proxy form accompanies this notice of Scheme Meeting.
- 2 An Ordinary Share Shareholder has a right to appoint a proxy.
- 3 The proxy need not be a PIH Shareholder.
- 4 An Ordinary Share Shareholder entitled to cast two or more votes may appoint two proxies to attend and vote for them. If you want to appoint two proxies, an additional proxy form will be supplied by PIH on request. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
- 5 Proxy forms must be signed by the Ordinary Share Shareholder or the Ordinary Share Shareholder's attorney. If the Ordinary Share Shareholder is a corporation, the proxy form must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary, by that director, or under hand of its attorney or duly authorised officer. Otherwise, the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

- 6 The proxy form sent to you with this notice of Scheme Meeting should be used for the Scheme Meeting. To be effective, the proxy form must be sent, delivered or faxed to:

Post or deliver to:

Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:

07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)

Email to:

LisaS@profinvest.com.au

by:

9.00am on 20 November 2010

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Annexure L

Notice of Scheme Meeting (A Class Share Shareholders)

Notice of Court ordered Scheme Meeting of A Class Share Shareholders of Professional Investment Holdings Limited ACN 074 949 429 (PIH)

Notice is given that, by an order of the New South Wales registry of the Federal Court of Australia, a meeting of A Class Share Shareholders of PIH will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217 on 22 November 2010 at 10.15am (**Scheme Meeting**).

Business

The purpose of the Scheme Meeting is to consider, and if thought fit, to approve a scheme of arrangement (with or without modification) (**Scheme**) between PIH and the holders of A Class Shares in PIH as at the Record Date (**Scheme Shareholders**) under part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

To assist you in making an informed voting decision, further information on the Scheme is set out in the Scheme Booklet accompanying this notice. A copy of the Scheme is set out in Annexure D, Annexure F, Annexure H, and Annexure J to the Scheme Booklet and its purpose and effect is explained throughout that document.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the glossary of the Scheme Booklet which accompanies this notice.

Resolution

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

That, under section 411 of the Corporations Act, the scheme of arrangement proposed to be entered into between PIH Limited and holders of its fully paid A Class Shares (**Scheme**) is approved and the board of directors of PIH is authorised to agree to those modifications or conditions which are thought appropriate by the New South Wales registry of the Federal Court of Australia (**Court**) and, subject to approval of the Scheme by the Court, to implement the Scheme with any of those modifications or conditions.

The Scheme is subject to the approval of the Court under section 411(4)(b) of the Corporations Act.

PIH intends to apply to the Court for approval of the Scheme, subject to this resolution being passed by the requisite majorities at each Scheme Meeting and the Constitution Amendment Resolution being passed by the requisite majorities at the Class Meetings and the Extraordinary General Meeting.

Requisite majority

In accordance with section 411(4)(a)(ii) of the Corporations Act, this resolution must be passed by a majority in numbers of holders of A Class Shares present and voting (either in person or by proxy) and representing at least 75% of the votes cast on the resolution. The vote will be conducted by poll.

Court approval

The Scheme (with or without modification) is subject to the approval of the New South Wales registry of the Federal Court of Australia.

Dated:

Lisa Sawyer
Company Secretary

Notes

Voting entitlement

A Class Shares will be taken to be held by the persons who are the registered holders at 9.00am on 22 November 2010. All A Class Share Shareholders at that time are entitled to vote at the Scheme Meeting.

How to vote

A Class Share Shareholders entitled to vote at the Scheme Meeting can vote:

- (a) by attending the meeting and voting in person;
- (b) by appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf in their place, using the proxy form accompanying this notice of Scheme Meeting.

Voting in person (or by attorney or corporate representative)

A Class Share Shareholders or their attorneys who plan to attend the Scheme Meeting should arrive at the venue by 8.30am on 22 November 2010 so that shareholdings may be checked against the register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the Scheme Meeting, a corporation which is an A Class Share Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

- 1 A proxy form accompanies this notice of Scheme Meeting.
- 2 An A Class Share Shareholder has a right to appoint a proxy.
- 3 The proxy need not be a PIH Shareholder.
- 4 An A Class Share Shareholder entitled to cast two or more votes may appoint two proxies to attend and vote for them. If you want to appoint two proxies, an additional proxy form will be supplied by PIH on request. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
- 5 Proxy forms must be signed by the A Class Share Shareholder or the A Class Share Shareholder's attorney. If the A Class Share Shareholder is a corporation, the proxy form must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary, by that director, or under hand of its attorney or duly authorised officer. Otherwise, the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

- 6 The proxy form sent to you with this notice of Scheme Meeting should be used for the Scheme Meeting. To be effective, the proxy form must be sent, delivered or faxed to:

Post or deliver to:

Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:

07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)

Email to:

LisaS@profinvest.com.au

by:

9.00am on 20 November 2010

Annexure M

Notice of Scheme Meeting (Redeemable Preference Share Shareholders)

Notice of Court ordered Scheme Meeting of Redeemable Preference Share Shareholders of Professional Investment Holdings Limited ACN 074 949 429 (PIH)

Notice is given that, by an order of the New South Wales registry of the Federal Court of Australia, a meeting of Redeemable Preference Share Shareholders of PIH will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217 on 22 November 2010 at 9.30am (**Scheme Meeting**).

Business

The purpose of the Scheme Meeting is to consider, and if thought fit, to approve a scheme of arrangement (with or without modification) (**Scheme**) between PIH and the holders of Redeemable Preference Shares in PIH as at the Record Date (**Scheme Shareholders**) under part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Scheme is proposed in the form contained in Annexure D, Annexure F, Annexure H, and Annexure J to the Scheme Booklet.

To assist you in making an informed voting decision, further information on the Scheme is set out in the Scheme Booklet accompanying this notice. A copy of the Scheme is set out in annexures 4, 6, 8 and 10 of the Implementation Deed to the Scheme Booklet and its purpose and effect is explained throughout that document.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the glossary of the Scheme Booklet which accompanies this notice.

Resolution

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

That, under section 411 of the Corporations Act, the scheme of arrangement proposed to be entered into between PIH Limited and holders of its fully paid Redeemable Preference Shares (**Scheme**) is approved and the board of directors of PIH is authorised to agree to those modifications or conditions which are thought appropriate by the New South Wales registry of the Federal Court of Australia (**Court**) and, subject to approval of the Scheme by the Court, to implement the Scheme with any of those modifications or conditions.

The Scheme is subject to the approval of the Court under section 411(4)(b) of the Corporations Act.

PIH intends to apply to the Court for approval of the Scheme, subject to this resolution being passed by the requisite majorities at each Scheme Meeting and the Constitution Amendment Resolution being passed by the requisite majorities at the Class Meetings and the Extraordinary General Meeting.

Requisite majority

In accordance with section 411(4)(a)(ii) of the Corporations Act, this resolution must be passed by a majority in numbers of holders of Redeemable Preference Shares present and voting (either in person or by proxy) and representing at least 75% of the votes cast on the resolution. The vote will be conducted by poll.

Court approval

The Scheme (with or without modification) is subject to the approval of the New South Wales registry of the Federal Court of Australia.

Dated:

Lisa Sawyer
Company Secretary

Notes

Voting entitlement

Redeemable Preference Shares will be taken to be held by the persons who are the registered holders at 9.00am on 22 November 2010. All Redeemable Preference Share Shareholders at that time are entitled to vote at the Scheme Meeting.

How to vote

Redeemable Preference Share Shareholders entitled to vote at the Scheme Meeting can vote:

- (a) by attending the meeting and voting in person;
- (b) by appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf in their place, using the proxy form accompanying this notice of Scheme Meeting.

Voting in person (or by attorney or corporate representative)

Redeemable Preference Share Shareholders or their attorneys who plan to attend the Scheme Meeting should arrive at the venue by 8.30am on 22 November 2010 so that shareholdings may be checked against the register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the Scheme Meeting, a corporation which is a Redeemable Preference Share Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

- 1 A proxy form accompanies this notice of Scheme Meeting.
- 2 A Redeemable Preference Share Shareholder has a right to appoint a proxy.
- 3 The proxy need not be a PIH Shareholder.
- 4 A Redeemable Preference Share Shareholder entitled to cast two or more votes may appoint two proxies to attend and vote for them. If you want to appoint two proxies, an additional proxy form will be supplied by PIH on request. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
- 5 Proxy forms must be signed by the Redeemable Preference Share Shareholder or the Redeemable Preference Share Shareholder's attorney. If the Redeemable Preference Share Shareholder is a corporation, the proxy form must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary, by that director, or under hand of its attorney or duly authorised officer. Otherwise, the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

- 6 The proxy form sent to you with this notice of Scheme Meeting should be used for the Scheme Meeting. To be effective, the proxy form must be sent, delivered or faxed to:

Post or deliver to:

Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:

07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)

Email to:

LisaS@profinvest.com.au

by:

9.00am on 20 November 2010

Annexure N

Notice of Scheme Meeting (Z Class Share Shareholders)

Notice of Court ordered Scheme Meeting of Z Class Share Shareholders of Professional Investment Holdings Limited ACN 074 949 429 (PIH)

Notice is given that, by an order of the New South Wales registry of the Federal Court of Australia, a meeting of Z Class Share Shareholders of PIH will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217 on 22 November 2010 at 11.45am (**Scheme Meeting**).

Business

The purpose of the Scheme Meeting is to consider, and if thought fit, to approve a scheme of arrangement (with or without modification) (**Scheme**) between PIH and the holders of Z Class Shares in PIH as at the Record Date (**Scheme Shareholders**) under part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

To assist you in making an informed voting decision, further information on the Scheme is set out in the Scheme Booklet accompanying this notice. A copy of the Scheme is set out in Annexure D, Annexure F, Annexure H, and Annexure J to the Scheme Booklet and its purpose and effect is explained throughout that document.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the glossary of the Scheme Booklet which accompanies this notice.

Resolution

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

That, under section 411 of the Corporations Act, the scheme of arrangement proposed to be entered into between PIH Limited and holders of its fully paid Z Class Shares (**Scheme**) is approved and the board of directors of PIH is authorised to agree to those modifications or conditions which are thought appropriate by the New South Wales registry of the Federal Court of Australia (**Court**) and, subject to approval of the Scheme by the Court, to implement the Scheme with any of those modifications or conditions.

The Scheme is subject to the approval of the Court under section 411(4)(b) of the Corporations Act.

PIH intends to apply to the Court for approval of the Scheme, subject to this resolution being passed by the requisite majorities at each Scheme Meeting and the Constitution Amendment Resolution being passed by the requisite majorities at the Class Meetings and the Extraordinary General Meeting.

Requisite majority

In accordance with section 411(4)(a)(ii) of the Corporations Act, this resolution must be passed by a majority in numbers of holders of Z Class Shares present and voting (either in person or by proxy) and representing at least 75% of the votes cast on the resolution. The vote will be conducted by poll.

Court approval

The Scheme (with or without modification) is subject to the approval of the New South Wales registry of the Federal Court of Australia.

Dated:

Lisa Sawyer
Company Secretary

15

Notes

Voting entitlement

Z Class Shares will be taken to be held by the persons who are the registered holders at 9.00am on 22 November 2010. All Z Class Share Shareholders at that time are entitled to vote at the Scheme Meeting.

How to vote

Z Class Share Shareholders entitled to vote at the Scheme Meeting can vote:

- (a) by attending the meeting and voting in person;
- (b) by appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf in their place, using the proxy form accompanying this notice of Scheme Meeting.

Voting in person (or by attorney or corporate representative)

Z Class Share Shareholders or their attorneys who plan to attend the Scheme Meeting should arrive at the venue by 8.30am on 22 November 2010 so that shareholdings may be checked against the register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the Scheme Meeting, a corporation which is a Z Class Share Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

- 1 A proxy form accompanies this notice of Scheme Meeting.
- 2 A Z Class Share Shareholder has a right to appoint a proxy.
- 3 The proxy need not be a PIH Shareholder.
- 4 A Z Class Share Shareholder entitled to cast two or more votes may appoint two proxies to attend and vote for them. If you want to appoint two proxies, an additional proxy form will be supplied by PIH on request. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
- 5 Proxy forms must be signed by the Z Class Share Shareholder or the Z Class Share Shareholder's attorney. If the Z Class Share Shareholder is a corporation, the proxy form must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary, by that director, or under hand of its attorney or duly authorised officer. Otherwise, the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

- 6 The proxy form sent to you with this notice of Scheme Meeting should be used for the Scheme Meeting. To be effective, the proxy form must be sent, delivered or faxed to:

Post or deliver to:

Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:

07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)

Email to:

LisaS@profinvest.com.au

by:

9.00am on 20 November 2010

Annexure O

Class Meeting (Ordinary Share Shareholders)

Notice of meeting of Ordinary Share Shareholders of Professional Investment Holdings ACN 074 949 429 (PIH)

Notice is given that a meeting of Ordinary Share Shareholders of PIH will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217 on 22 November 2010 at 11.30am (**Ordinary Share Shareholders' Meeting**).

The purpose of the Ordinary Share Shareholders' Meeting is to consider, and if thought fit, to approve an amendment to the PIH Constitution which is a condition precedent to the implementation of the scheme of arrangement between PIH and the holders of PIH Shares (**Scheme**) under part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

To assist you in making an informed voting decision, further information about the Constitution Amendment Resolution is set out in part B of the Scheme Booklet accompanying this notice.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the glossary of the Scheme Booklet which accompanies this notice.

Constitution Amendment Resolution

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

That the Constitution is amended by inserting the following immediately after rule 8:

Rule 8A: Despite anything else in this Constitution, the restrictions in rules 4.11(a)(iv) or 9.6 of the Constitution will not apply to a transfer of any of the Company's securities under a scheme of arrangement.

The Constitution Amendment Resolution must also be approved by a special resolution of A Class Share Shareholders, Redeemable Preference Share Shareholders and Z Class Share Shareholders at separate Class Meetings and by Shareholders at the Extraordinary General Meeting (in person or by proxy, attorney or corporate representative).

The Constitution Amendment Resolution is conditional on the Scheme becoming effective under section 411(10) of the Corporations Act on or before the Sunset Date.

Dated:

Lisa Sawyer
Company Secretary

Notes

Voting entitlement

Ordinary Shares will be taken to be held by the persons who are the registered holders at 9.00am on 22 November 2010. All Ordinary Share Shareholders at that time are entitled to vote at the Ordinary Share Shareholders Meeting.

How to vote

Ordinary Share Shareholders entitled to vote at the Ordinary Share Shareholders Meeting can vote:

- (a) by attending the meeting and voting in person;
- (b) by appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf in their place, using the proxy form accompanying this notice of Class Meeting.

Voting in person (or by attorney or corporate representative)

Ordinary Share Shareholders or their attorneys who plan to attend the Ordinary Share Shareholders' Meeting should arrive at the venue by 8.30am on 22 November 2010 so that shareholdings may be checked against the register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the Ordinary Share Shareholders' Meeting, a corporation which is a Ordinary Share Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

- 1 A proxy form accompanies this notice of Class Meeting.
- 2 An Ordinary Share Shareholder has a right to appoint a proxy.
- 3 The proxy need not be a PIH Shareholder.
- 4 An Ordinary Share Shareholder entitled to cast two or more votes may appoint two proxies to attend and vote for them. If you want to appoint two proxies, an additional proxy form will be supplied by PIH on request. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
- 5 Proxy forms must be signed by the Ordinary Share Shareholder or the Ordinary Share Shareholder's attorney. If the Ordinary Share Shareholder is a corporation, the proxy form must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary, by that director, or under hand of its attorney or duly authorised officer. If the proxy form is signed by a person who is not the registered holder of Ordinary Shares (e.g. an attorney), then the relevant authority (e.g. in the case of

proxy forms signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

- 6 The proxy form sent to you with this notice of Class Meeting should be used for the Ordinary Share Shareholders' Meeting. To be effective, the proxy form must be sent, delivered or faxed to:

Post or deliver to:

Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:

07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)

Email to:

LisaS@profinvest.com.au

by:

9.00am on 20 November 2010

Annexure P

Class Meeting (A Class Share Shareholders)

Notice of meeting of A Class Share Shareholders of Professional Investment Holdings ACN 074 949 429 (PIH)

Notice is given that a meeting of A Class Share Shareholders of PIH will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217 on 22 November 2010 at 10.45am (**A Class Share Shareholders' Meeting**).

The purpose of the A Class Share Shareholders' Meeting is to consider, and if thought fit, to approve an amendment to the PIH Constitution which is a condition precedent to the implementation of the scheme of arrangement between PIH and the holders of PIH Shares (**Scheme**) under part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act).

To assist you in making an informed voting decision, further information about the Constitution Amendment Resolution is set out in part B of the Scheme Booklet accompanying this notice.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the glossary of the Scheme Booklet which accompanies this notice.

Constitution Amendment Resolution

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

That the Constitution is amended by inserting the following immediately after rule 8:

Rule 8A: Despite anything else in this Constitution, the restrictions in rules 4.11(a)(iv) or 9.6 of the Constitution will not apply to a transfer of any of the Company's securities under a scheme of arrangement.

The Constitution Amendment Resolution must also be approved by a special resolution of Ordinary Share Shareholders, Redeemable Preference Share Shareholders and Z Class Share Shareholders at separate Class Meetings and by PIH Shareholders at the Extraordinary General Meeting (in person or by proxy, attorney or corporate representative).

The Constitution Amendment Resolution is conditional on the Scheme becoming effective under section 411(10) of the Corporations Act on or before the Sunset Date.

Dated:

Lisa Sawyer
Company Secretary

Notes

Voting entitlement

A Class Shares will be taken to be held by the persons who are the registered holders at 9.00am on 22 November 2010. All A Class Share Shareholders at that time are entitled to vote at the A Class Share Shareholders' Meeting.

How to vote

A Class Share Shareholders entitled to vote at the A Class Share Shareholders' Meeting can vote:

- (a) by attending the meeting and voting in person;
- (b) by appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf in their place, using the proxy form accompanying this notice of Class Meeting.

Voting in person (or by attorney or corporate representative)

A Class Share Shareholders or their attorneys who plan to attend the A Class Share Shareholders Meeting should arrive at the venue by 8.30am on 22 November 2010 so that shareholdings may be checked against the register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the A Class Share Shareholders Meeting, a corporation which is an A Class Share Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

- 1 A proxy form accompanies this notice of Class Meeting.
- 2 An A Class Share Shareholder has a right to appoint a proxy.
- 3 The proxy need not be a PIH Shareholder.
- 4 An A Class Share Shareholder entitled to cast two or more votes may appoint two proxies to attend and vote for them. If you want to appoint two proxies, an additional proxy form will be supplied by PIH on request. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
- 5 Proxy forms must be signed by the A Class Share Shareholder or the A Class Share Shareholder's attorney. If the A Class Share Shareholder is a corporation, the proxy form must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary, by that director, or under hand of its attorney or duly authorised officer. If the proxy form is signed by a person who is not the registered holder of A Class Shares (e.g. an attorney), then the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

- 6 The proxy form sent to you with this notice of Class Meeting should be used for the A Class Share Shareholders' Meeting. To be effective, the proxy form must be sent, delivered or faxed to:

Post or deliver to:

Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:

07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)

Email to:

LisaS@profinvest.com.au

by:

9.00am on 20 November 2010

Annexure Q

Class Meeting (Redeemable Preference Share Shareholders)

Notice of meeting of Redeemable Preference Share Shareholders of Professional Investment Holdings ACN 074 949 429 (PIH)

Notice is given that a meeting of Redeemable Preference Share Shareholders of PIH will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217 on 22 November 2010 at 10.00am (**Redeemable Preference Share Shareholders' Meeting**).

The purpose of the Redeemable Preference Share Shareholder Meeting is to consider, and if thought fit, to approve an amendment to the PIH Constitution which is a condition precedent to the implementation of the scheme of arrangement between PIH and the holders of PIH Shares (**Scheme**) under part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

To assist you in making an informed voting decision, further information about the Constitution Amendment Resolution is set out in part B of the Scheme Booklet accompanying this notice.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the glossary of the Scheme Booklet which accompanies this notice.

Constitution Amendment Resolution

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

That the Constitution is amended by inserting the following immediately after rule 8:

Rule 8A: Despite anything else in this Constitution, the restrictions in rules 4.11(a)(iv) or 9.6 of the Constitution will not apply to a transfer of any of the Company's securities under a scheme of arrangement.

The Constitution Amendment Resolution must also be approved by a special resolution of Ordinary Share Shareholders, A Class Share Shareholders and Z Class Share Shareholders at separate Class Meetings and by PIH Shareholders at the Extraordinary General Meeting (in person or by proxy, attorney or corporate representative).

The Constitution Amendment Resolution is conditional on the Scheme becoming effective under section 411(10) of the Corporations Act on or before the Sunset Date.

Dated:

Lisa Sawyer
Company Secretary

Notes

Voting entitlement

Redeemable Preference Shares will be taken to be held by the persons who are the registered holders at 9.00am on 22 November 2010. All Redeemable Preference Share Shareholders at that time are entitled to vote at the Redeemable Preference Share Shareholders' Meeting.

How to vote

Redeemable Preference Share Shareholders entitled to vote at the Redeemable Preference Share Shareholders' Meeting can vote:

- (a) by attending the meeting and voting in person;
- (b) by appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf in their place, using the proxy form accompanying this notice of Class Meeting.

Voting in person (or by attorney or corporate representative)

Redeemable Preference Share Shareholders or their attorneys who plan to attend the Redeemable Preference Share Shareholders' Meeting should arrive at the venue by 8.30am on 22 November 2010 so that shareholdings may be checked against the register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the Redeemable Preference Share Shareholders' Meeting, a corporation which is a Redeemable Preference Share Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

- 1 A proxy form accompanies this notice of Class Meeting.
- 2 A Redeemable Preference Share Shareholder has a right to appoint a proxy.
- 3 The proxy need not be a PIH Shareholder.
- 4 A Redeemable Preference Share Shareholder entitled to cast two or more votes may appoint two proxies to attend and vote for them. If you want to appoint two proxies, an additional proxy form will be supplied by PIH on request. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
- 5 Proxy forms must be signed by the Redeemable Preference Share Shareholder or the Redeemable Preference Share Shareholder's attorney. If the Redeemable Preference Share Shareholder is a corporation, the proxy form must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole

secretary, by that director, or under hand of its attorney or duly authorised officer. If the proxy form is signed by a person who is not the registered holder of Redeemable Preference Share Shares (e.g. an attorney), then the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

- 6 The proxy form sent to you with this notice of Class Meeting should be used for the Redeemable Preference Share Shareholders' Meeting. To be effective, the proxy form must be sent, delivered or faxed to:

Post or deliver to:

Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:

07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)

Email to:

LisaS@profinvest.com.au

by:

9.00am on 20 November 2010

Annexure R

Class Meeting (Z Class Share Shareholders)

Notice of meeting of Z Class Share Shareholders of Professional Investment Holdings ACN 074 949 429 (PIH)

Notice is given that a meeting of Z Class Share Shareholders of PIH will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217 on 22 November 2010 at 12.00pm (**Z Class Share Shareholders' Meeting**).

The purpose of the Z Class Share Shareholders Meeting is to consider, and if thought fit, to approve an amendment to the PIH Constitution which is a condition precedent to the implementation of the scheme of arrangement between PIH and the holders of PIH Shares (**Scheme**) under part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

To assist you in making an informed voting decision, further information about the Constitution Amendment Resolution is set out in part B of the Scheme Booklet accompanying this notice.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the glossary of the Scheme Booklet which accompanies this notice.

Constitution Amendment Resolution

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

That the Constitution is amended by inserting the following immediately after rule 8:

Rule 8A: Despite anything else in this Constitution, the restrictions in rules 4.11(a)(iv) or 9.6 of the Constitution will not apply to a transfer of any of the Company's securities under a scheme of arrangement.

The Constitution Amendment Resolution must also be approved by a special resolution of Ordinary Share Shareholders, A Class Share Shareholders and Redeemable Preference Share Shareholders at separate Class Meetings and by PIH Shareholders at the Extraordinary General Meeting (in person or by proxy, attorney or corporate representative).

The Constitution Amendment Resolution is conditional on the Scheme becoming effective under section 411(10) of the Corporations Act on or before the Sunset Date.

Dated:

Lisa Sawyer
Company Secretary

Notes

Voting entitlement

Z Class Shares will be taken to be held by the persons who are the registered holders at 9.00am on 22 November 2010. All Z Class Share Shareholders at that time are entitled to vote at the Z Class Share Shareholders' Meeting.

How to vote

Z Class Share Shareholders entitled to vote at the Z Class Share Shareholders' Meeting can vote:

- (a) by attending the meeting and voting in person;
- (b) by appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf in their place, using the proxy form accompanying this notice of Class Meeting.

Voting in person (or by attorney or corporate representative)

Z Class Share Shareholders or their attorneys who plan to attend the Z Class Share Shareholders' Meeting should arrive at the venue by 8.30am on 22 November 2010 so that shareholdings may be checked against the register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the Z Class Share Shareholders' Meeting, a corporation which is a Z Class Share Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

- 1 A proxy form accompanies this notice of Class Meeting.
- 2 A Z Class Share Shareholder has a right to appoint a proxy.
- 3 The proxy need not be a PIH Shareholder.
- 4 A Z Class Share Shareholder entitled to cast two or more votes may appoint two proxies to attend and vote for them. If you want to appoint two proxies, an additional proxy form will be supplied by PIH on request. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
- 5 Proxy forms must be signed by the Z Class Share Shareholder or the Z Class Share Shareholder's attorney. If the Z Class Share Shareholder is a corporation, the proxy form must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary, by that director, or under hand of its attorney or duly authorised officer. If the proxy form is signed by a person who is not the registered holder of Z Class Shares (e.g. an attorney), then the relevant authority (e.g. in the case of proxy forms

signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

- 6 The proxy form sent to you with this notice of Class Meeting should be used for the Z Class Share Shareholders' Meeting. To be effective, the proxy form must be sent, delivered or faxed to:

Post or deliver to:

Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:

07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)

Email to:

LisaS@profinvest.com.au

by:

9.00am on 20 November 2010

Annexure S

Notice of Extraordinary General Meeting

Notice of meeting of Shareholders of Professional Investment Holdings ACN 074 949 429 (PIH)

Notice is given that a meeting of the Shareholders of PIH will be held at Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217 on 22 November 2010 at 9.00am (Extraordinary General Meeting).

The purpose of the Extraordinary General Meeting is to consider, and if thought fit, to approve an amendment to the PIH Constitution which is a condition precedent to the implementation of the scheme of arrangement (**Scheme**) between PIH and the holders of PIH Shares at the Record Date under part 5.1 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

To assist you in making an informed voting decision, further information about the Constitution Amendment Resolution is set out in part B of the Scheme Booklet accompanying this notice.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the glossary of the Scheme Booklet which accompanies this notice.

Constitution Amendment Resolution

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

That the Constitution is amended by inserting the following immediately after rule 8:

Rule 8A: Despite anything else in this Constitution, the restrictions in rules 4.11(a)(iv) or 9.6 of the Constitution will not apply to a transfer of any of the Company's securities under a scheme of arrangement.

The Constitution Amendment Resolution must also be approved by a special resolution of Ordinary Share Shareholders, A Class Share Shareholders, Z Class Share Shareholders and Redeemable Preference Share Shareholders at separate Class Meetings (in person or by proxy, attorney or corporate representative).

The Constitution Amendment Resolution is conditional on the Scheme becoming effective under section 411(10) of the Corporations Act on or before the Sunset Date.

Dated:

Lisa Sawyer
Company Secretary

Notes

Voting entitlement

PIH Shares will be taken to be held by the persons who are the registered holders at 9.00am on 20 November 2010. All PIH Shareholders at that time are entitled to vote at the Extraordinary General Meeting.

How to vote

PIH Shareholders entitled to vote at the Extraordinary General Meeting can vote:

- (a) by attending the meeting and voting in person;
- (b) by appointing an attorney to attend the meeting and vote on their behalf, or, in the case of corporate shareholders, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf in their place, using the proxy form accompanying this notice of Scheme Meeting.

Voting in person (or by attorney or corporate representative)

PIH Shareholders or their attorneys who plan to attend the Extraordinary General Meeting should arrive at the venue by 8.30am on 22 November 2010 so that shareholdings may be checked against the register and attendances noted. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

To vote in person at the Extraordinary General Meeting, a corporation which is a PIH Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including the authority under which it is signed.

Voting by proxy

- 1 A proxy form accompanies this notice of Extraordinary General Meeting.
- 2 A PIH Shareholder has a right to appoint a proxy.
- 3 The proxy need not be a PIH Shareholder.
- 4 A PIH Shareholder entitled to cast two or more votes may appoint two proxies to attend and vote for them. If you want to appoint two proxies, an additional proxy form will be supplied by PIH on request. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise each proxy may exercise half of the votes.
- 5 Proxy forms must be signed by the PIH Shareholder or the PIH Shareholder's attorney. If the PIH Shareholder is a corporation, the proxy form must be signed by two directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary, by that director, or under hand of its attorney or duly authorised officer. If the proxy form is signed by a person who is not the registered holder of PIH Shares (e.g. an attorney), then the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney) must either have been exhibited previously to PIH or be enclosed with the proxy form.

- 6 The proxy form sent to you with this notice of Extraordinary General Meeting should be used for the Extraordinary General Meeting. To be effective, the proxy form must be sent, delivered or faxed to:

7

Post or deliver to:

Professional Investment Holdings Ltd (attention Lisa Sawyer), Level 14, Corporate Centre One, Corner of Bundall Road and Slatyer Avenue, Bundall, Queensland 4217

Fax to:

07 5574 0190 (or if dialling from outside Australia 61-7- 5574 0190)

Email to:

LisaS@profinvest.com.au

by:

9.00am on 20 November 2010

Corporate directory

Directors

Stephen John Murphy

Robert John Bennetts

Christopher John
Castles

Kenneth Bruce Butler

Grahame David Evans

Gregory Joseph
Whimp

Company Secretary

Lisa Sawyer

Registered Office

Level 14
Corporate Centre One
Cnr Bundall Road & Slatyer Avenue
Bundall Qld 4217

Lawyers

McCullough Robertson Lawyers

Auditors

KPMG

Web Site

www.profinvest.com.au