

29 March 2021

## Mortgage Choice Limited enters into Scheme Implementation Agreement with REA Group Ltd

### Highlights

- REA Group proposes to acquire 100% of the shares in Mortgage Choice by way of a scheme of arrangement
- Subject to implementation of the scheme, Mortgage Choice shareholders will receive \$1.95 per share in cash
- The consideration represents a 66.0% premium to Mortgage Choice's closing share price of \$1.18 on 26 March 2021
- Mortgage Choice's Directors unanimously recommend that Mortgage Choice shareholders vote in favour of the Scheme, subject to the qualifications set out below
- The Scheme is subject to a number of conditions precedent which must be satisfied before it can be implemented
- Mortgage Choice shareholders do not need to take any action at this time

### Overview of the Scheme

Mortgage Choice (ASX: MOC) (**Mortgage Choice**) announces that it has entered into a binding Scheme Implementation Agreement (**SIA**) with REA Group Ltd (ASX: REA) (**REA**) under which it is proposed that a wholly owned subsidiary of REA will acquire 100% of the shares in Mortgage Choice by way of a scheme of arrangement (**Scheme**). The Scheme will be subject to Mortgage Choice shareholder and court approval in accordance with the requirements of Part 5.1 of the Corporations Act 2001 (Cth).

Under the terms of the Scheme, Mortgage Choice shareholders will be entitled to \$1.95 per Mortgage Choice share, subject to implementation of the Scheme (**Scheme Consideration**).

The Scheme Consideration of \$1.95 per share represents a:

- 66.0% premium to Mortgage Choice's closing share price of \$1.18 on 26 March 2021, the last closing price before announcing the Scheme;
- 66.8% premium to the 1-month VWAP<sup>1</sup> of \$1.17;
- 55.6% premium to the VWAP<sup>1</sup> since the announcement of Mortgage Choice's 1H 2021 results on 18 February 2021;
- 42.5% premium to the 3-month VWAP<sup>1</sup> of \$1.37; and
- 52.0% premium to the 6-month VWAP<sup>1</sup> of \$1.28.

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<sup>1</sup> Volume weighted average share price (**VWAP**) based on market trading volume and value up to and including 26 March 2021 (being the last trading day prior to announcement).

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## Mortgage Choice Directors unanimously recommend the Scheme

Each of the Mortgage Choice Directors recommends that Mortgage Choice shareholders vote in favour of the Scheme, subject to no Superior Proposal<sup>2</sup> emerging and subject to the independent expert concluding (and continuing to conclude) in the independent expert's report that the Scheme is in the best interests of Mortgage Choice shareholders.

Each Director of Mortgage Choice, who in aggregate hold approximately 12.7%<sup>3</sup> of Mortgage Choice shares, has confirmed that they intend to vote, or procure the vote of, all shares that they hold or control in Mortgage Choice in favour of the Scheme, subject to the same qualifications outlined above.

Mortgage Choice Chairman, Vicki Allen, commented: "Joining forces with REA, and in particular their Smartline broking business, combines our strong brand with REA's impressive digital capability and property insights. It further establishes Mortgage Choice as one of the leading broking groups in Australia and will enable Mortgage Choice to operate at greater scale with an improved service offering to brokers and their customers.

"The Scheme provides certainty for shareholders to realise a significant value premium of 66.0% to our closing share price on 26 March 2021. The Mortgage Choice Directors consider this to be a very attractive offer for Mortgage Choice shareholders and unanimously recommend that shareholders vote in favour of the Scheme, subject to there being no superior proposal emerging and to the independent expert concluding that the Scheme is in the best interests of Mortgage Choice shareholders."

### Transaction structure

The Scheme is not subject to due diligence or financing conditions. The Scheme is conditional on obtaining necessary regulatory approvals (including the approval of the Foreign Investment Review Board), approval of Mortgage Choice shareholders, court approval, no material adverse change and no prescribed occurrences, among conditions which are not unusual in a transaction of this nature. Various termination events are also included in the SIA; again these are not unusual in a transaction of this nature.

Under the SIA, Mortgage Choice is bound by exclusivity provisions which are not unusual in a transaction of this nature, including "no shop" restrictions, "no talk" and "no due diligence" restrictions (subject to the Mortgage Choice Directors' fiduciary and statutory obligations), "notification" obligations and "matching" rights. Under certain customary circumstances, Mortgage Choice may be required to pay a reimbursement fee to REA of an amount equal to \$2.4 million, or REA may be required to pay a reimbursement fee of an amount equal to \$2.4 million to Mortgage Choice.

The Scheme permits the payment of the interim dividend of \$0.04 per Mortgage Choice share, announced on 18 February 2021 and due to be paid on 15 April 2021. The payment of this interim

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<sup>2</sup> As defined in the attached SIA.

<sup>3</sup> Shareholding percentage based on 124,997,440 outstanding shares.

dividend will not reduce the cash consideration of \$1.95 per Mortgage Choice share under the Scheme.

Full details of the conditions to the Scheme and other agreed terms are set out in the SIA, a copy of which is attached to this announcement.

### Indicative timetable and next steps

Mortgage Choice shareholders do not need to take any action at this time.

A scheme booklet containing an independent expert's report, further information relating to the Scheme including reasons for the Mortgage Choice Directors' unanimous recommendation and details of the Scheme meeting is expected to be sent to Mortgage Choice shareholders in May 2021.

Mortgage Choice shareholders will have the opportunity to vote on the Scheme at a court convened shareholder meeting expected to be held in mid-June 2021. The scheme is subject to Mortgage Choice shareholder approval, court approval and regulatory approvals and is expected to complete in mid-2021.

An indicative timetable for this Scheme is set out below:

Event	Expected Date
First court date	Early May 2021
Dispatch of Scheme Booklet	Mid-May 2021
Scheme meeting	Mid-June 2021
Second court date	Mid-June 2021
Effective date	Late June 2021
Record date	Late June 2021
Implementation date	Late June 2021

These dates are indicative and subject to change.

Mortgage Choice is being advised by Grant Samuel as financial adviser and Ashurst as legal adviser. Grant Thornton has been appointed as the independent expert.

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### **Important information**

This article is for general information purposes only. It has been prepared without considering your objectives, financial situation or needs. You should, before acting on the advice, consider its appropriateness to your circumstances.

### **About Mortgage Choice**

Mortgage Choice is an ASX listed company that seeks to help Australians with all of their financial needs.

Established in 1992, Mortgage Choice was originally established to help Australians improve their financial situation by offering a choice of home loan providers, coupled with the expert advice of a mortgage professional.

Since that time, the company has grown and developed into a fully-fledged financial services provider.

Today, Mortgage Choice helps customers source car loans, personal loans, credit cards, commercial loans, asset finance, deposit bonds, and risk and general insurance.

Further, the company offers Australians access to real, relevant and affordable financial advice through our qualified financial advisers.

Mortgage Choice has no balance sheet or funding risk, and consistently delivers strong profits and attractive yields. It listed on the ASX in 2004 (MOC) and is a member of the Mortgage & Finance Association of Australia (MFAA).

Mortgage Choice holds an Australian Credit Licence: no. 382869 and FinChoice Pty Limited holds an Australian Financial Services Licence: no. 422854. Both licences are issued by ASIC.

Visit [www.mortgagechoice.com.au](http://www.mortgagechoice.com.au) or call customer service on 13 77 62.

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Execution version

# Scheme Implementation Agreement

**Mortgage Choice Limited**

ABN 57 009 161 979

**REA Group Ltd**

ABN 54 068 349 066

28 March 2021

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**THIS AGREEMENT** is made on 28 March 2021

**BETWEEN:**

- (1) **Mortgage Choice Limited** ABN 57 009 161 979 whose registered office is at Level 10, 100 Pacific Highway, North Sydney NSW 2060 (**Mortgage Choice**); and
- (2) **REA Group Ltd** ABN 54 068 349 066 whose registered office is at 511 Church Street, Richmond VIC 3121 (**REA**).

**RECITALS:**

Mortgage Choice and REA have agreed that a scheme of arrangement will be proposed under Part 5.1 of the Corporations Act between Mortgage Choice and the holders of its ordinary shares at the Record Date in accordance with this document.

**THE PARTIES AGREE AS FOLLOWS:**

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

**ACCC** means the Australian Competition and Consumer Commission.

**Announcement** means a press release, announcement or other public statement (other than a draft explanatory statement, an explanatory statement or supplementary explanatory statement as required under Part 5.1 of the Corporations Act).

**ASIC** means the Australian Securities and Investments Commission.

**ASIC Review Draft** means the draft of the Scheme Booklet, which is provided to ASIC for approval under section 411(2) of the Corporations Act.

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

**ASX Listing Rules** means the listing rules of ASX.

**Authorisation** means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it from or by a Government Agency; and
- (b) in relation to anything that could be prohibited or restricted by law, if a Government Agency must act in any way within a specified period, the expiry of that period without that action being taken.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Australia.

**Cash EBITDA** means the Mortgage Choice Group earnings before net interest expense, tax, depreciation and amortisation (including amortisation of right-of-use assets) and adjusted to exclude the impact of IFRS revenue recognition of the net present value of expected future net trail commissions, but includes the impact of net trail commission cash

received. **Cash EBITDA** is also adjusted to exclude the impact of share-based remuneration expenses.

**Claim**, in relation to a person, means any claim, allegation, cause of action, proceeding, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

**Consent Counterparty** means each third party to which Mortgage Choice is a counterparty, as identified by REA and notified to Mortgage Choice in writing in advance of the date of this document.

**Competing Proposal** means a proposal, offer, transaction, agreement or arrangement that would, if ultimately entered into or completed substantially in accordance with its terms:

- (a) result in any person (whether alone or with any associate) other than a member of the REA Group acquiring (directly or indirectly):
  - (i) voting power in, or a right to acquire a legal, beneficial or economic interest in, more than 20% of the Mortgage Choice Shares;
  - (ii) control of Mortgage Choice within the meaning of section 50AA of the Corporations Act; or
  - (iii) an interest in all or substantially all, or a material part of, the business or assets of Mortgage Choice; or
- (b) require Mortgage Choice to abandon, or otherwise fail to proceed with, the Scheme.

**Condition** means a condition precedent set out in clause 3.2.

**Confidentiality and Standstill Deed** means the deed of that name between Mortgage Choice and REA in respect of the proposed Scheme dated 17 February 2021 as amended from time to time.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act agreed to in writing by REA and Mortgage Choice.

**Declared Dividend** means Mortgage Choice's previously declared dividend of an amount equal to \$0.04 per Mortgage Choice Share in respect of the six month period from 1 July 2020 to 31 December 2020, being the dividend announced by Mortgage Choice to the ASX on 18 February 2021 and due to be paid on 15 April 2021 (which will be fully franked subject to the availability of franking credits and which, to the extent franked, will not result in the franking account of Mortgage Choice being in deficit after the payment of the dividend or a breach of the benchmark franking rule as defined in section 995-1 of the *Income Tax Assessment Act 1997* (Cth)).

**Deed Poll** means a document in the form or substantially in the form of Schedule 4, or in such other form as is agreed in writing between Mortgage Choice and REA.

**Effective** means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**End Date** means 30 September 2021, subject to any extension to that date made under clause 3.7, or such other date as Mortgage Choice and REA agree in writing.

**Exclusivity Period** means the period commencing on the date of this document and ending on the earlier of:

- (a) termination of this document in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

**Fairly Disclosed** in relation to a matter means disclosed in sufficient detail and context so as to allow an acquirer to be aware of the nature and scope, a reasonable estimate of the budgeted or proposed cost and expense (as applicable) and the intended timing (where applicable) of the matter.

**FATA** means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

**First Court Date** means the first day of the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening of the Scheme Meeting.

**Franchise Agreement** means any contract, agreement, arrangement or understanding pursuant to which a Mortgage Choice Group Member grants or has granted any Franchise.

**Franchise** means any grant by a Mortgage Choice Group Member to any person of the right to engage in or carry on a business, or to sell or offer to sell any product or service, using or in association with any Authorisation, trademark, system or other intellectual property owned by or in the possession of a Mortgage Choice Group Member.

**Franchisee** means any person who is or was a party to a Franchise Agreement with any Mortgage Choice Group Member.

**Government Agency** means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including the ACCC, ASIC, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

**GST Law** means the same as "GST Law" in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Implementation** means the implementation of the Scheme, following it becoming Effective.

**Implementation Date** means the fifth Business Day after the Record Date, or such other date after the Record Date as the parties agree in writing, may be ordered by the Court or may be required by ASX.

**Impugned Amount** means all or any part of:

- (a) the REA Reimbursement Fee required to be made under clause 9.2; or
- (b) the Mortgage Choice Reimbursement Fee required to be made under clause 9.3,

that is found by the Takeovers Panel or a court of competent jurisdiction to:

- (c) be unlawful;

- (d) involve a breach of directors' duties; or
- (e) constitute Unacceptable Circumstances.

**Independent Expert** means Grant Thornton, being the independent expert appointed by Mortgage Choice to opine on whether the Scheme is in the best interests of Mortgage Choice Shareholders.

**Independent Expert's Report** means a report prepared by the Independent Expert in accordance with ASIC Regulatory Guide 111 (*Content of expert reports*) in connection with the Scheme.

**Insolvency Event** means, in respect of a person:

- (a) an administrator being appointed to the person;
- (b) a controller or analogous person being appointed to the person or any of the person's property;
- (c) an application being made to a court for an order to appoint a controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the person or any of the person's property;
- (d) an appointment of the kind referred to in paragraph (c) being made (whether or not following a resolution or application);
- (e) the person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (f) an application being made to a court for an order for its winding up;
- (g) an order being made, or the person passing a resolution, for its winding up;
- (h) the person:
  - (i) suspending payment of its debts, ceasing (or threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent; or
  - (ii) being unable to pay its debts or otherwise insolvent;
- (i) the person taking any step toward entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors;
- (j) a court or other authority enforcing any judgment or order against the person for the payment of money or the recovery of any property; or
- (k) any analogous event under the laws of any applicable jurisdiction.

**Loss** includes any loss, damage, liability, obligation, compensation, fine, penalty, charge, payment, cost or expense (including any legal cost and expense) however it arises and whether it is present or future, fixed or unascertained, actual or contingent but excluding any consequential or indirect loss, economic loss, loss of opportunity, loss of reputation or loss of profits.

**Material Adverse Change** means an event or circumstance that occurs, is announced or becomes known to REA or the Mortgage Choice Board (in each case whether or not it becomes public) after the date of this document which has resulted in, or is reasonably

likely to result in (either individually or when aggregated with other such events or circumstances):

- (a) a diminution in the net assets of the Mortgage Choice Group by \$10 million or more;
- (b) a diminution in the consolidated Cash EBITDA of the Mortgage Choice Group, taken as a whole, of at least \$2.5 million assessed on an annualised recurring basis; or
- (c) a reduction in Settlements of at least \$1.2 billion, assessed on an annualised recurring basis,

but does not include any event or circumstance:

- (d) required or expressly permitted to be done or procured by Mortgage Choice under this document or the Scheme;
- (e) to the extent that it was Fairly Disclosed in the Mortgage Choice Disclosure Materials;
- (f) which REA has previously approved in writing;
- (g) within the actual knowledge of REA immediately prior to signing of this document (which does not include mere knowledge of the risk of an event or circumstance occurring);
- (h) that was disclosed to the ASX within 12 months of the date of this document or disclosed in a document lodged with ASIC that is publicly available by or on behalf of Mortgage Choice within 12 months of the date of this document;
- (i) relating to reasonable third party costs and expenses incurred by Mortgage Choice associated with the Scheme process, including all fees payable to external advisers of Mortgage Choice which were Fairly Disclosed in the Mortgage Choice Disclosure Materials;
- (j) comprising an actual or proposed change in any applicable law, regulation or accounting policy which does not impact Mortgage Choice disproportionately relative to its competitors;
- (k) arising from a pandemic, including the COVID-19 virus (or any mutation, variation or derivative), or from any law, order rule or direction of any Government Agency in relation thereto which does not impact Mortgage Choice disproportionately relative to its competitors;
- (l) relating to any change in exchange rates or interest rates;
- (m) relating to any change or disruption to, or fluctuation in, the Australian housing market or mortgage finance market which does not impact Mortgage Choice disproportionately relative to its competitors; or
- (n) relating to any change or disruption to, or fluctuation in, Australian or international financial markets, political or economic conditions which does not impact Mortgage Choice disproportionately relative to its competitors.

**Material Contract** means:

- (a) any Franchise Agreement;

- (b) any origination, intermediary, broker, referral or aggregation (or similar) agreement entered into with a financial institution; or
- (c) a contract or commitment:
- (i) requiring payments over the term of the contract in excess of \$500,000; or
  - (ii) for a term of more than 2 years,

to which a Mortgage Choice Group Member is party.

**Meeting Date** means the date on which Mortgage Choice Shareholders vote on a resolution to approve the Scheme under section 411(4)(a)(ii) of the Corporations Act.

**Mortgage Choice Board** means the board of directors of Mortgage Choice.

**Mortgage Choice Disclosure Letter** means the letter executed by Mortgage Choice and given to REA immediately before execution of this document.

**Mortgage Choice Disclosure Materials** means the information and documents Fairly Disclosed or made available by or on behalf of the Mortgage Choice Group to REA and its Representatives, in:

- (a) the online data room established for the purpose of the Scheme, before 8.00 am on the day prior to the date of this document; or
- (b) the Mortgage Choice Disclosure Letter.

**Mortgage Choice Employee Incentive Trust Deed** means the Mortgage Choice Limited Employee Incentive Trust Deed dated 8 August 2014 which established a trust in connection with equity incentive plans established by Mortgage Choice for the benefit of participants in those plans.

**Mortgage Choice Excluded Event** means an event:

- (a) which is expressly permitted, required or otherwise contemplated under this document or the Scheme;
- (b) which has been Fairly Disclosed in the Mortgage Choice Disclosure Materials; or
- (c) in respect of which REA consents in writing or which is requested in writing by REA.

**Mortgage Choice Group** means Mortgage Choice and its subsidiaries (each of Mortgage Choice and each such subsidiary being a **Mortgage Choice Group Member**).

**Mortgage Choice Indemnified Person** means each Mortgage Choice Group Member and each of their directors, officers and employees.

**Mortgage Choice Key Person** means any director or employee of any Mortgage Choice Group Member whose annual remuneration as at the date of this document is more than \$140,000.

**Mortgage Choice Knowledge Persons** has the meaning given in clause 1.2(i)(i).

**Mortgage Choice Operations Manual** means the document of that name prepared by Mortgage Choice and Fairly Disclosed in the Mortgage Choice Disclosure Materials.

**Mortgage Choice Prescribed Event** means the occurrence of any of the following:

- (a) Mortgage Choice converting all or any of its shares into a larger or smaller number of shares;
- (b) Mortgage Choice resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) Mortgage Choice:
  - (i) entering into a buy-back agreement; or
  - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) Mortgage Choice declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members (other than the Declared Dividend);
- (e) Mortgage Choice amending the Mortgage Choice Operations Manual:
  - (i) other than in the ordinary course of business in order to implement reasonable increases in fees payable by Franchisees to the Mortgage Choice Group; or
  - (ii) without the prior written consent of REA (such consent not to be unreasonably withheld, conditioned or delayed);
- (f) a Mortgage Choice Group Member:
  - (i) issuing shares or securities convertible into shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option other than:
    - (A) to a directly or indirectly wholly-owned subsidiary of Mortgage Choice; or
    - (B) on vesting or exercise of, or in respect of, a Mortgage Choice Share Right existing as at the date of this document in the ordinary course and in accordance with the terms associated with that Mortgage Choice Share Right as at the date of this document;
  - (ii) making any change to its constitution;
  - (iii) acquiring, offering to acquire or agreeing to acquire any one or more assets (including any one or more shares in any company) having a market value that in aggregate is, or the consideration for which in aggregate is, \$500,000 or more, excluding the matters subject to item (v) below;
  - (iv) disposing, offering to dispose or agreeing to dispose of any one or more assets (including any one or more shares in any company), or an interest in any one or more assets, having a market value that in aggregate is, or the consideration for which in aggregate is, \$500,000 or more, excluding the matters subject to item (v) below;
  - (v) transferring, buying back, retiring or terminating or otherwise disposing of any Franchise Agreement or any arrangement with a Franchisee, including the acquisition of assets from a Franchisee (including acquiring the loan book from

a Franchisee or a Franchisee's right to receive trailing commissions), except where such transfer, buyback, retirement, termination or other disposal:

- (A) is for cause in accordance with the terms of that Franchise Agreement or arrangement with that Franchisee; and
  - (B) with the prior written consent of REA (such consent not to be unreasonably withheld, conditioned or delayed);
- (vi) consenting to the transfer by a Franchisee of their obligations under their respective Franchise Agreement without the prior written consent of REA (such consent not to be unreasonably withheld, conditioned or delayed);
  - (vii) paying any retention, termination or severance payments to any Mortgage Choice Key Person;
  - (viii) incurring any new financial indebtedness (including extending or expanding any existing financial indebtedness in place as at the date of this document) other than incurring debts with trade debtors in the ordinary course of business;
  - (ix) granting, or agreeing to grant, any Security Interest over the whole, or a substantial part, of the Mortgage Choice Group's business or property;
  - (x) varying or agreeing to vary the employment arrangements or remuneration of, or paying any bonus to, any director or employee of any Mortgage Choice Group Member whose annual remuneration as at the date of this document is more than \$140,000, other than as part of Mortgage Choice's annual remuneration review program or otherwise in the ordinary course of business and in either case consistent with the Mortgage Choice Group's usual past practices; or
  - (xi) amending or accelerating the terms of an employee share scheme or any other plan or scheme operated for the benefit of directors or employees of any one or more members of the Mortgage Choice Group (other than in order to comply with Mortgage Choice's obligations under clause 6.9);
- (g) any member of the Mortgage Choice Group losing, transferring, cancelling or allowing to lapse or any material Authorisation required to operate its business (or any material part of it);
  - (h) any Mortgage Choice Group Member permanently ceasing, or threatening to permanently cease, to carry on the business conducted as at the date of this document; or
  - (i) an Insolvency Event occurring in relation to a Mortgage Choice Group Member,

except a Mortgage Choice Excluded Event.

**Mortgage Choice Reimbursement Fee** has the meaning given in clause 9.3.

**Mortgage Choice Share** means each fully paid ordinary share in Mortgage Choice.

**Mortgage Choice Shareholder** means each person entered in the Register as a holder of Mortgage Choice Shares.



**Mortgage Choice Shareholder Approval** means a resolution in favour of the Scheme passed by the required majorities of the Mortgage Choice Shareholders under section 411(4)(a)(ii) of the Corporations Act.

**Mortgage Choice Share Registry** means Link Market Services Limited.

**Mortgage Choice Share Right** means a performance share right to subscribe for a Mortgage Choice Share, listed in Schedule 2.

**Mortgage Choice Share Rights Buyout Amount** means \$6,461,243.

**Mortgage Choice Share Rights Plan** means the share rights plan adopted by the Mortgage Choice Board on or around August 2013.

**Mortgage Choice Tax Exempt Share Plan** means the plan entitled the Mortgage Choice Tax Exempt Share Plan commencing operation on or about 25 July 2013.

**Mortgage Choice Treasury Share** means a Mortgage Choice Share held by Pacific Custodians Pty Limited for the purposes of issuing shares under the Mortgage Choice Share Rights Plan, listed in Schedule 2.

**PPS Security Interest** means a security interest that is subject to the PPSA.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**REA Board** means the board of directors of REA as at the Implementation Date.

**REA Group** means REA and its subsidiaries.

**REA Indemnified Person** means each member of the REA Group and each of their directors, officers and employees.

**REA Information** means the information provided by REA to Mortgage Choice in accordance with clause 5(b) for inclusion in the Scheme Booklet.

**REA Knowledge Persons** has the meaning given in clause 1.2(i)(ii).

**REA Nominee** means any wholly-owned subsidiary of REA nominated by REA to acquire Scheme Shares under the Scheme in accordance with clause 2.6.

**REA Reimbursement Fee** has the meaning given in clause 9.2.

**Record Date** means 7.00 pm on the day which is two Business Days after the Effective Date, or any other date (after the Effective Date) agreed by the parties to be the record date to determine entitlements to receive Scheme Consideration under the Scheme.

**Register** means the register of members of Mortgage Choice maintained under sections 168 and 169 of the Corporations Act.

**Regulatory Approval** means the consents, approvals, clearances, decisions and determinations referred to in clause 3.2(f).

**Reimbursement Fees** means the REA Reimbursement Fee and the Mortgage Choice Reimbursement Fee.

**Relevant Date** means, in relation to a Condition, the date or time specified in this document for its fulfilment or, if no date or time is specified, 8.00 am on the Second Court Date, subject, in either case, to extension to that date made under clause 3.7.

**Representatives** means, in relation to an entity:

- (a) each of the entity's subsidiaries; and
- (b) each of the directors, officers, employees and legal, financial and other expert advisers of the entity or any of its subsidiaries.

**Scheme** means a scheme of arrangement under Part 5.1 of the Corporations Act between Mortgage Choice and the Mortgage Choice Shareholders in the form or substantially in the form of Schedule 3 or in such other form as is agreed in writing between Mortgage Choice and REA, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved by each party.

**Scheme Booklet** means the information memorandum in respect of the Scheme to be approved by the Court and dispatched to Mortgage Choice Shareholders, and includes the Scheme, a copy of the Deed Poll executed by REA, an explanatory statement as that term is defined in section 412 of the Corporations Act, the Independent Expert's Report and a notice of meeting and proxy form.

**Scheme Consideration** means the consideration to be provided by REA to each Scheme Shareholder for the transfer to REA of each Mortgage Choice Share, being for each Mortgage Choice Share held by a Scheme Shareholder as at the Record Date, an amount of \$1.95.

**Scheme Meeting** means the meeting of Mortgage Choice Shareholders to be convened as ordered by the Court under section 411(1) of the Corporations Act, to consider the Scheme.

**Scheme Shareholders** means each Mortgage Choice Shareholder as at the Record Date (taking into account registration of all registrable transfers and transmission applications received at the Mortgage Choice Share Registry by the Record Date).

**Second Court Date** means the first day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

**Security Interest** means any security interest, including:

- (a) a PPS Security Interest;
- (b) any other mortgage, charge, pledge or lien; or
- (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property.

**Settlements** means the aggregate settlement amounts advanced by lenders net of offset balances, in relation to settled loans originated by Franchisees.

**Superior Proposal** means a bona fide written Competing Proposal which the Mortgage Choice Board, acting in good faith and after having obtained written advice from Mortgage Choice's financial and legal advisers, determines:

- (a) is capable of being implemented within a reasonable timeframe and in accordance with its terms; and
- (b) would, if so implemented, result in a more favourable outcome for the Mortgage Choice Shareholders than would result from the implementation of the Scheme,

taking into account all aspects (including all of the terms and conditions) of the Competing Proposal, including:

- (c) the conditions associated with the Competing Proposal, including any shareholder approval requirements of the person making the Competing Proposal;
- (d) any respective requirement for all or part of the acquisition consideration payable to Mortgage Choice Shareholders being other than cash, and, if so, the respective nature, attributes and liquidity of such non-cash consideration and the risks associated with such non-cash consideration;
- (e) the identity, reputation and financial condition of the person making the Competing Proposal as compared to REA, and the funding proposed by the person making the Competing Proposal to effect such Competing Proposal; and
- (f) any other matters reasonably affecting the probability of the Competing Proposal being completed.

**Takeovers Panel** means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

**Timetable** means the timetable for the Implementation of the Scheme as set out in Schedule 1, subject to any modifications as the parties may agree in writing.

**Unacceptable Circumstances** has the meaning given to that term in section 657A of the Corporations Act.

## 1.2 Rules for interpreting this document

Headings and catchwords are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
  - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
  - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
  - (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
  - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
  - (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.

- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The words **associate, controller, entity, officer, relevant interest** and **subsidiary** have the same meanings as given by the Corporations Act.
- (g) A reference to **\$** or **dollar** is to Australian currency.
- (h) The expression **this document** includes the agreement, arrangement, understanding or transaction recorded in this document.
- (i) A reference to a party being **aware** of certain information, having **knowledge** of certain information or having an **awareness** of certain information or to certain information being **known** to a party, at a relevant time, is a reference to:
- (i) in the case of Mortgage Choice - Susan Mitchell, Ian Parkes, David Zammit, Emma Dupont-Brown and Scott Stierli (**Mortgage Choice Knowledge Persons**) having actual knowledge or awareness of that information at the relevant time having made reasonable enquiries of those persons who might reasonably be expected to have knowledge or awareness of relevant matters; and
  - (ii) in the case of REA - Owen Wilson, Janelle Hopkins, Tamara Kayser and Daniel Taylor (**REA Knowledge Persons**) having actual knowledge or awareness of that information at the relevant time, having made reasonable enquiries of those persons who might reasonably be expected to have knowledge or awareness of relevant matters.
- (j) Terms defined in the GST Law have the same meaning in this document unless the context otherwise requires.
- (k) A reference to time in this document is a reference to time in Sydney, Australia.

### 1.3 **Non-Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the previous Business Day.

## 2. **SCHEME**

### 2.1 **Agreement to propose and implement Scheme**

- (a) Mortgage Choice agrees to propose and implement the Scheme in accordance with this document, and must use all reasonable endeavours to do so in accordance with the Timetable.
- (b) REA agrees to assist Mortgage Choice to propose and implement the Scheme in accordance with the terms of this document, and must use all reasonable endeavours to do so in accordance with the Timetable.
- (c) Each party must use reasonable endeavours to give effect to the Scheme, subject to compliance with their respective obligations, powers and duties under this document and all applicable laws.

### 2.2 **Timetable**

- (a) Failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of clauses 2.1, 4 or 5 to the extent that such failure is due

to circumstances and matters outside the party's control (including any delays caused in obtaining the Regulatory Approval) or due to Mortgage Choice taking or omitting to take any action which the Mortgage Choice Board considers necessary to comply with statutory and/or fiduciary duties in response to a Competing Proposal that the Mortgage Choice Board considers, after having consulted with its financial and legal advisers, is reasonably likely to lead to a Superior Proposal.

- (b) Each party must keep the other informed about their progress against the Timetable and notify each other if it believes that any of the dates in the Timetable are not achievable.
- (c) To the extent that any of the dates or timeframes set out in the Timetable become not achievable due to matters outside a party's control (including any delays caused in obtaining the Regulatory Approval), the parties will consult in good faith to agree to any necessary extension to ensure such matters are completed within the shortest possible timeframe.

### 2.3 **Outline of Scheme**

Subject to the terms of this document, on the Implementation Date, all of the Mortgage Choice Shares held by Scheme Shareholders will be transferred to REA and the Scheme Shareholders will be entitled to receive the Scheme Consideration.

### 2.4 **No amendments to Scheme without consent**

Mortgage Choice must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of REA.

### 2.5 **Scheme Consideration**

REA agrees with Mortgage Choice that in consideration of the transfer to REA or the REA Nominee of each Mortgage Choice Share held by a Scheme Shareholder under the terms of the Scheme, REA will, on the Implementation Date, subject to the terms of this document, the Deed Poll and the Scheme, provide or procure the provision of the Scheme Consideration to each Scheme Shareholder for each Mortgage Choice Share held by that Scheme Shareholder at the Record Date.

### 2.6 **REA may nominate subsidiary**

At any time prior to the Business Day before the First Court Date, REA may nominate any wholly-owned subsidiary of REA to acquire Scheme Shares under the Scheme by providing a written notice which sets out the details of the REA Nominee to Mortgage Choice. If REA decides to nominate a REA Nominee to acquire Scheme Shares:

- (a) the parties must procure that the Scheme Shares transferred under the Scheme are transferred to the REA Nominee rather than REA;
- (b) REA must procure that the REA Nominee complies with all of the relevant obligations of REA under this document and the Deed Poll; and
- (c) any such nomination will not relieve REA of any of its obligations under this document, including the obligation to pay (or procure the payment by the REA Nominee of) the Scheme Consideration in accordance with the terms of the Scheme, or the obligation to pay the Mortgage Choice Reimbursement Fee.

### 3. **CONDITIONS**

#### 3.1 **Obligations not binding until Conditions satisfied**

Subject to this clause 3, the obligations of the parties with respect to Implementation (including the obligations of REA under clauses 2.5 and 5(g)) do not become binding unless and until each Condition is satisfied or waived under clause 3.4.

#### 3.2 **Conditions**

The Conditions are as follows:

- (a) **(Independent Expert's Report)** the Independent Expert concludes in the Independent Expert's Report that the Scheme is in the best interests of Mortgage Choice Shareholders before the time the Scheme Booklet is registered by ASIC and the Independent Expert does not withdraw or change that conclusion before 8.00 am on the Second Court Date;
- (b) **(orders convening Scheme Meeting)** the Court makes orders convening the Scheme Meeting under section 411(1) of the Corporations Act;
- (c) **(Mortgage Choice Shareholder Approval)** Mortgage Choice Shareholder Approval is obtained at the Scheme Meeting (or any adjournment or postponement of it) convened in accordance with the orders made under section 411(1) of the Corporations Act;
- (d) **(Court approval of Scheme)** the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme;
- (e) **(order lodged with ASIC)** a copy of the Court order approving the Scheme under section 411(4)(b) of the Corporations Act is lodged with ASIC;
- (f) **(Regulatory Approval)** before 8.00 am on the Second Court Date, one of the following occurs:
  - (i) REA has received written notification by or on behalf of the Treasurer of the Commonwealth of Australia under the FATA to the effect that the Commonwealth Government has no objection under its foreign investment policy to REA acquiring all the Mortgage Choice Shares under the Scheme either on an unconditional basis or subject only to:
    - (A) tax-related conditions which are in the form, or substantially in the form, of those set out under the heading 'Standard' tax conditions in Part D of the Australian Foreign Investment Review Board's Guidance Note 12 on 'Tax Conditions' (in the form released on 18 December 2020); or
    - (B) such other conditions which are acceptable to REA (acting reasonably);
  - (ii) the period provided for under the FATA during which the Treasurer may make an order or interim order under the FATA prohibiting REA acquiring Mortgage Choice Shares under the Scheme has elapsed without such an order being made; or
  - (iii) if an interim order has been made to prohibit REA acquiring Mortgage Choice Shares under the Scheme, the subsequent period for making a final order under the FATA has elapsed without any final order being made;

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- (g) **(no restraint adversely affecting Implementation)** no temporary, preliminary or final restraining order, injunction, decision or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the acquisition of all the Mortgage Choice Shares by REA, or otherwise preventing Implementation, is in effect at 8.00 am on the Second Court Date;
  - (h) **(no Mortgage Choice Prescribed Event)** during the period commencing on the date of this document and ending at 8.00 am on the Second Court Date, no Mortgage Choice Prescribed Event occurs;
  - (i) **(no Material Adverse Change)** during the period commencing on the date of this document and ending at 8.00 am on the Second Court Date, no Material Adverse Change occurs;
  - (j) **(Mortgage Choice representations and warranties)** each of the representations and warranties given or made by Mortgage Choice under clause 11 is true and correct as at the time it is given or made in all material respects in the context of the Scheme as a whole, or has been remedied by Mortgage Choice within five Business Days (or such shorter period ending on the Second Court Date), or is not of such materiality that REA could rely on clause 10.2(a) to terminate this document as a result of the breach;
  - (k) **(REA representations and warranties)** each of the representations and warranties given or made by REA under clause 11 is true and correct as at the time it is given or made in all material respects in the context of the Scheme as a whole, or has been remedied by REA within five Business Days (or such shorter period ending on the Second Court Date), or is not of such materiality that Mortgage Choice could rely on clause 10.3(a) to terminate this document as a result of the breach; and
  - (l) **(ASX and ASIC)** before 8.00am on the Second Court Date, ASIC and ASX issue or provide any consents or approvals, or have done any other acts, which the parties agree are reasonably necessary or desirable to implement the Scheme, and those consents, approvals or other acts have not been withdrawn or revoked at that time.

### 3.3 **Benefit of Conditions**

The Conditions in:

- (a) clauses 3.2(b) to 3.2(e) cannot be waived;
- (b) clauses 3.2(f), 3.2(g) and 3.2(l) are for the benefit of each party;
- (c) clauses 3.2(h) to 3.2(j) are for the benefit of REA; and
- (d) clauses 3.2(a) and 3.2(k) are for the benefit of Mortgage Choice.

### 3.4 **Waiver of Conditions**

- (a) If a Condition has been included for the benefit of:
  - (i) one party only, only that party may, in its sole and absolute discretion, waive the breach or non-fulfilment of the Condition;
  - (ii) more than one party, the breach or non-fulfilment of the Condition may be waived only by the consent of all those parties.

However, a party for whom a Condition has been included must not waive the Condition if it would result in a breach of law.

- (b) The breach or non-fulfilment of a Condition may only be waived in writing.
- (c) If a party waives the breach or non-fulfilment of a Condition, that waiver precludes the party from suing another party for any breach of this document that resulted in the breach or non-fulfilment of the Condition.

### 3.5 **Fulfilment of Conditions**

- (a) Each party must:
  - (i) use its reasonable endeavours (other than waiver) to ensure and procure that each Condition in clauses 3.2(a) to 3.2(f) and 3.2(l) is satisfied as soon as practicable after the date of this document and that there is no occurrence within its control that would prevent any of the other Conditions being satisfied;
  - (ii) not take any action or refrain from taking any action (except as required by law) designed to prevent the Conditions being satisfied, without the prior consent of the other party (however this clause 3.5(a)(ii) does not oblige REA to accept any proposed condition imposed by a Government Agency other than to the extent expressly set out in this document);
  - (iii) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions (to the extent applicable);
  - (iv) promptly inform the other party of any circumstances of which it becomes aware which may result in any of the Conditions not being satisfied in accordance with its terms; and
  - (v) promptly advise the other party of the satisfaction of a Condition.
- (b) Without limiting clause 3.5(a), in the case of the Condition in clause 3.2(f), REA must:
  - (i) promptly apply for the Regulatory Approval and consult with Mortgage Choice in relation to all of those applications and regulatory engagements, and provide a copy of all of those applications and material communications (redacted for any commercially or competitively sensitive information);
  - (ii) take all steps it is responsible for as part of the Regulatory Approval process, including responding to requests for information from the relevant Government Agencies at the earliest practicable time;
  - (iii) keep Mortgage Choice informed of progress in relation to the Regulatory Approval (including in relation to any material matters raised by, or conditions or other arrangements proposed by, or to, any Government Agency in relation to the Regulatory Approval) and provide Mortgage Choice with all information reasonably requested in connection with the applications for, or progress of, the Regulatory Approval (redacted for any commercially or competitively sensitive information);
  - (iv) consent to any extension of a statutory review period which may be applicable to an application for the Regulatory Approval which may be requested by a Government Agency in connection with that Regulatory Approval; and
  - (v) provide the other parties with all assistance and information that it reasonably requests in connection with an application for the Regulatory Approval.



### 3.6 **Parties to provide certificate to Court**

Each of Mortgage Choice and REA must provide to the other and to the Court before 8.00 am on the Second Court Date, a certificate or such other evidence as the Court requests, confirming whether or not the Conditions set out in clause 3.2 included for its benefit, other than the conditions in clauses 3.2(d) and 3.2(e), have been satisfied (or waived by it) in accordance with the terms of this document.

### 3.7 **If a Condition is not fulfilled or waived**

If:

- (a) a Condition set out in clause 3.2(a) to 3.2(c) inclusive and clause 3.2(f) to 3.2(l) inclusive has not been fulfilled by the Relevant Date and is not waived;
- (b) a Condition set out in clause 3.2(d) or 3.2(e) has not been fulfilled by the End Date;
- (c) the Effective Date does not occur on or prior to the End Date; or
- (d) there is an act, failure to act, event or occurrence which will prevent a Condition being fulfilled by:
  - (i) in the case of a Condition in clause 3.2(a) to 3.2(c) inclusive or clause 3.2(f) to 3.2(l) inclusive, the Relevant Date; or
  - (ii) in the case of a Condition in clause 3.2(d) or 3.2(e), the End Date,

(and the breach or non-fulfilment of the Condition which would otherwise occur has not been waived), the parties:

- (e) must consult in good faith to determine whether the Scheme may proceed by way of alternative means or method so as to achieve a commercial outcome which reflects the Scheme; and
- (f) may agree to extend the Relevant Date or the End Date, or both.

## 4. **MORTGAGE CHOICE OBLIGATIONS**

Mortgage Choice must take all necessary steps to propose and implement the Scheme as expeditiously as practicable and use all reasonable endeavours to do so in accordance with the Timetable, including taking each of the following steps:

- (a) **(Announcement)** on the date of this document, make an Announcement, in a form agreed between Mortgage Choice and REA, which includes a statement (on the basis of written statements made to it by each director of the Mortgage Choice Board) that each director of Mortgage Choice:
  - (i) considers the Scheme to be in the best interests of Mortgage Choice Shareholders and recommends to Mortgage Choice Shareholders that the Scheme be approved; and
  - (ii) who holds or otherwise controls Mortgage Choice Shares intends to vote his or her Mortgage Choice Shares in favour of the Scheme,

subject to no Superior Proposal emerging and the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interests of Mortgage Choice Shareholders;

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- (b) **(directors' approval)** use reasonable endeavours to procure that, subject to the proper performance by its directors of their fiduciary duties (based on specific legal and other appropriate advice), no Superior Proposal emerging and the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interests of Mortgage Choice Shareholders, Mortgage Choice's directors maintain the recommendation referred to in clause 4(a) until the Implementation Date;
  - (c) **(change of control consents)** use all reasonable endeavours to obtain the written approval of each Consent Counterparty (and any other third party to any contracts or arrangements to which a Mortgage Choice Group Member is a party which REA reasonably requests) to REA acquiring all the Mortgage Choice Shares under the Scheme as contemplated by this document (including any change of control of the Mortgage Choice Group Members) in each case on terms reasonably acceptable to Mortgage Choice and REA, as soon as practicable after the date of this agreement and in any event before the Second Court Date;
  - (d) **(promote Scheme)** participate in efforts reasonably requested by REA to promote the merits of the Scheme and the Scheme Consideration, including, in consultation with REA, undertaking reasonable shareholder engagement and proxy solicitation actions to encourage Mortgage Choice Shareholders to vote on the Scheme in accordance with the recommendation of the Mortgage Choice Board, subject to applicable law, the proper performance by Mortgage Choice directors of their fiduciary duties (based on specific legal and other appropriate advice), no Superior Proposal emerging, the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interests of Mortgage Choice Shareholders and ASIC policy;
  - (e) **(Regulatory Approval)** consult with REA on all aspects of communications with Government Agencies in relation to the Scheme and, as expeditiously as practicable, provide REA with all information reasonably requested in connection with the applications for the Regulatory Approval for which REA must apply to satisfy the Condition under clause 3.2(f);
  - (f) **(Independent Expert's Report)** commission the preparation of the Independent Expert's Report and provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report as soon as reasonably practicable;
  - (g) **(prepare Scheme Booklet)** prepare the Scheme Booklet as soon as reasonably practicable and ensure that the Scheme Booklet includes all information required by applicable laws, ASIC regulatory guides, Takeovers Panel policy, guidance notes and the ASX Listing Rules, subject to REA complying with its obligations under clauses 5(b) and 5(c) in respect of the REA Information;
  - (h) **(continuing obligation of disclosure)** subject to any order of the Court and applicable law, ensure that the Scheme Booklet (but in respect of the REA Information, subject to REA complying with its obligations under clauses 5(b) and 5(c)) is updated by all such further or new information which may arise after the Scheme Booklet has been dispatched until the Scheme Meeting which is necessary to ensure that the Scheme Booklet is not misleading or deceptive in any material respect (including because of any material omission) and otherwise complies with all applicable laws;
  - (i) **(Court documents)** prepare all documents necessary for the Court proceedings relating to the Scheme in accordance with all applicable laws;

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- (j) **(consult with REA)** in a timely manner, consult with REA as to the form and content of all documents required for the purposes of the Scheme, including:
    - (i) the Scheme Booklet, including allowing REA a reasonable opportunity to review and make comments on successive drafts of the Scheme Booklet (accepting that any review of the Independent Expert's Report is limited to review for factual accuracy of those parts that include REA Information), taking into account REA's reasonable comments in good faith and incorporating the REA Information and providing to REA a revised draft of the Scheme Booklet within a reasonable time before the draft of the Scheme Booklet which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act is finalised; and
    - (ii) the Court proceedings relating to the Scheme, including taking into account REA's reasonable comments in relation to the documents required for the Court proceedings (including originating processes, affidavits, submissions and draft minutes of Court orders);
  - (k) **(lodgement of ASIC Review Draft)** as soon as practicable (and in any event no later than 14 days before the First Court Date), subject to REA complying with its obligations under clause 5, provide a draft of the Scheme Booklet to ASIC as contemplated by section 411(2) of the Corporations Act and keep REA reasonably informed of any material issues raised by ASIC in relation to the ASIC Review Draft and where practical to do so, consult with REA in good faith prior to taking any steps or actions to address those material issues (provided that, where those issues relate to REA Information, Mortgage Choice must not take any steps to address them without REA's prior written consent, not to be unreasonably withheld or delayed);
  - (l) **(apply to Court for order to convene Scheme Meeting)** apply to the Court under section 411(1) of the Corporations Act for an order directing Mortgage Choice to convene the Scheme Meeting;
  - (m) **(convene Scheme Meeting)** convene the Scheme Meeting in accordance with any order made by the Court under section 411(1) of the Corporations Act;
  - (n) **(explanatory statement)** as soon as reasonably practicable after the Court orders Mortgage Choice to convene the Scheme Meeting, take all reasonable measures necessary to cause ASIC to register the Scheme Booklet under section 412 of the Corporations Act;
  - (o) **(despatch of Scheme Booklet)** as soon as reasonably practicable following an order made by the Court under section 411(1) of the Corporations Act, dispatch a copy of the Scheme Booklet to each Mortgage Choice Shareholder and to all other persons entitled to receive notice of the Scheme Meeting;
  - (p) **(inform shareholders)** if it becomes aware of information after the date of dispatch of the Scheme Booklet which is material for disclosure to Mortgage Choice Shareholders in deciding whether to approve the Scheme, subject to applicable laws and any order of the Court, inform shareholders of such information in an appropriate and timely manner;
  - (q) **(director's voting)** use its reasonable endeavours to procure that each director of the Mortgage Choice Board votes any Mortgage Choice Shares in which they have a relevant interest in favour of the Scheme (subject to the Mortgage Choice directors' fiduciary duties (based on specific legal and other appropriate advice), no Superior Proposal emerging and the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interests of Mortgage Choice Shareholders);

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- (r) **(section 411(17)(b) statement)** if Mortgage Choice Shareholder Approval is obtained, apply to ASIC for the production of a statement under section 411(17)(b) of the Corporations Act in relation to the Scheme;
  - (s) **(Court approval)** subject to satisfaction or waiver of all Conditions other than the Conditions in clause 3.2(d) and (e), apply to the Court for orders approving the Scheme under section 411(4) of the Corporations Act;
  - (t) **(certificate)** before commencement of the hearing by the Court of the application for the order under section 411(4)(b) of the Corporations Act, give:
    - (i) to REA a certificate signed by Mortgage Choice stating whether or not each representation or warranty given by Mortgage Choice is true and correct as at the time it is given or made under clause 11; and
    - (ii) to REA and the Court the certificate referred to in clause 3.6;
  - (u) **(representation)** procure that Mortgage Choice is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act;
  - (v) **(lodge copy of order)** if the Court approves the Scheme under section 411(4) of the Corporations Act, lodge an office copy of the Court order with ASIC in accordance with section 411(10) of the Corporations Act no later than the day after that copy is received (or any later date agreed in writing by REA);
  - (w) **(registration)** close the Register as at the Record Date to determine the identity of Scheme Shareholders and their entitlements to Scheme Consideration;
  - (x) **(register transfers)** register all transfers of Mortgage Choice Shares to REA on the Implementation Date (subject to provision of the Scheme Consideration in accordance with the Scheme and Deed Poll);
  - (y) **(suspension of trading)** apply to the ASX to suspend trading in the Mortgage Choice Shares with effect from the close of trading on the Effective Date;
  - (z) **(listing)** take all reasonable steps to maintain Mortgage Choice's listing on the ASX, notwithstanding any suspension of the quotation of the Mortgage Choice Shares, up to and including the Implementation Date, including making appropriate applications to ASX and ASIC, and take any action as reasonably requested by REA to obtain the approval of the ASX to the de-listing of Mortgage Choice following implementation of the Scheme; and
  - (aa) **(other steps)** do all other things reasonably necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

## 5. REA OBLIGATIONS

REA must take all necessary steps to assist Mortgage Choice to propose and implement the Scheme as expeditiously as practicable and use all reasonable endeavours to do so in accordance with the Timetable, including taking each of the following steps:

- (a) **(Independent Expert's Report)** provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (b) **(Scheme Booklet):**

- (i) as expeditiously as practicable, give to Mortgage Choice for inclusion in the Scheme Booklet such information regarding REA as is required under all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules to be included in the Scheme Booklet (in reasonable time to allow Mortgage Choice to prepare the Scheme Booklet in accordance with this document); and
- (ii) subject to Mortgage Choice complying with its obligations in clauses 4(j)(i) and 6.1(c)(i), confirm in writing to Mortgage Choice before 8.00 am on the First Court Date that:
  - (A) the REA Information is not misleading or deceptive in any material respect (including because of any material omission) and otherwise complies with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy, guidance notes and the ASX Listing Rules; and
  - (B) the Scheme Booklet includes all information regarding REA as is required under all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules;
- (c) **(further information):**
  - (i) promptly inform Mortgage Choice in writing if it becomes aware that the REA Information (or any part of it) is or has become misleading or deceptive in any material respect (including because of any material omission) or otherwise does not comply with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules; and
  - (ii) as soon as reasonably practicable, give to Mortgage Choice any further information reasonably required by Mortgage Choice before the Meeting Date to ensure that the REA Information is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission) and complies with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy, guidance notes and the ASX Listing Rules;
- (d) **(Deed Poll)** before the First Court Date, duly execute and enter into the Deed Poll;
- (e) **(certificates)** before commencement of the hearing by the Court of the application for the order under section 411(4)(b) of the Corporations Act, give:
  - (i) to Mortgage Choice a certificate signed by REA stating whether or not each representation or warranty given by REA is true and correct as at the time it is given or made under clause 11; and
  - (ii) to Mortgage Choice and the Court the certificate referred to in clause 3.6;
- (f) **(representation)** procure that REA is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act; and
- (g) **(Scheme Consideration)** if Implementation occurs, provide the Scheme Consideration as contemplated by the Scheme and in accordance with the Deed Poll on the Implementation Date.

## 6. FURTHER OBLIGATIONS

### 6.1 Scheme Booklet content and responsibility statements

- (a) The Scheme Booklet will include:
- (i) the terms of the Scheme;
  - (ii) the notice of Scheme Meeting and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme together with a proxy form for the Scheme Meeting and for any ancillary meeting;
  - (iii) a copy of this document;
  - (iv) a copy of the executed Deed Poll;
  - (v) a copy of the Independent Expert's Report; and
  - (vi) the recommendation referred to in clause 4(a) (subject to there being customary qualifications and explanations in the Scheme Booklet to the effect that the recommendation is made subject to no Superior Proposal emerging and subject to the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interests of the Mortgage Choice Shareholders).
- (b) The Scheme Booklet will contain a responsibility statement to the effect that:
- (i) REA is responsible for the REA Information contained in the Scheme Booklet (and no other part of the Scheme Booklet) and, to the maximum extent permitted by law, Mortgage Choice will not be responsible for any REA Information and will disclaim any liability for REA Information appearing in the Scheme Booklet; and
  - (ii) Mortgage Choice is responsible for the content of the Scheme Booklet other than, to the maximum extent permitted by law, the REA Information, the Independent Expert's Report or any other report or letter issued to Mortgage Choice by a third party. REA, to the maximum extent permitted by law, will not be responsible for the content of the Scheme Booklet (other than the REA Information) and will disclaim any liability for that content appearing in the Scheme Booklet.
- (c) If the parties disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet. If, after a reasonable period of consultation, the parties are unable to agree on the form and content of the Scheme Booklet:
- (i) where the disagreement relates to REA Information, REA will make the final determination as to the form and content of REA Information; and
  - (ii) in any other case, Mortgage Choice will make the final determination as to the form and content of the Scheme Booklet.

### 6.2 Verification

Each party must undertake appropriate verification processes for the information supplied by that party in the Scheme Booklet.

### 6.3 **Conduct of Court proceedings**

- (a) REA and Mortgage Choice are entitled to separate representation at all Court proceedings relating to the Scheme.
- (b) This document does not give REA or Mortgage Choice any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent.
- (c) REA and Mortgage Choice must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and effect Implementation as contemplated by this document.

### 6.4 **Conduct of the business**

During the period commencing on the date of this document and ending on the Implementation Date, Mortgage Choice must, and must cause each Mortgage Choice Group Member to:

- (a) conduct (and must procure that each of its subsidiaries conducts) its business, operations and trading practices in the ordinary and usual course, and use reasonable efforts to ensure its business, operations and trading practices are conducted in accordance with all applicable laws, contractual obligations and materially consistent with business plans, deployment roadmaps and budgets Fairly Disclosed in the Mortgage Choice Disclosure Materials, in all material respects and in substantially the same manner as conducted in the 12 months prior to the date of this document, and otherwise use reasonable efforts to:
  - (i) preserve intact its business organisation;
  - (ii) keep available the services of its officers and employees;
  - (iii) preserve its relationship with Government Agencies, its Franchisee and broker network, lender panel, employees, customers, suppliers, licensors, licensees and others having business dealings with it; and
  - (iv) maintain its business and assets,  
as in place from time to time;
- (b) promptly notify REA, as soon as reasonably practicable, of:
  - (i) any instance of material non-compliance with any material Authorisation, or any law applicable in respect of that Authorisation; or
  - (ii) any notice, report, notification or material correspondence or request received from any Government Agency which is not in the ordinary course of business or is in respect of a general audit not targeted at the Mortgage Choice Group;
- (c) without limiting clause 6.4(a), not terminate, suspend, waive any material right under or amend any material provision of any Material Contract other than:
  - (i) in accordance with the terms of that Material Contract in the ordinary course of business and consistent with the past practice of the Mortgage Choice Group in the 12 month period ending on the date of this document where prior written notification is provided to REA; or
  - (ii) in relation to a transfer, buy back, retirement, termination or other disposal of a Franchise Agreement or an arrangement with a Franchisee where:

- For personal use only
- (A) such transfer, buyback, retirement, termination or other disposal is for cause in accordance with the terms of that Franchise Agreement or arrangement with that Franchisee as Fairly Disclosed in the Mortgage Choice Disclosure Letter; or
  - (B) REA provides its prior written consent (such consent not to be unreasonably withheld, conditioned or delayed);
- (d) without limiting clause 6.4(a), not enter into any agreement with a current or potential Franchisee, on terms materially different to the standard terms which were Fairly Disclosed in the Mortgage Choice Disclosure Materials (other than any special conditions agreed to in the ordinary course of business and consistent with the past practice of the Mortgage Choice Group in the 12 month period ending on the date of this document);
  - (e) without limiting clause 6.4(a), not solicit or encourage any Franchisee to terminate their Franchise Agreement, or fail to renew any Franchise Agreement (other than in accordance with the terms of that Franchise Agreement in the ordinary course of business and consistent with the past practice of the Mortgage Choice Group in the 12 month period ending on the date of this document);
  - (f) ensure that all material assets of the Mortgage Choice Group are maintained in the ordinary and usual course and consistent with past practice;
  - (g) comply in all material respects with all applicable laws and Material Contracts to which it is party; and
  - (h) promptly notify REA of any fact, matter or circumstance once Mortgage Choice or any Mortgage Choice Group Member becomes aware that such fact, matter or circumstance has given rise to or is reasonably likely to give rise to the occurrence of a Material Adverse Change or any fact, matter or circumstance of material non-compliance or potential material non-compliance with the obligations set out in clauses 6.4(a) to 6.4(g) above.

## 6.5 Exceptions

Clause 6.4 does not apply to and, for the avoidance of doubt, a Mortgage Choice Prescribed Event will not occur in respect of, anything:

- (a) which the party is required to do, permitted to do or is permitted not to do, under or in accordance with this document or the Scheme, or otherwise contemplated by this document or the Scheme;
- (b) in respect of which REA consents in writing (such consent not to be unreasonably withheld, conditioned or delayed) or which is requested by REA in writing; or
- (c) which is required by any applicable law, regulation, contract or Government Agency.

## 6.6 Access to information

- (a) From the date of this document and up to and including the Implementation Date, subject to applicable laws Mortgage Choice must give (and must procure each of its subsidiaries gives) REA reasonable access to its records (subject to any existing confidentiality obligations owed to third parties and compliance with applicable laws, including the *Competition and Consumer Act 2010* (Cth)), premises and personnel and reasonably co-operate for the purpose of:
  - (i) understanding the financial position of it and its subsidiaries including the cashflow and working capital position of each of them;



- For personal use only
- (ii) preparing for integration of the business of Mortgage Choice with the business of REA;
  - (iii) understanding the operations of the business of it and its subsidiaries;
  - (iv) Implementation; and
  - (v) any other purpose which is agreed in writing between the parties,

other than any information that relates to a Competing Proposal or any information that, if provided to REA, would result in a loss of legal privilege with respect to such information or a breach of any directors' duty (subject to Mortgage Choice's obligations in clause 8).

- (b) Nothing in clause 6.6(a) requires Mortgage Choice or any of its subsidiaries to provide information to REA concerning consideration of the Scheme by directors and management of it or any of its subsidiaries.

#### 6.7 **Information on representations and warranties**

From the date of this document and up to and including the Implementation Date each party must promptly give, and must procure that each of its subsidiaries promptly gives, to the other party details of any matter or occurrence which might reasonably make any representation or warranty given under this document by the first-mentioned party inaccurate in a material respect.

#### 6.8 **Information provided subject to confidentiality obligation**

All information provided under or in connection with this document is subject to the terms of the Confidentiality and Standstill Deed which continues to have full force and effect subject to the terms of this document (including clause 8.11).

#### 6.9 **Treatment of Mortgage Choice Share Rights**

- (a) Mortgage Choice must ensure that, by no earlier than the Effective Date, there are no outstanding Mortgage Choice Share Rights and no outstanding offers under the Mortgage Choice Tax Exempt Share Plan.
- (b) In order to comply with its obligation under clause 6.9(a), Mortgage Choice must:
  - (i) cause each Mortgage Choice Treasury Share to be an Allocated Share in accordance with the terms of the Mortgage Choice Employee Incentive Trust Deed in sufficient time to allow the relevant Participant to participate in the Scheme (where each of 'Allocated Share' and 'Participant' have the meanings given to them in the Mortgage Choice Limited Employee Incentive Trust Deed);
  - (ii) cause the Mortgage Choice Share Rights to vest in accordance with their terms and, following vesting, cause the relevant number of Mortgage Choice Shares to be issued or transferred to the relevant former holder in sufficient time to allow the relevant former holders of such Mortgage Choice Share Rights to participate in the Scheme;
  - (iii) cash settle the Mortgage Choice Share Rights for an amount that does not exceed the Mortgage Choice Share Rights Buyout Amount, and ensure that all such Mortgage Choice Share Rights which are cash settled are cancelled prior to the Effective Date; or

- (iv) take any action as may otherwise be necessary to cancel the Mortgage Choice Share Rights in respect of which REA consents in writing (such consent not to be unreasonably withheld, conditioned or delayed).

#### 6.10 **Appointment of directors**

Mortgage Choice must, as soon as practicable on the Implementation Date, after the Scheme Consideration has been despatched to Scheme Shareholders in accordance with the terms of the Scheme, take all actions necessary to:

- (a) ensure that all directors on the Mortgage Choice Board resign from the Mortgage Choice Board; and
- (b) cause the appointment of the nominees of REA to the Mortgage Choice Board (subject to the receipt by Mortgage Choice of duly executed consents to act).

#### 6.11 **Permitted dividends**

- (a) Notwithstanding any other provision of this document, REA acknowledges and agrees that Mortgage Choice may pay to Mortgage Choice Shareholders the Declared Dividend.
- (b) If Mortgage Choice pays the Declared Dividend in accordance with clause 6.11(a):
  - (i) the payment date of the Declared Dividend will be determined by Mortgage Choice provided that the Declared Dividend is paid no later than the Implementation Date;
  - (ii) the Declared Dividend may be franked to the maximum extent possible, subject to the franking account of Mortgage Choice not being in deficit after the payment of the Declared Dividend and the Declared Dividend not breaching the benchmark franking rule as defined in section 995-1 of the *Income Tax Assessment Act 1997* (Cth); and
  - (iii) the Declared Dividend is to be paid from profits, retained earnings or distributable reserves (or a combination of all or some of them) of the Mortgage Choice Group existing prior to the declaration or authorisation of such dividends and otherwise in accordance with the Corporations Act.

### 7. **ANNOUNCEMENTS**

#### 7.1 **No Announcements**

Neither party may make an Announcement relating to the subject matter of this document or its termination or make public this document (or any of its terms) unless the Announcement or publication:

- (a) is required by this document;
- (b) has the prior approval of the other party; or
- (c) is required to be made by any applicable law or the ASX Listing Rules.

#### 7.2 **Notice of Announcements**

If a party is required to make an Announcement under clause 7.1(c), it must, to the extent practicable and lawful, give to the other party:

- (a) such notice as is reasonable in the circumstances of its intention to make the Announcement; and
- (b) a draft of the Announcement and an opportunity, to the extent practicable in the circumstances, to comment on the contents of the draft Announcement.

## 8. **EXCLUSIVITY**

### 8.1 **No solicitation**

Mortgage Choice agrees that, during the Exclusivity Period, Mortgage Choice must not, and must ensure that its subsidiaries, representatives and advisers do not, directly or indirectly, solicit, encourage, initiate or invite a proposal, offer, enquiry, expression of interest, discussion or agreement from any person other than the REA Group in relation to a Competing Proposal.

### 8.2 **No talk**

Subject to clause 8.4, Mortgage Choice agrees that, during the Exclusivity Period, Mortgage Choice must not, and must ensure that its subsidiaries, representatives and advisers do not, negotiate or enter into, participate in or continue any discussions or negotiations in relation to, or that may reasonably be expected to lead to, a Competing Proposal (even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Mortgage Choice or any of its representatives and advisers or the person has publicly announced the Competing Proposal), or otherwise facilitate a Competing Proposal, or announce or communicate to any person any intention to do any of these things.

### 8.3 **No due diligence**

Without limiting clause 8.2, and subject to clause 8.4, Mortgage Choice agrees that, during the Exclusivity Period, Mortgage Choice must not, and must ensure that its subsidiaries, representatives and advisers do not, make available to any third party, or cause or permit any third party to receive, any non-public information relating to any Mortgage Choice Group Member that may reasonably be expected to assist such third party in formulating, developing or finalising a Competing Proposal or otherwise enable any person that is not part of the REA Group or person that is not engaged by the REA Group in connection with the Scheme to undertake due diligence on any Mortgage Choice Group Member or their businesses and operations.

### 8.4 **Fiduciary exception**

The restrictions in clauses 8.2 and 8.3 do not:

- (a) apply in respect of an actual, proposed or potential Competing Proposal where:
- (i) there has not been any breach of clause 8.1 in respect of that Competing Proposal; and
  - (ii) the Mortgage Choice Board, acting in good faith and after receiving written advice from Mortgage Choice's financial and legal advisers, determines that such Competing Proposal is, or may reasonably be expected to constitute, a Superior Proposal if it were proposed and that failing to respond to such Competing Proposal would be reasonably likely to constitute a breach of the fiduciary duties or statutory obligations of the Mortgage Choice Board; or
- (b) prevent the Mortgage Choice from disclosing non-public information to its auditors or advisers, as required under Mortgage Choice's existing contractual obligations (provided it is not done in a manner which is intended to circumvent the intent of

clause 8), to a Government Agency or regulatory body, or as otherwise required by applicable law.

#### 8.5 **Notification of approaches**

- (a) During the Exclusivity Period, Mortgage Choice must promptly inform REA if it or any of its subsidiaries, representatives or advisers:
  - (i) receives any unsolicited approach with respect to any Competing Proposal and must disclose to REA all material terms and conditions of the Competing Proposal, including consideration and the identity of the third party proposing the Competing Proposal; or
  - (ii) receives any request for information relating to the members of the Mortgage Choice Group or any of their businesses or operations or any request for access to the books or records of the members of the Mortgage Choice Group, which Mortgage Choice has reasonable grounds to suspect may relate to a current or future Competing Proposal.
- (b) REA agrees that:
  - (i) any information received under clause 8.5(a) is subject to the terms of the Confidentiality and Standstill Deed; and
  - (ii) it will not, and will ensure that its subsidiaries, representatives and advisers do not, contact the third party who made the unsolicited approach or issued the request for information in accordance with clause 8.5(a) for any purpose relating to the Scheme, the Competing Proposal or any similar transaction.

#### 8.6 **Matching right**

Without limiting clauses 8.1 and 8.2, before Mortgage Choice or any other Mortgage Choice Group Member, during the Exclusivity Period, enters into any legally binding agreement to give effect to any Competing Proposal, each of the following conditions must be satisfied:

- (a) the Mortgage Choice Board acting in good faith and after receiving written advice from Mortgage Choice's financial and legal advisers and in order to satisfy what Mortgage Choice Board considers to be its statutory or fiduciary duties, determines that the Competing Proposal would be or would be likely to be an actual, proposed or potential Superior Proposal;
- (b) Mortgage Choice must provide REA with the material terms and conditions of the Competing Proposal, including consideration and the identity of the third party proposing the Competing Proposal; and
- (c) Mortgage Choice must give the REA Board at least 4 Business Days after the date of the provision of the information referred to in clause 8.6(b) to provide a matching or superior proposal to the Competing Proposal.

Mortgage Choice agrees that each successive material modification of any Competing Proposal will constitute a new Competing Proposal for the purposes of the matching requirements above.

#### 8.7 **REA Counterproposal**

If, in accordance with clause 8.6, REA provides to Mortgage Choice a proposal (**REA Counterproposal**), Mortgage Choice must procure that the Mortgage Choice Board considers the REA Counterproposal and determines whether, acting reasonably and in good faith, the REA Counterproposal would provide an equivalent or superior outcome to

Mortgage Choice Shareholders as a whole when compared with the Competing Proposal. Following that determination, Mortgage Choice must:

- (a) procure that Mortgage Choice Board promptly (and in any event within 1 Business Day) notifies REA of the determination in writing and states the reasons for that determination;
- (b) if the determination is that the REA Counterproposal would provide an equivalent or superior outcome to Mortgage Choice Shareholders as a whole when compared with the Competing Proposal, then, for a period of 2 Business Days after Mortgage Choice delivers to REA the notice referred to in clause 8.7(a), REA and Mortgage Choice must use their best endeavours to agree the transaction documentation required to implement the REA Counterproposal as soon as reasonably practicable; and
- (c) if the determination is that the REA Counterproposal would not provide an equivalent or superior outcome to Mortgage Choice Shareholders as a whole when compared with the Competing Proposal, then REA may take steps to amend the REA Counterproposal to address the reasons given within a further 2 Business Days. If REA does so to Mortgage Choice's satisfaction, then the process in clause 8.7(b) applies to that amended REA Counterproposal.

#### 8.8 **Provision of information**

During the Exclusivity Period, Mortgage Choice must as soon as possible provide REA with:

- (a) in the case of written materials, a copy of; and
- (b) in any other case, a written statement of,

any non-public information about the business or affairs of Mortgage Choice or the Mortgage Choice Group disclosed or otherwise provided to any third party in connection with an actual, proposed or potential Competing Proposal that has not previously been provided to REA. For the avoidance of doubt, any such provision of information to a third party may only be undertaken if permitted by clause 8.4.

#### 8.9 **No ongoing discussions**

Mortgage Choice represents and warrants to REA that, as at the date of this document, it is not in discussions or negotiations with any third party regarding any Competing Proposal.

#### 8.10 **Normal provision of information**

Nothing in this clause 8 prevents a Mortgage Choice Group Member from:

- (a) providing information to its representatives or advisers provided it is not done in a manner which is intended to circumvent the intent of clause 8;
- (b) providing information to any Government Agency;
- (c) providing information to its auditors, customers, financiers and suppliers acting in that capacity in the ordinary course of business;
- (d) engaging with its shareholders (in their capacity as a shareholder), in the ordinary course and consistent with past practice;
- (e) providing information required to be provided by law, including to satisfy its obligations of disclosure under the ASX Listing Rules or to any Government Agency; and

- (f) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

#### 8.11 **Confidentiality and Standstill Deed**

The parties acknowledge and agree that clause 10A of the Confidentiality and Standstill Deed is replaced by this clause 8 of this document and clause 10A of the Confidentiality and Standstill Deed has no further effect.

### 9. **REIMBURSEMENT FEES**

#### 9.1 **Background**

- (a) Each of Mortgage Choice and REA:
  - (i) confirms its belief that the Scheme will provide significant benefits to it and its shareholders; and
  - (ii) acknowledges that each of them has and will incur significant costs in connection with performing its obligations under this document and the Scheme.
- (b) REA has requested that provisions be made in this document for the payments set out in clause 9.2 in the absence of which it would not have entered into this document. Mortgage Choice confirms its belief that it is appropriate to agree to the payment which it agrees to make under clause 9.2 in order to secure REA's participation in the Scheme. Mortgage Choice acknowledges that the amount it has agreed to pay REA under clause 9.2 is an amount which is appropriate to compensate REA for its reasonable external and internal costs and opportunity costs in connection with the Scheme.
- (c) Mortgage Choice has requested that provisions be made in this document for the payments set out in clause 9.3 in the absence of which it would not have entered into this document. REA confirms its belief that it is appropriate to agree to the payment which it agrees to make under clause 9.3 in order to secure Mortgage Choice's participation in the Scheme. REA acknowledges that the amount it has agreed to pay Mortgage Choice under clause 9.3 is an amount which is appropriate to compensate Mortgage Choice for its reasonable external and internal costs and opportunity costs in connection with the Scheme.
- (d) Each of Mortgage Choice and REA acknowledges that it has received external legal and financial advice in relation to this clause 9 and that each of the REA Reimbursement Fee and the Mortgage Choice Reimbursement Fee has been calculated to reimburse the relevant party for costs including the following:
  - (i) fees for legal, financial and other professional advice in planning and implementing the Scheme (excluding success fees);
  - (ii) reasonable opportunity costs incurred in engaging in the Scheme or in not engaging in other alternative acquisitions or strategic initiatives;
  - (iii) costs of management and directors' time in planning and implementing the Scheme; and
  - (iv) out of pocket expenses incurred by the parties and their employees, advisers and agents in planning and implementing the Scheme;

and the parties agree that:

- (v) the costs actually incurred by the parties will be of such a nature that they cannot all be accurately ascertained; and
- (vi) each Reimbursement Fee is a genuine and reasonable pre-estimate of those costs.

## 9.2 REA Reimbursement Fee

Mortgage Choice undertakes to pay REA \$2,400,000 (without withholding or set off and exclusive of GST) (**REA Reimbursement Fee**) if:

- (a) prior to the End Date, a Competing Proposal is announced by a third party, received by Mortgage Choice or becomes open for acceptance and within twelve months after the date of announcement or the date that the Competing Proposal is received by Mortgage Choice or becomes open for acceptance (whichever is earliest, and regardless of whether by that time this document has terminated), the third party or any one or more associate(s) of the third party acquires voting power in, or a legal, beneficial or economic interest in, more than 50% of all Mortgage Choice Shares and that Competing Proposal (including any agreement to acquire Mortgage Choice Shares related to the Competing Proposal) is (or becomes) free from any conditions, other than in circumstances where Mortgage Choice terminates this document under clause 10:
  - (i) because any Condition set out in clauses 3.2(f) or 3.2(k) will not be fulfilled (other than because of a breach by Mortgage Choice of clause 3.6); or
  - (ii) because REA is in material breach of this document; or
  - (iii) because of the Effective Date not occurring by the End Date;
- (b) prior to the End Date, Mortgage Choice enters into a legally binding agreement regarding a Competing Proposal;
- (c) any Mortgage Choice director does not recommend the Scheme or, prior to the End Date, withdraws or adversely modifies an earlier recommendation or approves or recommends or makes an announcement indicating that he or she no longer supports the Scheme or is in support of a Competing Proposal or announces an intention to do any of these acts, other than:
  - (i) in circumstances where Mortgage Choice terminates this document under clause 10:
    - (A) because any Condition set out in clauses 3.2(f) or 3.2(k) will not be fulfilled (other than because of a breach by Mortgage Choice of clause 3.6); or
    - (B) because REA is in material breach of this document; or
    - (C) because of the Effective Date not occurring by the End Date;
  - (ii) in circumstances where a court of competent jurisdiction or Government Agency requires or requests that one or more Mortgage Choice directors abstain or withdraw from making a recommendation that Mortgage Choice Shareholders vote in favour of the Scheme after the date of this document;
  - (iii) because the Independent Expert concludes (either in its initial Independent Expert's Report or in any written update, revision, amendment, addendum or supplementary report to it) that the Scheme is not in the best interests of Mortgage Choice Shareholders (except where that conclusion is due wholly or

partly to the existence, announcement or publication of a Competing Proposal); or

(iv) because the Independent Expert withdraws its Independent Expert's Report prior to 8.00 am on the Second Court Date (except where that action is due wholly or partly to the existence, announcement or publication of a Competing Proposal); or

(d) Mortgage Choice is in material breach of any provision (including a Mortgage Choice Prescribed Event) of this document and this document is terminated in accordance with clause 10.2(a).

### 9.3 **Mortgage Choice Reimbursement Fee**

REA undertakes to pay Mortgage Choice \$2,400,000 (without withholding or set off and exclusive of GST) (**Mortgage Choice Reimbursement Fee**) if REA is in material breach of any provision of this document and this document is terminated in accordance with clause 10.3(a).

### 9.4 **Demand for payment**

(a) If an event referred to in clause 9.2 occurs, any demand by REA for payment under clause 9.2 must be in writing, state the circumstances which give rise to the demand and nominate an account in the name of REA into which Mortgage Choice is to pay the REA Reimbursement Fee. Mortgage Choice must pay the amount referred to in clause 9.2 to REA within 10 Business Days of receipt of the demand without withholding or set off.

(b) If an event referred to in clause 9.3 occurs, any demand by Mortgage Choice for payment under clause 9.3 must be in writing, state the circumstances which give rise to the demand and nominate an account in the name of Mortgage Choice into which REA is to pay the Mortgage Choice Reimbursement Fee. REA must pay the amount referred to in clause 9.3 to Mortgage Choice within 10 Business Days of receipt of the demand without withholding or set off.

(c) Each of REA and Mortgage Choice acknowledges and agrees that if an amount is paid to it under clause 9.2 or clause 9.3 respectively, that payment constitutes its sole and exclusive remedy in respect of the matter giving rise to the payment.

### 9.5 **Compliance with law**

If the Takeovers Panel or a court of competent jurisdiction determines that an amount paid or payable under clause 9.2 or clause 9.3 is an Impugned Amount and:

(a) the period for lodging an application for review or a notice of appeal of that decision has expired without such application or notice having been lodged; or

(b) an application for review or a notice of appeal has been lodged with the Takeovers Panel or a court within the prescribed period and the relevant review panel or court also determines that the amount is an Impugned Amount,

then:

(c) the undertaking under clause 9.2 or clause 9.3 (as applicable) does not apply to the extent of the Impugned Amount; and

(d) if a party has been paid an Impugned Amount under this document, it must refund that Impugned Amount to the other party.



## 9.6 Reimbursement Fees payable only once

- (a) Where the REA Reimbursement Fee becomes payable to REA under clause 9.2 and is actually paid to REA, REA cannot make any claim against Mortgage Choice for payment of any subsequent REA Reimbursement Fee.
- (b) Where the Mortgage Choice Reimbursement Fee becomes payable to Mortgage Choice under clause 9.3 and is actually paid to Mortgage Choice, Mortgage Choice cannot make any claim against REA for payment of any subsequent Mortgage Choice Reimbursement Fee.

## 9.7 Other Claims

- (a) The maximum aggregate amount which Mortgage Choice is required to pay in relation to this document (including any breach of this document by Mortgage Choice or any other Claim) is the REA Reimbursement Fee and in no event will the aggregate liability of Mortgage Choice under or in connection with this document or any Claim exceed the REA Reimbursement Fee.
- (b) The maximum aggregate amount which REA is required to pay in relation to this document (including any breach of this document by REA or any other Claim) is the Mortgage Choice Reimbursement Fee and in no event will the aggregate liability of REA under or in connection with this document or any Claim exceed the Mortgage Choice Reimbursement Fee.

## 9.8 No Reimbursement Fees if Scheme Effective

Despite anything to the contrary in this document, neither Reimbursement Fee will be payable if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 9.2 or clause 9.3 and, if a Reimbursement Fee has already been paid, it must be refunded by the receiving party within 5 Business Days after the Scheme becomes Effective.

## 10. TERMINATION

### 10.1 Termination for non-fulfilment of Condition

- (a) If REA and Mortgage Choice are unable to reach agreement under clause 3.7 within five Business Days after both parties become aware that a Condition will not be fulfilled (or waived), any party for whose benefit the Condition is included (see clause 3.3) (whether solely or jointly with the other party) may terminate this document by notice in writing to the other party. However, if the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, REA and Mortgage Choice must appeal the Court's decision to the fullest extent possible except to the extent that the parties agree otherwise or to the extent that either party obtains the advice of an independent senior counsel of the New South Wales bar who states that, in his or her opinion, an appeal would have no reasonable prospect of success before the End Date.
- (b) Without limiting clause 10.1(a), a party may terminate this document by giving notice in writing to the other party after the End Date, if the Effective Date does not occur on or before that date.

### 10.2 REA's termination rights

REA may terminate this document by giving notice in writing to Mortgage Choice if, before 8.00 am on the Second Court Date:

- (a) Mortgage Choice is in breach of this document (including a breach of a representation or warranty under clause 11) and that breach is material in the context of the

Scheme and is not remedied by Mortgage Choice within five Business Days (or such shorter period ending on the Second Court Date) of it receiving notice from REA of the details of the breach and its intention to terminate;

- (b) any member of Mortgage Choice's Board adversely changes (including by attaching any qualifications to) or withdraws his or her recommendation that the Scheme is in the best interests of Mortgage Choice Shareholders; or
- (c) by mutual written agreement between Mortgage Choice and REA.

### 10.3 **Mortgage Choice's termination rights**

Mortgage Choice may terminate this document by giving notice in writing to REA if, before 8.00 am on the Second Court Date:

- (a) REA is in breach of this document (including a breach of a representation or warranty under clause 11) and that breach is material in the context of the Scheme and is not remedied by REA within five Business Days (or such shorter period ending on the Second Court Date) of it receiving notice from Mortgage Choice of the details of the breach and its intention to terminate;
- (b) Mortgage Choice enters into a legally binding agreement concerning a Superior Proposal; or
- (c) by mutual written agreement between Mortgage Choice and REA.

### 10.4 **Obligations on termination**

- (a) If a party terminates this document, all obligations of the parties under this document, other than this clause and clauses 1 (Interpretation), 7 (Announcements), 9 (Reimbursement Fees), 11 (Representations and warranties), 12 (Indemnities), 13 (Releases), 14 (GST), 15 (Notices), 16 (Amendment and Assignment) and 17 (General), immediately cease to be of further effect.
- (b) The termination of this document does not affect any Claim that a party may have against another party where that Claim arose before this document is terminated.

## 11. **REPRESENTATIONS AND WARRANTIES**

### 11.1 **Mutual representations and warranties**

Each party represents and warrants to the other party that:

- (a) **(status)** it is a company limited by shares under the Corporations Act and is validly existing under the laws of the place of its incorporation;
- (b) **(power)** it has full legal capacity and power to:
  - (i) own its property and to carry on its business; and
  - (ii) enter into this document and carry out the transactions that this document contemplates in accordance with its terms;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise it entering into this document and carrying out the transactions that this document contemplates in accordance with its terms;
- (d) **(Authorisations)** it holds each Authorisation that is necessary or desirable to:

- (i) enable it to properly execute this document and to carry out the transactions that this document contemplates in accordance with its terms;
- (ii) ensure that this document is legal, valid, binding and admissible in evidence; and
- (iii) enable it to properly carry on its business,
- and it is complying with any conditions to which any such Authorisation is subject;
- (e) **(document effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;
- (f) **(no contravention)** neither its execution of this document nor the carrying out by it of the transactions that it contemplates in accordance with its terms, does or will contravene:
- (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
- (ii) any Authorisation held by it;
- (iii) any undertaking or instrument binding on it or any of its property; or
- (iv) its constitution;
- (g) **(no Insolvency Event)** neither it nor any of its subsidiaries is affected by an Insolvency Event;
- (h) **(not representative capacity)** it is not entering into this document as trustee of any trust or settlement or otherwise in a representative capacity; and
- (i) **(information provided to the Independent Expert)** all information provided by it to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report for inclusion in the Scheme Booklet.

#### 11.2 **Mortgage Choice representations and warranties**

Mortgage Choice represents and warrants to REA that each of the following representations and warranties is true and correct:

- (a) **(Scheme Booklet not false or misleading)** as at the date of dispatch of the Scheme Booklet, the Scheme Booklet (other than the REA Information) will not contain any material statement which is false or misleading (including because of any material omission);
- (b) **(continuous disclosure)** Mortgage Choice is not in breach of its continuous disclosure obligations under ASX Listing Rule 3.1 and, except for information contained in the Announcement to be made in accordance with clause 4(a), there is no information to which ASX Listing Rule 3.1 does not apply because of ASX Listing Rule 3.1A;
- (c) **(complied with applicable laws)** other than as Fairly Disclosed in the Mortgage Choice Disclosure Materials, Mortgage Choice and its wholly owned subsidiaries have complied in all material respects with all applicable laws, Authorisations and the ASX Listing Rules (disregarding any instances of non-compliance that individually and in aggregate, could not reasonably be expected to have a material adverse effect on Mortgage Choice);

- For personal use only
- (d) **(good faith)** the Mortgage Choice Disclosure Materials were collated and prepared in good faith by Mortgage Choice and Mortgage Choice is not aware of any information contained in those materials that is false or misleading in any material respect (including by omission);
  - (e) **(provision of information to Independent Expert)** all information provided by or on behalf of Mortgage Choice to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report;
  - (f) **(no default)** other than as Fairly Disclosed in the Mortgage Choice Disclosure Materials, neither Mortgage Choice nor any of its wholly owned subsidiaries is in default under any Material Contract binding on it or its assets, and nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such Material Contract, which individually or in aggregate could reasonably be expected to result in a Material Adverse Change;
  - (g) **(no litigation)** other than as Fairly Disclosed in the Mortgage Choice Disclosure Materials, no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge, threatened which, if adversely decided, could reasonably be expected to result in a Material Adverse Change;
  - (h) **(schedule accurately details Mortgage Choice capital)** Schedule 2 accurately records the total number and details of Mortgage Choice Shares (including the Mortgage Choice Treasury Shares), securities convertible into Mortgage Choice Shares, Mortgage Choice Share Rights, notes or other securities issued by Mortgage Choice at the date of this document;
  - (i) **(no obligation to issue, convert or cancel Mortgage Choice securities)** Mortgage Choice is not under any actual or contingent obligation to issue, convert or cancel any securities other than as listed in Schedule 2; and
  - (j) **(no other approvals necessary)** to Mortgage Choice's knowledge, no consents, approvals or other acts by a Government Agency are necessary to effect Implementation other than the Regulatory Approval.

### 11.3 REA representations and warranties

REA represents and warrants to Mortgage Choice that each of the following representations and warranties is true and correct:

- (a) **(no false or misleading statement)** as at the date of dispatch of the Scheme Booklet, the REA Information will not contain any material statement which is false or misleading (including because of any material omission);
- (b) **(complied with applicable laws)** REA and its wholly-owned subsidiaries have complied in all material respects with all applicable laws and the ASX Listing Rules (disregarding any instances of non-compliance that individually and in aggregate, could not reasonably be expected to have a material adverse effect on REA);
- (c) **(adequate funding)** REA has a reasonable basis to believe it has the cash resources or access to adequate financial accommodation sufficient to meet its obligation to pay the Scheme Consideration in accordance with the Scheme and the Deed Poll;

- (d) **(no other approvals necessary)** to REA's knowledge, no consents, approvals or other acts by a Government Agency are necessary to effect Implementation other than the Regulatory Approval;
- (e) **(no dealings with Mortgage Choice Shareholders)** no member of the REA Group has any agreement, arrangement or understanding with any Mortgage Choice Shareholder under which that Mortgage Choice Shareholder (or an associate of that Mortgage Choice Shareholder):
- (i) would be entitled to receive consideration for their Scheme Shares different from the Scheme Consideration or any other benefit that is not also offered to all other Mortgage Choice Shareholders on the same terms; or
  - (ii) has agreed to vote in favour of the Scheme or against any Competing Proposal; and
- (f) **(no dealings with Mortgage Choice directors or employees)** other than as Fairly Disclosed to Mortgage Choice and approved by the Mortgage Choice Board, no member of the REA Group has any agreement, arrangement or understanding with any director or employee of Mortgage Choice relating in any way to the transaction or operations of the Mortgage Choice Group after the Effective Date.

#### 11.4 **No representations made on economic or future matters**

Each party acknowledges and agrees that the other party makes no representation or warranty other than as set out in this clause 11 and, in particular, at no time has the other party made or given any representation or warranty in relation to the achievability of:

- (a) any economic, fiscal or other interpretations or evaluations by it; or
- (b) future matters, including future or forecast costs, prices, revenues or profits.

#### 11.5 **Reliance on representations and warranties**

Each party acknowledges that the other party has executed this document and agreed to take part in the transactions that this document contemplates in reliance on the representations and warranties that are made in clauses 11.1, 11.2 and 11.3.

#### 11.6 **When representations and warranties are given**

Each representation and warranty given or made under clauses 11.1, 11.2 and 11.3 is given:

- (a) immediately prior to signing of this document;
- (b) except in the case of the representations and warranties in clause 11.2(f), 11.2(g) and 11.2(h), as at 8.00 am on the Second Court Date; and
- (c) at any other date at which the representation or warranty is expressed to be given under this document.

#### 11.7 **Qualifications on representations and warranties**

- (a) Each representation and warranty given or made by Mortgage Choice under clauses 11.1 and 11.2, and the indemnity under clause 12.1(a), is subject to matters that:
  - (i) are expressly permitted, required or contemplated under this document or the Scheme;

- (ii) are within the actual knowledge of REA Knowledge Persons prior to the date of this document; or
- (iii) have been Fairly Disclosed in the Mortgage Choice Disclosure Materials.
- (b) Each representation and warranty given or made by REA under clauses 11.1 and 11.3, and the indemnity under clause 12.2(a), is subject to matters that, are within the actual knowledge of any of the Mortgage Choice Knowledge Persons prior to the date of this document.

#### 11.8 **Survival of representations**

Each representation and warranty in clauses 11.1 to 11.3:

- (a) is severable; and
- (b) survives the termination of this document (but does not survive, and will be taken to have no further force or effect following, implementation of the Scheme).

#### 11.9 **Notification obligations**

- (a) Mortgage Choice must notify REA, in writing as soon as practicable after Mortgage Choice (or a Mortgage Choice Group Member) becomes aware of any fact, matter or circumstance that has resulted in, or might reasonably be expected to result in, a breach of a representation or warranty given by Mortgage Choice.
- (b) REA must notify Mortgage Choice, in writing as soon as practicable after REA (or a REA Group member) becomes aware of any fact, matter or circumstance that has resulted in, or might reasonably be expected to result in, a breach of a representation or warranty given by REA.
- (c) A notice provided under clauses 11.9(a) or 11.9(b) must contain reasonable details of the relevant fact, matter or circumstance that resulted in, or might reasonably be expected to result in a breach of a representation or warranty.

### 12. **INDEMNITIES**

#### 12.1 **Indemnities by Mortgage Choice**

- (a) Mortgage Choice indemnifies REA and each other REA Indemnified Person against, and must pay on demand, any Loss, Claim or damages (including any right to common law damage) arising from or incurred in connection with a breach of a representation and warranty given by it in clauses 11.1 and 11.2 to the fullest extent permitted by law.
- (b) REA receives and holds the benefit of the indemnity in clause 12.1(a) as trustee for each other REA Indemnified Person.

#### 12.2 **Indemnities by REA**

- (a) REA indemnifies Mortgage Choice and each other Mortgage Choice Indemnified Person against, and must pay on demand, any Loss, Claim or damages (including any right to common law damage) arising from or incurred in connection with a breach of the representation and warranty given by it in clauses 11.1 and 11.3 to the fullest extent permitted by law.
- (b) Mortgage Choice receives and holds the benefit of the indemnity in clause 12.2(a) as trustee for each other Mortgage Choice Indemnified Person.

13. **RELEASES**

13.1 **Mortgage Choice's officers and employees**

- (a) REA agrees with Mortgage Choice (in its own right and separately as trustee or nominee for each of the other Mortgage Choice Indemnified Persons) that it:
- (i) releases its rights; and
  - (ii) will not make, and that after the Implementation Date, it will procure that each Mortgage Choice Group Member will not make, any Claim:  
  
against any Mortgage Choice Indemnified Person (other than a Mortgage Choice Group Member) as at the date of this document and from time to time in connection with:
    - (iii) Mortgage Choice's execution or delivery of this document;
    - (iv) any breach of any representation, warranty, covenant or obligation of Mortgage Choice in this document;
    - (v) any disclosure (or failure to make a disclosure) made by any Mortgage Choice Indemnified Person which is false or misleading (whether by omission or otherwise); or
    - (vi) anything done or purported to be done in connection with Implementation, except where the Mortgage Choice Indemnified Person has engaged in wilful misconduct, wilful concealment, a grossly negligent act or omission or fraud.
- (b) For the avoidance of doubt, nothing in this clause 13.1 limits the rights of REA to terminate this document under clause 10.
- (c) Mortgage Choice receives and holds the benefit of this clause 13.1 to the extent it relates to each Mortgage Choice Indemnified Person as trustee for each of them.

13.2 **REA's officers and employees**

- (a) Mortgage Choice agrees with REA (in its own right and separately as trustee or nominee for each of the other REA Indemnified Persons) that it:
- (i) releases its rights; and
  - (ii) will not make any Claim:  
  
against any REA Indemnified Person (other than a member of the REA Group) as at the date of this document and from time to time in connection with:
    - (iii) REA's execution or delivery of this document;
    - (iv) any breach of any representation, warranty, covenant or obligation of REA in this document;
    - (v) any disclosure (or failure to make a disclosure) made by any REA Indemnified Person which is false or misleading (whether by omission or otherwise); or
    - (vi) anything done or purported to be done in connection with Implementation,

except where the REA Indemnified Person has engaged in wilful misconduct, wilful concealment, a grossly negligent act or omission or fraud.

- (b) For the avoidance of doubt, nothing in this clause 13.2 limits the rights of Mortgage Choice to terminate this document under clause 10.
- (c) REA receives and holds the benefit of this clause 13.2 to the extent it relates to each REA Indemnified Person as trustee for each of them.

### 13.3 **Deeds of indemnity**

- (a) Subject to the Scheme becoming Effective, REA undertakes in favour of Mortgage Choice and each other Mortgage Choice Indemnified Person that REA will:
  - (i) ensure that the constitutions of Mortgage Choice and each other Mortgage Choice Group Member continue to contain such rules as are contained in those constitution as at the date of this document that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a Mortgage Choice Group Member; and
  - (ii) procure that Mortgage Choice and each other Mortgage Choice Group Member complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time.
- (b) The undertakings contained in clause 13.3(a) are subject to any Corporations Act restriction and will be read down accordingly.
- (c) Mortgage Choice receives and holds the benefit of this clause 13.3 as trustee for each Mortgage Choice Indemnified Person.
- (d) The undertakings contained in clause 13.3(a) are given:
  - (i) in the case of clause 13.3(a)(i), until the date that is 7 years from the Implementation Date; and
  - (ii) in the case of clause 13.3(a)(ii), until the date that is 7 years from the date of retirement of each director and officer.

### 13.4 **Directors' and officers' insurance**

- (a) REA acknowledges that, notwithstanding any other provision of this document, Mortgage Choice may, prior to the Effective Date, enter into arrangements to secure directors' and officers' run-off insurance for up to such 7 year period referred to in clause 13.3(d)(ii), and that any actions to facilitate that insurance or in connection with such insurance will not constitute a breach of any provision of this document and will be disregarded when assessing the operation of any other provision of this document, provided that:
  - (i) the scope of coverage of the policy will be on the same or substantially the same terms as the existing insurance policies in place for directors or officers of the Mortgage Choice Group at the date of this document (other than with respect to the run-off period); and
  - (ii) Mortgage Choice will consult with REA regarding the run-off insurance arrangements and use reasonable endeavours to obtain the most attractive commercial terms (including in relation to costs) for the policy from a reputable insurer.



- (b) Mortgage Choice receives and holds the benefit of this clause 13.4 to the extent it relates to each Mortgage Choice Indemnified Person as trustee for each of them.

14. **GST**

14.1 **GST pass on**

If GST is or will be payable on a supply made under or in connection with this document, to the extent that the consideration otherwise provided for that supply under this document is not expressly stated to include an amount for GST on the supply:

- (a) the consideration otherwise provided for that supply under this document is increased by the amount of that GST; and
- (b) the recipient of the supply must make payment of the increase as and when the GST-exclusive consideration otherwise provided for, or relevant part of it, must be paid or provided or, if the GST-exclusive consideration has already been paid or provided, within seven days of receiving a written demand from the supplier.

14.2 **Tax Invoice**

The right of the supplier to recover any amount in respect of GST under this document on a supply is subject to the issuing of the relevant tax invoice or adjustment note by the supplier to the recipient.

14.3 **Consideration exclusive of GST**

Any consideration otherwise provided for a supply or payment obligation in connection with this document is exclusive of GST unless expressly stated otherwise.

14.4 **Adjustments**

If there is an adjustment event in relation to a supply which results in the amount of GST on a supply being different from the amount in respect of GST already recovered by the supplier, as appropriate, the supplier within 14 days of becoming aware of the adjustment event:

- (a) must:
- (i) recover from the recipient the amount by which the amount of GST on the supply exceeds the amount already recovered by giving seven days written notice; or
- (ii) refund to the recipient the amount by which the amount already recovered exceeds the amount of GST on the supply; and
- (b) must issue an adjustment note reflecting the adjustment event in relation to the supply to the recipient.

14.5 **Reimbursements**

Costs actually or estimated to be incurred or revenue actually or estimated to be earned or lost by a party that is required to be reimbursed or indemnified by another party, or used as the basis for calculation of consideration for a supply, under this document must exclude the amount of GST referable to the cost to the extent to which an entitlement arises or would arise to claim an input tax credit and in relation to revenue must exclude any amount in respect of GST referable to the revenue.

15. **NOTICES**

15.1 **How to give a notice**

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either delivered or sent by pre-paid mail to that person's address or sent by email.

15.2 **When a notice is given**

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if sent by mail, three Business Days after posting; or
- (b) if sent by email, when the addressee's email system logs the email message as having been received.

15.3 **Address for notices**

A person's address is as set out below, or as the person notifies the sender:

**Mortgage Choice**

Address: Level 10/100 Pacific Highway, North Sydney NSW 2060  
Email address: companysecretary@mortgagechoice.com.au, with a copy to Nigel.Deed@ashurst.com  
Attention: Company Secretary

**REA**

Address: 511 Church St, Richmond VIC 3121  
Email address: tamara.kayser@rea-group.com, with a copy to Nicola.Charlston@au.kwm.com  
Attention: Tamara Kayser, General Counsel and Company Secretary

16. **AMENDMENT AND ASSIGNMENT**

16.1 **Amendment**

This document can only be amended or replaced by another document executed by the parties.

16.2 **Assignment**

A party may only assign, encumber, declare a trust over or otherwise deal with its rights under this document with the prior written consent of the other party.

17. **GENERAL**

17.1 **Governing law**

- (a) This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of the State of New South Wales within the Commonwealth of Australia.

- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State, and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document. Each party irrevocably waives any right it has to object to any legal process being brought in those courts including any claim that the process has been brought in an inconvenient forum or that those courts do not have jurisdiction.

**17.2 Liability for expenses**

- (a) REA must pay for all stamp duty (and any related fines, penalties and other costs) payable on this document or any instrument or transaction contemplated in or necessary to give effect to this document.
- (b) Subject to clause 17.2(a), each party must pay its own expenses incurred in negotiating, preparing, executing and registering this document.

**17.3 Giving effect to this document**

Each party must do anything within its power (including execute any document) that the other party may reasonably require to give full effect to this document.

**17.4 Variation of rights**

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this document. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this document.

**17.5 No partnership or agency**

Nothing in this document is to be treated as creating a partnership or joint venture and, except as specifically provided in this document, no party may act as agent of or in any way bind another party to any obligation. The business of each party will continue to operate independently from the other until the Implementation Date.

**17.6 Operation of this document**

- (a) Subject to clause 6.8:
- (i) this document and the Confidentiality and Standstill Deed contain the entire agreement between the parties about its subject matter; and
  - (ii) any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and the Confidentiality and Standstill Deed and has no further effect.
- (b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

**17.7 Operation of indemnities**

- (a) Each indemnity in this document survives the expiry or termination of this document.

- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

**17.8 Consents**

Where this document contemplates that a party may agree or consent to something (however it is described), unless this document expressly contemplates otherwise, the party may:

- (a) agree or consent, or not agree or consent, in its sole and absolute discretion; and
- (b) agree or consent subject to conditions.

**17.9 No merger**

No provisions of this document merge on Implementation.

**17.10 Inconsistency with other documents**

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

**17.11 Counterparts**

This document may be executed in counterparts.

**17.12 Electronic signing**

A party may sign electronically a soft copy of this document through DocuSign or other form of electronic signature, and bind itself accordingly. The parties intend that:

- (a) any soft copy so signed will constitute an executed original counterpart, and any print out of the copy with the relevant signatures appearing will also constitute an executed original counterpart; and
- (b) an electronic version or print out of all executed counterparts (whether executed electronically or in hard copy) will constitute a fully executed version of this document.

## SCHEDULE 1

### Timetable

Step	Date	Action
1.	28 March 2021	Sign Scheme Implementation Agreement and announce transaction
2.	19 April 2021	Provide ASIC and Court with draft Scheme Booklet
3.	3 May 2021	<b>First Court Date</b>
4.	10 May 2021	Dispatch Scheme Booklet
5.	10 June 2021	Hold <b>Scheme Meeting</b> and announce results to ASX
6.	17 June 2021	<b>Second Court Date</b> and announce to ASX
7.	18 June 2021	<b>Effective Date</b> File Court order with ASIC and announce to ASX Mortgage Choice securities cease trading at close of trading on ASX
8.	22 June 2021	<b>Record Date</b> for entitlements to Scheme Consideration
9.	29 June 2021	<b>Implementation Date</b> REA issues Scheme Consideration

## SCHEDULE 2

### Capital of Mortgage Choice

1. **MORTGAGE CHOICE SHARES**

Mortgage Choice has 124,997,440 fully paid ordinary shares on issue (including the Mortgage Choice Treasury Shares).

2. **MORTGAGE CHOICE SHARE RIGHTS**

Mortgage Choice has 3,313,458 performance share rights issued to Mortgage Choice employees or other participants to subscribe for fully paid ordinary shares on issue in Mortgage Choice.

3. **MORTGAGE CHOICE TREASURY SHARES**

Mortgage Choice has 765,039 shares held by Pacific Custodians Pty Limited for the purposes of transferring shares to satisfy rights under the Mortgage Choice Share Rights Plan on issue.

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**SCHEDULE 3**

**Scheme of Arrangement (Scheme)**

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## Scheme of Arrangement

Mortgage Choice Limited

ABN 57 009 161 979

The Scheme Shareholders

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## SCHEME OF ARRANGEMENT

### Under section 411 of the Corporations Act

#### BETWEEN:

- (1) Mortgage Choice Limited ABN 57 009 161 979 whose registered office is at Level 10, 100 Pacific Highway, North Sydney NSW 2060 (**Mortgage Choice**); and
- (2) the Scheme Shareholders.

#### BACKGROUND

- (A) Mortgage Choice is a public company incorporated in Australia. Mortgage Choice is registered in New South Wales and is a company limited by shares. Mortgage Choice has its registered office at Level 10, 100 Pacific Highway, North Sydney NSW 2060. Mortgage Choice is admitted to the official list of ASX and the Mortgage Choice Shares are quoted on the stock market conducted by ASX.
- (B) REA Group Limited ABN 54 068 349 066 (**REA**) is a public company incorporated in Australia under the Corporations Act. REA is registered in Victoria and is a company limited by shares. REA has its registered office at 511 Church Street, Richmond VIC 3121. REA is admitted to the official list of ASX and its fully paid ordinary shares are quoted on the stock market conducted by ASX.
- (C) Mortgage Choice and REA have entered into the Scheme Implementation Agreement to facilitate the implementation of the Scheme. The directors of Mortgage Choice have proposed the Scheme to the Mortgage Choice Shareholders and unanimously consider that, subject to no Superior Proposal emerging and subject to the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude), the Scheme is in the best interests of the Mortgage Choice Shareholders.
- (D) REA has executed the Deed Poll under which it covenants in favour of the Mortgage Choice Shareholders to carry out its obligations under the Scheme, including to provide the Scheme Consideration in accordance with the terms of the Scheme.
- (E) If the Scheme becomes Effective:
  - (1) REA will issue the Scheme Consideration in accordance with the terms of this Scheme in consideration of the transfer of the Scheme Shares to REA or the REA Nominee; and
  - (2) all the Scheme Shares will be transferred to REA or the REA Nominee and Mortgage Choice will become a wholly-owned subsidiary of REA or the REA Nominee; and
  - (3) Mortgage Choice will enter REA's name (or the name of the REA Nominee) in the Register as the holder of all Scheme Shares.

#### OPERATIVE PROVISIONS

##### 1. INTERPRETATION

##### 1.1 Definitions

The following definitions apply in this document:

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

**ASX Listing Rules** means the listing rules of ASX.

**ASX Operating Rules** means the operating rules of ASX.

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Australia.

**CHESS** means the clearing house electronic subregister system for the electronic transfer of securities operated by ASX Settlement Pty Limited, which provides for the electronic transfer, settlement and registration of securities.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Supreme Court of New South Wales or such other court of competent jurisdiction under the Corporations Act agreed to in writing by REA and Mortgage Choice.

**Deed Poll** means the deed poll to be executed by REA prior to the First Court Date in favour of the Mortgage Choice Shareholders.

**Effective** means the coming into effect, under section 411(1) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

**Effective Date** means the date on which the Scheme becomes Effective.

**End Date** means 30 September 2021 subject to any extension under clause 3.7 of the Scheme Implementation Agreement, or such other date as Mortgage Choice and REA agree in writing.

**Excluded Share** means a Mortgage Choice Share held by any person on behalf of, or for the benefit of REA or any related body corporate.

**Implementation** means the implementation of the Scheme, on it becoming Effective.

**Implementation Date** means the fifth Business Day after the Record Date, or such other date after the Record Date as Mortgage Choice and REA may agree in writing, may be ordered by the Court or may be required by ASX.

**Mortgage Choice Share** means each fully paid ordinary share in the capital of Mortgage Choice.

**Mortgage Choice Share Registry** means Link Market Services Limited.

**Mortgage Choice Shareholder** means each person who is registered in the Register as a holder of Mortgage Choice Shares.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**REA Nominee** means any wholly-owned subsidiary of REA nominated by REA to acquire Scheme Shares under the Scheme in accordance with clause 2.6 of the Scheme Implementation Agreement.

**Record Date** means 7.00 pm on the day which is two Business Days after the Effective Date, or any other date (after the Effective Date) agreed by REA and Mortgage Choice to be the record date to determine entitlements to receive Scheme Consideration under the Scheme.

**Register** means the register of members of Mortgage Choice maintained under sections 168 and 169 of the Corporations Act.

**Registered Address** means, in relation to a Mortgage Choice Shareholder, the address of the shareholder shown in the Register.

**Scheme** means the scheme of arrangement under Part 5.1 between Mortgage Choice and the Scheme Shareholders, set out in this document, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

**Scheme Consideration** means the consideration to be provided by REA to each Scheme Shareholder for the transfer to REA of each Mortgage Choice Share, being for each Mortgage Choice Share held by a Scheme Shareholder as at the Record Date, an amount of \$1.95.

**Scheme Implementation Agreement** means the Scheme Implementation Agreement between REA and Mortgage Choice dated 28 March 2021 relating to the implementation of the Scheme.

**Scheme Meeting** means the meeting of the Mortgage Choice Shareholders to be convened as ordered by the Court under section 411(1) in relation to the Scheme.

**Scheme Share** means each Mortgage Choice Share on issue as at the Record Date other than the Excluded Shares.

**Scheme Shareholder** means each Mortgage Choice Shareholder, other than the holders of the Excluded Shares, at the Record Date, taking into account registration of all registrable transfers and transmission applications in accordance with clause 4.2.

**Scheme Transfer**, in relation to Scheme Shares, means a proper instrument of transfer of the Scheme Shares.

## 1.2 **Rules for interpreting this document**

Headings and catchwords are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
  - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
  - (ii) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
  - (iii) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.

- (f) The words **officer** and **security interest** have the same meaning as in section 9 of the Corporations Act.
- (g) The expression **related body corporate** has the same meaning given in section 50 of the Corporations Act.
- (h) All references to time in this document are references to Sydney, Australia.
- (i) A reference to **\$** or **dollar** is to Australian currency.

### 1.3 **Non-Business Days**

If the day on or by which a person must do something under this document is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and
- (b) in any other case, the person must do it on or by the previous Business Day.

## 2. **CONDITIONS PRECEDENT**

### 2.1 **Conditions precedent to the Scheme**

The Scheme is conditional upon, and will not become Effective until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00 am on the Second Court Date, all the conditions set out in clause 3.2 of the Scheme Implementation Agreement, other than the conditions in clauses 3.2(d) and 3.2(e), have been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement;
- (b) as at 8.00 am on the Second Court Date, neither the Scheme Implementation Agreement or the Deed Poll have been terminated;
- (c) the Court has made an order under section 411(4)(b) of the Corporations Act approving the Scheme, including with such alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Mortgage Choice and REA (each acting reasonably);
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme as are acceptable to Mortgage Choice and REA (each acting reasonably) have been satisfied; and
- (e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving the Scheme coming into effect, pursuant to section 411(1) of the Corporations Act, on or before the End Date.

### 2.2 **Effective Date**

The Scheme takes effect on the Effective Date. Mortgage Choice must lodge with ASIC an office copy of the order of the Court approving the Scheme under section 411(4)(b) of the Corporations Act and by no later than the day after that copy is received (or any later date agreed in writing by REA).

### 2.3 **End Date**

The Scheme will lapse and be of no effect if the Effective Date has not occurred on or before the End Date.

## 2.4 **Termination of Scheme Implementation Agreement**

Without limiting any rights under the Scheme Implementation Agreement, in the event that the Scheme Implementation Agreement is terminated in accordance with its terms before 8.00 am on the Second Court Date, Mortgage Choice and REA are each released from:

- (a) any further obligation to take steps to implement the Scheme; and
- (b) any liability with respect to the Scheme.

## 3. **THE SCHEME**

### 3.1 **Implementation steps**

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in accordance with the Scheme and REA having provided Mortgage Choice with written confirmation of that having occurred, all the Scheme Shares, together with all rights and entitlements attaching to those shares as at the Implementation Date, will be transferred to REA or the REA Nominee without the need for any further act by any Scheme Shareholder (other than acts performed by Mortgage Choice or its directors and officers as attorney and agent for the Scheme Shareholders under the Scheme) by Mortgage Choice effecting a valid transfer or transfers of the Scheme Shares to REA or the REA Nominee under section 1074D of the Corporations Act or, if that procedure is not available for any reason in respect of any Scheme Shares, by:
  - (i) Mortgage Choice delivering to REA or the REA Nominee for execution duly completed and, if necessary, stamped Scheme Transfers to transfer the Scheme Shares to REA or the REA Nominee, duly executed by Mortgage Choice or any of its directors and officers as the attorney and agent of each Scheme Shareholder as transferor under clauses 5.2 and 5.3;
  - (ii) REA or the REA Nominee executing the Scheme Transfers as transferee and delivering them to Mortgage Choice for registration; and
  - (iii) Mortgage Choice, upon receipt of the Scheme Transfers under subparagraph (ii), entering or procuring the entry of the name and address of REA or the REA Nominee in the Register as the holders of all the Scheme Shares; and
- (b) REA will issue to each Scheme Shareholder the Scheme Consideration for each Mortgage Choice Share held by the Scheme Shareholder, in accordance with and subject to the terms of this Scheme and the Deed Poll.

### 3.2 **Mortgage Choice Shares transferred free from encumbrance**

- (a) To the extent permitted by law, the Mortgage Choice Shares transferred to REA or the REA Nominee under the Scheme will be transferred (subject to Mortgage Choice's constitution) free from all security interests (including mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise).
- (b) Each Scheme Shareholder is deemed to have warranted to REA and, to the extent enforceable, appointed and authorised Mortgage Choice as its agent to warrant to REA that all its Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, as at the time of the transfer of them to REA or the REA Nominee, be fully paid and (subject to Mortgage Choice's constitution) free from all security interests (including mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or

otherwise), and from any restrictions on transfer of any kind, and that it has full power and capacity to sell and to transfer its Scheme Shares (including any rights and entitlements attaching to those shares) to REA or the REA Nominee under the Scheme. Mortgage Choice undertakes in favour of each Scheme Shareholder that it will be taken to have provided such warranty to REA on behalf of the Scheme Shareholder as at the time of transfer of the Scheme Shares.

### 3.3 **REA or the REA Nominee beneficially entitled to Scheme Shares**

REA or the REA Nominee will be beneficially entitled to the Scheme Shares transferred to it under the Scheme pending registration by Mortgage Choice of the name and address of REA or the REA Nominee in the Register as the holder of the Scheme Shares.

### 3.4 **Provision of Scheme Consideration**

- (a) REA must, by no later than two Business Days before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders, into an Australian dollar denominated trust account operated by Mortgage Choice as trustee for the Scheme Shareholders (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to REA's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 3.4(a), Mortgage Choice must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the trust account referred to in clause 3.4(a).
- (c) The obligations of Mortgage Choice under clause 3.4(b) will be satisfied by Mortgage Choice (in its absolute discretion, and despite any election referred to in clause 3.4(c)(i) or authority referred to in clause 3.4(c)(ii) made or given by the Scheme Shareholder):
  - (i) if a Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Mortgage Choice Share Registry to receive dividend payments from Mortgage Choice by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
  - (ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Scheme Shareholder by an appropriate authority from the Scheme Shareholder to Mortgage Choice; or
  - (iii) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepared post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 3.5).

### 3.5 **Joint holders**

In the case of Scheme Shares held in joint names:

- (a) subject to clause 3.4(c), the Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Mortgage Choice, the holder whose name appears first in the Register as at the Record Date or to the joint holders; and

- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Mortgage Choice, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

### 3.6 **Fractional entitlements**

Where the calculation of the Scheme Consideration to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded down to the nearest whole cent.

### 3.7 **Unclaimed monies**

- (a) Mortgage Choice may cancel a cheque issued under clause 3.4 if the cheque:
- (i) is returned to Mortgage Choice; or
  - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Mortgage Choice (or the Mortgage Choice Share Registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), Mortgage Choice must reissue a cheque that was previously cancelled under this clause 3.7.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).
- (d) Any interest or other benefit accruing from the unclaimed Scheme Consideration will be to the benefit of REA.

### 3.8 **Orders of a court or Government Agency**

If written notice is given to Mortgage Choice (or the Mortgage Choice Share Registry) or REA or the REA Nominee of an order or direction made by a court of competent jurisdiction or a Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Mortgage Choice in accordance with clause 3.4, then Mortgage Choice shall be entitled to procure that payment is made in accordance with that order; or
- (b) prevents Mortgage Choice from providing consideration to any particular Scheme Shareholder in accordance with clause 3.4, or the payment of such consideration is otherwise prohibited by applicable law, Mortgage Choice shall be entitled to retain an amount equal to the amount which would otherwise be payable to that Scheme Shareholder until such time as payment in accordance with clause 3.4 is permitted by that order or direction or otherwise by law,

and the payment or retention by Mortgage Choice (or the Mortgage Choice Share Registry) will constitute the full discharge of Mortgage Choice's obligations under clause 3.4 with respect to the amount so paid or retained until, in the case of clause 3.8(b), it is no longer required to be retained.

## 4. **DEALINGS IN MORTGAGE CHOICE SHARES**

### 4.1 **Determination of Scheme Shareholders**

To establish the identity of the persons who are Scheme Shareholders, dealings in Mortgage Choice Shares or other alterations to the Register will be recognised only if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Mortgage Choice Shares as at the Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the Mortgage Choice Share Registry before the Record Date,

and Mortgage Choice will not accept for registration, nor recognise for any purpose (except a transfer to REA or the REA Nominee under this Scheme and any subsequent transfer by REA, the REA Nominee or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

### 4.2 **Mortgage Choice to register transfer and transmission applications**

Mortgage Choice must register registrable transfers and transmission applications of the Scheme Shares that are received in accordance with clause 4.1 before the Record Date provided that, for the avoidance of doubt, nothing in this clause 4.2 requires Mortgage Choice to register a transfer that would result in a Mortgage Choice Shareholder holding a parcel of Mortgage Choice Shares that is less than a 'marketable parcel' (as defined in the ASX Operating Rules).

### 4.3 **Transfers received on or after Record Date not recognised**

If the Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Mortgage Choice shall be entitled to disregard any such disposal.

### 4.4 **Mortgage Choice to maintain Register to determine entitlements**

In order to determine entitlements to the Scheme Consideration, Mortgage Choice must maintain, or procure the maintenance of, the Register in accordance with this clause 4 until the Scheme Consideration has been paid to Scheme Shareholders. The Register in this form will solely determine entitlements to the Scheme Consideration.

### 4.5 **Holding statements no effect from Record Date**

From the Record Date, all holding statements for Scheme Shares will cease to have effect as documents of title (or evidence thereof), and each entry on the Register at the Record Date (other than entries on the Register in respect of any holder of Excluded Shares) will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration.

### 4.6 **Mortgage Choice to provide contact information for Scheme Shareholders**

As soon as practicable after Record Date and in any event at least three Business Days before the Implementation Date, Mortgage Choice will give to REA or procure that REA be given details of the name, Registered Address and the number of Mortgage Choice Shares



held by each Scheme Shareholder, as shown in the Register at the Record Date, in whatever form REA reasonably requires.

#### 4.7 **Suspension of trading**

Mortgage Choice must use its best endeavours to ensure that ASX suspends trading on the ASX in Mortgage Choice Shares with effect from the close of trading on the Effective Date.

#### 4.8 **Mortgage Choice to apply for termination of quotation of Mortgage Choice Shares**

On a date after the Implementation Date to be determined by REA, Mortgage Choice must apply for termination of the official quotation of the Mortgage Choice Shares on the ASX and must apply to have itself removed from the official list of ASX.

### 5. **GENERAL PROVISIONS**

#### 5.1 **Mortgage Choice giving effect to the Scheme**

Mortgage Choice must do anything (including execute any document) that is necessary, expedient or incidental to give full effect to the Scheme and the transactions contemplated by it. Without limiting Mortgage Choice's power under the Scheme, Mortgage Choice has power to do all things that it considers necessary or desirable to give effect to the Scheme and the Scheme Implementation Agreement.

#### 5.2 **Scheme Shareholders' agreements, consents and warranties**

(a) Each Scheme Shareholder:

- (i) irrevocably agrees to the transfer of their Mortgage Choice Shares, together with all rights and entitlements attaching to those Scheme Shares, to REA or the REA Nominee, in accordance with the Scheme;
- (ii) agrees to the variation, cancellation or modification of the rights attached to their Mortgage Choice Shares constituted by or resulting from this Scheme;
- (iii) agrees to, on the direction of REA, destroy any holding statements or share certificates relating to their Mortgage Choice Shares;
- (iv) consents to Mortgage Choice doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, expedient or incidental to Implementation and to give full effect to the Scheme and the transactions contemplated by it and Mortgage Choice, as agent of each Scheme Shareholder, may sub-delegate its functions under this document to any of its directors and officers, jointly and severally; and
- (v) acknowledges and agrees that this Scheme binds Mortgage Choice and all Mortgage Choice Shareholders (including those who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme),

without the need for any further act by the Scheme Shareholder.

(b) Each Scheme Shareholder is taken to have warranted to Mortgage Choice and REA on the Implementation Date, and appointed and authorised Mortgage Choice as its attorney and agent to warrant to REA on the Implementation Date, that:

- (i) all of its Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests')

within the meaning of section 12 of the PPSA) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Scheme Shares to REA or the REA Nominee together with any rights and entitlements attaching to those Scheme Shares;

- (ii) all of its Scheme Shares which are transferred to REA or the REA Nominee under this Scheme will, on the date on which they are transferred to REA or the REA Nominee, be fully paid; and
- (iii) it has full power and capacity to transfer its Scheme Shares to REA or the REA Nominee together with any rights attaching to those Scheme Shares.

Mortgage Choice undertakes that it will provide the warranties in this clause 5.2(b) to REA as agent and attorney of each Scheme Shareholder.

### 5.3 **Title to and rights in Scheme Shares**

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to REA or the REA Nominee will, at the time of transfer of them to REA or the REA Nominee, vest in REA or the REA Nominee free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the PPSA) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 3.4, REA or the REA Nominee will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Mortgage Choice of REA or the REA Nominee in the Register as the holder of the Scheme Shares.

### 5.4 **Appointment of Mortgage Choice as attorney of Scheme Shareholders**

Each Scheme Shareholder without the need for any further act, irrevocably appoints Mortgage Choice and each of its directors and officers, jointly and severally, on and from the Effective Date, as the Scheme Shareholder's attorney and agent,

- (a) to execute any document or do any other act necessary, expedient or incidental to give full effect to the Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or execution and delivery of any Scheme Transfer) under clause 3; and
- (b) to enforce the Deed Poll against REA or the REA Nominee,

and Mortgage Choice accepts such appointment. Mortgage Choice may as agent and attorney of each Scheme Shareholder sub-delegate any of its functions, authorities or powers under this clause to all or any of its directors and officers (jointly, severally, or jointly and severally).

### 5.5 **Appointment of REA as attorney in respect of Scheme Shares**

- (a) From the Implementation Date until REA or the REA Nominee is registered as the holder of all Scheme Shares, each Scheme Shareholder:
  - (i) irrevocably appoints REA as its attorney and agent (and irrevocably appoints REA as its agent and attorney to appoint any of the directors and officers of REA as its attorney and agent) to:

- (A) appoint the chairman of the board of directors of Mortgage Choice and, where applicable, corporate representative to attend shareholders' meetings of Mortgage Choice;
- (B) exercise the votes attaching to the Mortgage Choice Shares registered in the name of the Scheme Shareholder; and
- (C) sign any Mortgage Choice Shareholders' resolution; and
- (ii) must take all other action in the capacity of a registered holder of Scheme Shares as REA reasonably directs.
- (b) From the Implementation Date, no Scheme Shareholder may attend or vote at any shareholders' meetings of Mortgage Choice or sign any Mortgage Choice Shareholders' resolution (whether in person, by proxy or by corporate representative) other than under this clause.

#### 5.6 **Binding effect of Scheme**

The Scheme binds Mortgage Choice and all Mortgage Choice Shareholders from time to time, including those who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme (and, to the extent of any inconsistency, this Scheme overrides Mortgage Choice's constitution).

#### 5.7 **Alteration or condition to Scheme**

If the Court proposes to approve the Scheme subject to any alteration or condition Mortgage Choice may, by its counsel or solicitors, but subject to the prior approval of REA (which may not be unreasonably withheld or delayed), consent on behalf of all persons concerned, including each Scheme Shareholder, to those alterations or conditions.

#### 5.8 **Deed Poll**

Mortgage Choice undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against REA for and on behalf of each Scheme Shareholder.

#### 5.9 **No liability when acting in good faith**

Each Scheme Shareholder agrees that neither Mortgage Choice, REA nor any director, officer or employee of either of them shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

#### 5.10 **Notices**

Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to Mortgage Choice, it will be deemed to be received on the date (if any) on which it is actually received at Mortgage Choice's registered office or Mortgage Choice Share Registry and on no other date.

#### 5.11 **Costs and stamp duty**

- (a) Subject to paragraph (b), Mortgage Choice will pay all the costs of the Scheme.
- (b) REA will pay all stamp duty and any related fines, penalties and other costs in respect of the Scheme (including in connection with the transfer of the Scheme Shares to REA) in accordance with the terms of the Scheme.

5.12 **Governing law**

- (a) This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of the State of New South Wales within the Commonwealth of Australia.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State, and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document. Each party irrevocably waives any right it has to object to any legal process being brought in those courts including any claim that the process has been brought in an inconvenient forum or that those courts do not have jurisdiction.

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For personal use only

**SCHEDULE 4**

**Deed Poll**

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## Deed Poll

REA Group Ltd  
ABN 54 068 349 066

Deed Poll relating to proposed Scheme of  
Arrangement between Mortgage Choice Limited  
and the Scheme Shareholders

## DEED POLL

THIS DEED POLL is made on \_\_\_\_\_ 2021

### BY

**REA Group Ltd** ABN 54 068 349 066 whose registered office is at 511 Church Street, Richmond VIC 3121 (**REA**)

### FOR THE BENEFIT OF

Each holder of fully paid ordinary shares in Mortgage Choice Limited ABN 57 009 161 979 as at the Record Date (**Scheme Shareholder**)

### RECITALS

- (A) Mortgage Choice Limited ABN 57 009 161 979 (**Mortgage Choice**) and REA have entered into a Scheme Implementation Agreement dated 28 March 2021 (the **Scheme Implementation Agreement**).
- (B) Under the Scheme Implementation Agreement, Mortgage Choice has agreed to propose the Scheme, pursuant to which (among other things) the Scheme Shareholders will transfer to REA or the REA Nominee, and REA or the REA Nominee is to acquire, all the Scheme Shares, and REA is to provide the Scheme Consideration to each Scheme Shareholder.
- (C) REA is executing this document to covenant in favour of each Scheme Shareholder to perform the obligations contemplated of it under the Scheme.

### REA DECLARES AS FOLLOWS

#### 1. INTERPRETATION

##### 1.1 Definitions

Words and expressions that are defined in the Scheme Implementation Agreement (other than words and expressions defined in this document) have the same meaning in this document as given to them in the Scheme Implementation Agreement, unless the context makes it clear that a definition is not intended to apply.

##### 1.2 Rules for interpreting this document

The rules in clause 1.2 of the Scheme Implementation Agreement apply in interpreting this document, unless the context makes it clear that a rule is not intended to apply.

#### 2. NATURE OF THIS DOCUMENT

REA acknowledges that:

- (a) this document is a deed poll and may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not parties to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Mortgage Choice and each of its directors and officers, jointly and severally, as its agent and attorney to enforce this document against REA.

### 3. **CONDITION PRECEDENT AND TERMINATION**

#### 3.1 **Condition precedent**

REA's obligations under this document are subject to the Scheme becoming Effective.

#### 3.2 **Termination**

- (a) If the Scheme Implementation Agreement is terminated or the Scheme does not become Effective on or before the End Date, REA's obligations under this document will automatically terminate and the terms of this document will be of no further force or effect, unless REA and Mortgage Choice otherwise agree in writing.
- (b) If this document is terminated pursuant to clause 3.2(a) then, in addition and without prejudice to any other rights, powers or remedies available to it:
  - (i) REA is released from its obligations under this document; and
  - (ii) each Scheme Shareholder retains any rights, powers or remedies it has against REA in respect of any breach of this document which occurred before this document was terminated.

### 4. **REA COVENANT TO COMPLY WITH SCHEME OBLIGATIONS**

Subject to clause 3, in consideration of the transfer of each Scheme Share to REA or the REA Nominee in accordance with the Scheme, REA covenants in favour of each Scheme Shareholder that it will duly and punctually observe and perform all obligations contemplated of it under the Scheme, including:

- (a) all obligations contemplated of it relating to the provision of the Scheme Consideration in accordance with the Scheme; and
- (b) by no later than two Business Days before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Scheme Consideration payable to all Scheme Shareholders, into an Australian dollar denominated trust account operated by Mortgage Choice as trustee for the Scheme Shareholders (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to REA's account).

### 5. **REPRESENTATIONS AND WARRANTIES**

REA represents and warrants in favour of each Scheme Shareholder that:

- (a) **(status)** it is a validly existing corporation under the laws of its place of incorporation;
- (b) **(power)** it has full legal capacity and power to execute this document and to carry out the transactions that this document contemplates;
- (c) **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its execution of this document and its carrying out of the transactions that this document contemplates;
- (d) **(documents effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;
- (e) **(Authorisations)** it holds each Authorisation that is necessary or desirable to:



- (i) enable it to properly execute this document and to carry out the transactions that this document contemplates in accordance with its terms; and
- (ii) ensure that this document is legal, valid, binding and admissible in evidence, and it is complying with any conditions to which any such Authorisation is subject;
- (f) **(no contravention)** neither its execution of this document nor the carrying out by it of the transactions that it contemplates in accordance with its terms, does or will contravene:
- (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
- (ii) any Authorisation held by it;
- (iii) any undertaking or instrument binding on it or any of its property; or
- (iv) its constitution; and
- (g) **(solvent)** it is solvent and not affected by any Insolvency Event.

## 6. **CONTINUING OBLIGATIONS**

This document is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of REA having fully performed its obligations under this document or termination of this document pursuant to clause 3.

## 7. **NOTICES**

### 7.1 **How to give a notice**

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, signed by or on behalf of the person giving it;
- (b) addressed to REA; and
- (c) either delivered or sent by pre-paid mail to REA's address or sent by email.

### 7.2 **When a notice is given**

A notice, consent or other communication that complies with this clause is regarded as given and received:

- (a) if sent by mail, three Business Days after posting; or
- (b) if sent by email, when REA's email system logs the email message as having been received.

### 7.3 **Address for notices**

REA's address is as set out below:

## **REA**

Address: 511 Church St, Richmond VIC 3121  
Email address: tamara.kayser@rea-group.com, with a copy to  
Nicola.Charlston@au.kwm.com  
Attention: Tamara Kayser, General Counsel and Company Secretary

## **8. GENERAL**

### **8.1 Costs and stamp duty**

REA must bear and be responsible for:

- (a) its own costs arising out of the negotiation, preparation and execution of this document; and
- (b) any and all stamp duty (including any related fines or penalties) payable on or in respect of this document, or any transaction contemplated by it (including any transfer of Scheme Shares pursuant to the Scheme), and REA indemnifies each Scheme Shareholder on demand against any liability for any and all such stamp duty.

### **8.2 Amendment**

A provision of this document may not be amended or varied unless:

- (a) before the Second Court Date, the amendment or variation is agreed to in writing by Mortgage Choice (on behalf of each Scheme Shareholder but without the need for Mortgage Choice to refer the amendment or variation to any Scheme Shareholder) and, if required, is approved by the Court; or
- (b) on or after the Second Court Date, the amendment or variation is agreed to in writing by Mortgage Choice (on behalf of each Scheme Shareholder but without the need for Mortgage Choice to refer the amendment or variation to any Scheme Shareholder) and is approved by the Court,

and REA executes a further deed poll in favour of each Scheme Shareholder giving effect to that amendment or variation.

### **8.3 Assignment**

The rights and obligations of REA and of each Scheme Shareholder under this document are personal and, except with the prior written consent of both Mortgage Choice and REA, cannot be assigned, encumbered, charged or otherwise dealt with.

### **8.4 Variation of rights**

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this document. Neither a forbearance to exercise a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this document.

### **8.5 Operation of this document**

- (a) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (b) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document

enforceable, unless this would materially change the intended effect of this document.

8.6 **Governing law**

- (a) This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of the State of New South Wales within the Commonwealth of Australia.
- (b) REA submits to the non-exclusive jurisdiction of the courts of that State, and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document. REA irrevocably waives any right it has to object to any legal process being brought in those courts including any claim that the process has been brought in an inconvenient forum or that those courts do not have jurisdiction.

**EXECUTED** as a deed poll.

**EXECUTED** by **REA GROUP LTD:**

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Signature of director/secretary

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

For personal use only

**EXECUTED** as an agreement.

**EXECUTED** by **MORTGAGE CHOICE LIMITED:**

DocuSigned by:  
*Vicki Allen*  
7B2166D939ED4E8...

Signature of director

Vicki Allen

Name

DocuSigned by:  
  
E2AE5FCD1D614C7...

Signature of director/secretary

Scott Stierli

Name

**EXECUTED** by **REA GROUP LTD:**

DocuSigned by:  
  
37248C047D26493...

Signature of director

Owen Wilson

Name

DocuSigned by:  
*Tamara Kayser*  
96B1E3A8C5914E6...

Signature of director/secretary

Tamara Kayser

Name

For personal use only