



pioneercredit

**ASX Release
26 September 2014
For Immediate Release**

Pioneer Credit Limited Annual General Meeting

The Board of Directors of Pioneer Credit Limited (ASX:PNC) enclose the Notice of Meeting and Explanatory Notes for the Annual General Meeting to be held on 29 October 2014 at 9.00 am (AWST).

About Pioneer Credit

Pioneer is an Australian financial services provider, specialising in acquiring and servicing unsecured retail debt portfolios.

These portfolios consist of people with financial obligations to Pioneer who, as our customers, are the cornerstone of Pioneer's business.

We work closely with our customers who – for a range of reasons – have found themselves in financial difficulty. In a vast majority of cases this has come about through a major life event such as loss of job, significant health issues, marriage breakdown or domestic violence.

A key goal at Pioneer as it works with its customers is to see them progress towards financial recovery, and through this process evolve as a 'new consumer'.

For further information about Pioneer see www.pioneercredit.com.au

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pioneercredit

Pioneer Credit Limited

ABN 44 103 003 505

Notice of Annual General Meeting

Time: 9.00 am (AWST)
Date: Wednesday 29 October 2014
Place: The offices of K&L Gates
Level 32, 44 St Georges Terrace
PERTH, Western Australia, 6000

This Notice of Meeting should be read in its entirety.

If Shareholders are in doubt as to how they should vote they should seek advice from their professional advisors prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9323 5000.



TIME AND PLACE OF MEETING AND HOW TO VOTE

Notice is given that the 2014 Annual General Meeting (**AGM**) of Pioneer Credit Limited (ABN 44 103 003 505) (**Pioneer** or **the Company**) will be held at the offices of K&L Gates, Level 32, 44 St Georges Terrace, Perth, Western Australia, 6000 on 29 October 2014 at 9.00am (AWST).

The Explanatory Statement accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Statement and proxy form are part of this Notice of Meeting.

Conduct of the AGM

We ask that shareholders are courteous and respectful to all persons attending the AGM. We ask that you keep questions to a reasonable length to allow as many people as possible to participate. We ask that you contain questions to matters raised at the AGM and not repeat questions already answered. We also ask that you do not photograph or otherwise record the AGM.

ITEMS OF BUSINESS

1. Financial Report

To receive and consider the Financial Report, the Director's Report and the Independent External Auditor's Report of the Company for the year ended 30 June 2014.

2. Election of Mr Michael Smith, Independent Non-Executive Director (& Chairman)

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

"That Mr Michael Smith, who retires in accordance with clause 6.1(e) of the Company's Constitution, and having offered himself for re-election and being eligible, is elected as an Independent Non-Executive Director of the Company".

3. Election of Mr Rob Bransby, Independent Non-Executive Director

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

"That Mr Rob Bransby, who retires in accordance with clause 6.1(e) of the Company's Constitution, and having offered himself for re-election and being eligible, is elected as an Independent Non-Executive Director of the Company".

4. Election of Ms Anne Templeman-Jones, Independent Non-Executive Director

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

"That Ms Anne Templeman-Jones, who retires in accordance with clause 6.1(e) of the Company's Constitution, and having offered herself for re-election and being eligible, is elected as an Independent Non-Executive Director of the Company".



5. Re-election of Mr Mark Dutton, Non-Executive Director

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That Mr Mark Dutton, who retires in accordance with clause 6.1(f)(B) of the Company’s Constitution, and having offered himself for re-election and being eligible, is re-elected as a Non-Executive Director of the Company”.

6. Remuneration Report

To consider and, if thought fit, to pass the following as an advisory resolution of the Company:

“That, the Company’s Remuneration Report for the financial year ended 30 June 2014 (as set out in the Director’s Report), be adopted.”

Voting Exclusion

A vote on Resolution 6 must not be cast (in any capacity) by or on behalf of:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration is included in the 2014 Remuneration Report; and
- b. a closely related party (such as close family members any controlled companies) (**Closely Related Party**) of such a KMP.

However, such a person may cast a vote on Resolution 6 for a person who is entitled to vote if:

- a. the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- b. the vote is cast by the person chairing the meeting and:
 - i. the appointment does not specify how the proxy is to vote: and
 - ii. the appointment expressly authorises the chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

7. Approval of Pioneer Credit Equity Incentive Plan

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)), section 260C(4) of the Corporations Act 2001 (Cth) and for all other purposes, shareholders approve the issue of securities under the Pioneer Credit Limited Equity Incentive Plan on the terms described in the Explanatory Statement which forms part of the Notice of Meeting.”

Voting Exclusion

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 7 by or on behalf of the Directors and their associates.



However, the Company need not disregard a vote cast on Resolution 7 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

8. Grant of Indeterminate Rights to Mr Keith John under the Pioneer Credit Equity Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant to Mr Keith John, Managing Director, of up to 150,000 Indeterminate Rights for nil financial consideration which, subject to the achievement of performance and vesting conditions, may convert to ordinary shares in the capital of Pioneer Credit Limited on a one-for-one basis, under the Pioneer Credit Limited Equity Incentive Plan, on the terms described in the Explanatory Statement which forms part of this Notice of Meeting.”

Voting Exclusion

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 8 by any Director of the Company and their associates.

However, the Company need not disregard a vote cast on Resolution 8 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board of Directors

Leslie Crockett
Company Secretary
Date 23/09/2014



Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 9.00 am (AWST) on Monday 27 October 2014, being 48 hours before the AGM.

Corporate Representatives

A body corporate who is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements of section 250D of the Corporations Act 2001 (Cth).

The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. You can download and complete the "Appointment of Corporate Representation" form from Pioneer's share registry's website (www.linkmarketservices.com.au).

Shareholder Questions

If you wish a question to be put to the Chairman of the Meeting or Auditor and you are not able to attend the Meeting, please email your question to the Company Secretary at investor_relations@pioneercredit.com.au

To allow time to collate questions and prepare answers, questions are to be received by the Company Secretary by 5:00pm (AWST) Wednesday 22 October 2014.



EXPLANATORY STATEMENT

The Explanatory Statement has been prepared for the information of shareholders of the Company in relation to the business to be conducted at the Company's Meeting to be held on Wednesday 29 October 2014.

The purpose of this Explanatory Statement is to provide shareholders with information that is reasonably required by shareholders to decide how to vote upon the resolutions. The Directors recommend that shareholders read this Explanatory Statement before determining whether or not to support the resolutions.

Resolutions 2, 3, 4, 5, 7 and 8 are ordinary resolutions requiring a simple majority of votes cast in favour by shareholders entitled to vote on the resolution. Resolution 6 is an advisory resolution.

Item 1 – Financial Report

The Financial Report, Director's Report and the Independent Auditor's Report for the year ended 30 June 2014 will be put before the AGM.

Together, the Financial Report, Director's Report and the Independent Auditor's Report constitute the Company's 2014 Annual Report. The Annual Report has been made available to shareholders and published on Pioneer's website (www.pioneercredit.com.au).

The Chairman will give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

Resolution 2 – Election of Mr Michael Smith, Independent Non-Executive Director (& Chairman)

In accordance with clause 6.1(e) of the Company's Constitution, Mr Michael Smith retires as a casual vacancy, and being eligible offers himself for election as a Director of Pioneer.

Mr Smith was appointed the Independent Non-Executive Chairman in February 2014. In addition, he serves as Chairman of the Nomination Committee and the Remuneration Committee and is a Member of the Audit Committee.



Mr Smith is the Managing Director of strategic marketing consultancy firm Black House and is the Chairman of iiNet Limited, the Australian Institute of Company Directors and the Lionel Samson Saddleirs Group. Mr Smith is Deputy Chairman of Automotive Holdings Group and 7-Eleven Stores Pty Ltd. He is also a Board member of Giving West and Creative Partnerships Australia.

Mr Smith is a Fellow of the Australian Institute of Company Directors and holds a Doctor of Letters from the University of Western Australia for his contribution to the business sector and the arts.

The Board (with Mr Smith abstaining) unanimously recommends that shareholders vote in favour of the election of Mr Smith.

Resolution 3 – Election of Mr Rob Bransby, Independent Non-Executive Director

In accordance with clause 6.1(e) of the Company's Constitution, Mr Rob Bransby retires as a casual vacancy, and being eligible offers himself for election as a Director of Pioneer.

Mr Bransby was appointed as an Independent Non-Executive Director in February 2014. In addition, he serves as Chairman of the Audit Committee and is a Member of the Remuneration Committee and the Nomination Committee.

Mr Bransby is the Managing Director of HBF Health Limited which he joined in August 2005 following a 25 year banking career at National Australia Bank. He is a Director of Goldfields Money Limited and is also the President of Private Healthcare Australia.

Mr Bransby is a Senior Fellow of the Financial Services Institute of Australia (FINSIA) and a Fellow of the Australian Institute of Management (AIM)

The Board (with Mr Bransby abstaining) unanimously recommends that shareholders vote in favour of the election of Mr Bransby.

Resolution 4 – Election of Ms Anne Templeman-Jones, Independent Non-Executive Director

In accordance with clause 6.1(e) of the Company's Constitution, Ms Anne Templeman-Jones retires as a casual vacancy, and being eligible offers herself for election as a Director of Pioneer.

Ms Templeman-Jones was appointed as an Independent Non-Executive Director in September 2014.

Ms Templeman-Jones is a Non-Executive Director and Chair of the Audit and Risk Committee of APN News & Media Limited and Cuscal Limited and is also a Non-Executive Director of HBF Health Limited.

Previously, Ms Templeman-Jones was the Head of Private Bank in NSW and ACT, Head of Strategy and Risk for the Pacific Bank operations, Director Group Risk Reward and Director Strategy in Westpac's Institutional Bank. During her career that spans over 30 years, Ms Templeman-Jones has also worked at PricewaterhouseCoopers and Australia and New Zealand Banking Group Limited (ANZ).



Ms Templeman-Jones is a Fellow of the Australian Institute of Company Directors and a member of the Australian Institute of Chartered Accountants. She holds a Bachelor of Commerce from the University of Western Australia, an Executive MBA from the Australian Graduate School of Management and a Masters in Risk Management from the University of New South Wales.

The Board (with Ms Templeman-Jones abstaining) unanimously recommends that shareholders vote in favour of the election of Ms Templeman-Jones.

Resolution 5 - Re-election of Mr Mark Dutton, Non-Executive Director

In accordance with clause 6.1(f)(B) of the Company's Constitution, Mr Mark Dutton retires from office having served for more than 3 years, and being eligible offers himself for re-election as a Director of Pioneer.

Mr Dutton was appointed as a Non-Executive Director in May 2010. In addition, he serves as a Member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr Dutton is a Director at Banksia Capital and is a Non-Executive Director of Mineral Resources Limited. Mr Dutton is a Chartered Accountant and has worked in Audit and Corporate Finance at PricewaterhouseCoopers in the United Kingdom and Russia.

Mr Dutton holds a MA in Management Studies and Natural Sciences from the University of Cambridge.

The Board (with Mr Dutton abstaining) unanimously recommends that shareholders vote in favour of the election of Mr Dutton.

Resolution 6 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act 2001 (Cth), the Board is presenting the Remuneration Report to shareholders for their consideration and adoption by an advisory vote. Although it is an advisory vote, the Board will take the outcome of the vote and shareholder comments into account when determining future remuneration arrangements.

The Remuneration Report is contained in the Annual Report and is available on Pioneer's website (www.pioneercredit.com.au).

Pioneer's remuneration strategy is predicated on providing appropriate remuneration to attract and retain executives and their staff generally, who attain high results and deliver long term results. Our remuneration strategy in relation to non-executive Directors is based on attracting experienced and qualified directors with appropriate insight into corporate governance issues.

Shareholders will have the opportunity to ask questions and comment on the Remuneration Report.

The Board abstains, in the interests of corporate governance from making a recommendation on the adoption of the Remuneration Report.



Resolution 7 – Approval of Pioneer Credit Equity Incentive Plan

Pioneer seeks shareholder approval for the adoption of a Long Term Incentive Plan.

Background

In line with Company's Remuneration Philosophy, the Board believes that an equity-based incentive is a key component of the "at-risk" remuneration arrangements for employees. As such the Directors of the Company seek authorisation to issue Plan Interests under the Pioneer Credit Limited Equity Incentive Plan (the **Plan**) in accordance with ASX Listing Rule 7.2, Exception 9(b) so that any shares issued under the Plan will be excluded from the maximum number of new shares that may be issued by the Company in any 12 month period for a period of three years from the date of approval. The Board considers it desirable to maintain this flexibility so that it may access capital under ASX Listing Rule 7.1 through subsequent issues as required.

The Company is also seeking shareholder approval of the Plan in order that it may obtain the benefit of the exemption in section 260C(4) of the Corporations Act for financial assistance provided under an employee share scheme approved by shareholders.

Purpose for introducing the Plan

The Board believes that in order to attract and retain talented employees and provide at-risk incentives which continues to align Eligible Employees with the Company's strategies, a flexible equity plan should be established to allow the Board to grant different types of performance-based awards depending upon the prevailing circumstances.

Accordingly, the Board has established the Plan. Under the Plan, the Company will be able to grant appropriately structured short-term as well as long-term incentive awards to Eligible Employee (including Executive Directors). The Plan will provide the Board with flexibility to grant equity incentives to Eligible Employees in the form of Plan Shares, Rights or Options, collectively, Plan Interests, which will vest only on the satisfaction of appropriate hurdles.

A copy of the terms and conditions of the Plan is available at the Company's website, <http://www.pioneercredit.com.au>, or by calling the Company Secretary on +61 8 9323 5000.

A summary of the terms of the Plan is set out below.

Key terms of the Plan

The Board is empowered under the Plan terms and conditions to determine the key terms of any Plan Interest allocated under the Plan.

Eligibility

The Plan is open to eligible employees, namely employees and executive directors of the Company (or a subsidiary of the Company) or any other person whom the Board determines to be eligible to participate in the Plan from time to time (**Eligible Employees**).



Participation

Each Eligible Employee who acquires a legal or beneficial interest in a Plan Interest (including the legal personal representative of the person) becomes a '**Participant**' in the Plan.

Invitation

An offer by the Board to acquire a Plan Interest and become a Participant in the Plan will be in such form and subject to such conditions as the Board determines.

The invitation will specify the terms attaching to the offer, including each of the following (as applicable):

- the number of Plan Interests to which the invitation relates;
- the date the Plan Interests will be allotted;
- any amount payable by Eligible Employees to acquire the Plan Interests;
- any exercise price payable by Participants;
- the date which unvested Plan Interests will lapse or expire (**Expiry Date**);
- any conditions that must be satisfied in relation to a Participant's and/or the Company's performance during a specified period (**Performance Conditions**);
- any requirements additional to the Performance Conditions that must be met to release Plan Interests from the Plan (and deliver Shares to Participants) (**Vesting Conditions**);
- any conditions that must be satisfied before a Plan Share can be disposed of by a Participant (**Disposal Restrictions**); and
- any conditions that will result in the forfeiture of a Plan Interest (**Forfeiture Conditions**).

Rights of Participants

Unless Forfeiture Conditions are triggered or the Expiry Date reached, Plan Interests remain subject to the terms and conditions of the Plan until all applicable Performance Conditions, Vesting Conditions and Disposal Restrictions are achieved.

Where Options or Rights have been granted, upon vesting and exercise (as applicable), Participants will receive either a beneficial entitlement to Plan Shares (ie subject to Disposal Restrictions) or a legal and beneficial entitlement to Shares (which are no longer held under the Plan). Plan Shares will rank equally with Shares in respect of dividends and voting entitlements.

Where Rights are granted, depending on the invitation terms specified, the Board may determine in its absolute discretion that a vested Right will be satisfied by the Company making a cash payment to the Participant in lieu of allocating Shares (**Indeterminate Rights**).

Where Options or Rights have been granted, a Participant is not entitled to participate in a new issue of Shares.

A holder of Plan Interests is not entitled to participate in a new issue of Shares or other securities made by the Company to Shareholders merely because he or she holds Options or Performance Rights.



The Company will apply for quotation on the official list of the ASX of the Plan Shares or Shares (as the case may be) or upon the exercise of an Option issued or a vested Performance Right that vests under the Plan. The Company will not seek official quotation by ASX of any Options or Performance Rights.

In the event of a change of control, the Board may give notice to Participants and discretion to deal with the Plan Interests by:

- converting Participants' Performance Rights to Shares whether or not all conditions have been met;
- permitting the exercise of some or all Options whether or not Vesting Conditions have been met; and/or
- removing any Disposal Restrictions attaching to Plan Shares.

Assignment

Plan Interests issued under the Plan are not transferable or assignable.

Administration

The Plan will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to any applicable Listing Rules) in addition to those set out in the Plan.

Termination and amendment

The Plan may be terminated or suspended at any time by the Board but any such suspension or termination will not affect nor prejudice rights of any Participant holding Plan Interests at that time. The Plan may be amended at any time by the Board.

FY2015 Executive Award

In respect of the financial year ending 30 June 2015 and pursuant to shareholder approval, the Board intends to make an offer under the Plan to its senior management team (**FY2015 Executive Award**). The FY2015 Executive Award will be identical in design to the FY2015 Managing Director's Award (described in the Explanatory Statement accompany Resolution 8 (below)) with the exception that Performance Rights are to be offered under the former and Indeterminate Rights will be offered under the later. As such, please refer to the description in the Explanatory Statement accompany Resolution 8 for information about the FY2015 Executive Award, including the Performance Conditions and Vesting Conditions.

Shareholders should note that the total number of Plan Interests that may be offered under the FY2015 Executive Award and the 2015 Managing Director's Award collectively, will not exceed 2% of the issued share capital of the Company.



Further details about the FY2015 Executive Award (and future awards under the Plan) will be contained in the Company's annual Remuneration Report.

Technical Information (for the purposes of the ASX Listing Rules)

As this is the first allocation of securities under the Pioneer Credit Limited Equity Incentive Plan, for the purposes of ASX Listing Rule 7.2 (Exception 9), there have been no securities issued under the scheme previously.

The Board unanimously recommends that shareholders vote in favour of the adoption of the Pioneer Credit Limited Equity Incentive Plan.

Resolution 8 - Grant of Indeterminate Rights to Mr Keith John under the Pioneer Credit Equity Incentive Plan

Resolution 8 seeks Shareholder approval to issue Indeterminate Rights to the Managing Director, Mr Keith John under the terms and conditions of the Pioneer Credit Limited Equity Incentive Plan (the **Plan**).

Pioneer Credit Limited Remuneration Philosophy: General

Background

The Pioneer Credit Limited Board believes that appropriately designed equity based plans are an important component of the Company's remuneration arrangements. Such plans are a key tool to allow the Company to attract and retain talented directors and employees and ensure the interests of directors and employees are aligned with those of Shareholders in creating long-term Shareholder value.

In order to provide a long-term incentive which continues to align employees with the Company's strategies, a flexible equity-based plan has been established to allow the Board to grant different types of performance-based awards depending upon the prevailing circumstances. The Plan has been designed with maximum flexibility to deliver different securities from time-to-time (depending on the participant base) with performance conditions commensurate with the Company's key business drivers at the time of award.

Further information about the Plan is set out in the Explanatory Statement accompanying Resolution 7 (above).

Further information about the Company's remuneration governance and executive remuneration policy and framework is set out the Company's Remuneration Report (part of the 2014 Annual Report).

Grant of Rights in FY2015

As described above, in respect of the financial year ending 30 June 2015 and pursuant to shareholder approval, the Board intends to make an offer under the Plan to its senior management team (**FY2015 Executive Award**) and to its Managing Director, Mr John, under the FY2015 Managing Director's Award.



Following independent advice received by the Pioneer Credit Remuneration Committee, the Board has decided to grant Rights (comprising Performance Rights under the FY2015 Executive Award and Indeterminate Rights under the FY2015 Managing Director's Award) for the following reasons:

- the grant of Rights is in accordance with acceptable market practice;
- the grant of Rights can have a minimal dilutionary effect on the issued share capital of the Company;
- the grant of Rights can reward executives for their performance; and
- vested Rights can create recognisable value to executives, which when granted under transparent and robust performance conditions, containing stretch elements, ensure real Shareholder value creation.

Details about the grant of Indeterminate Rights to Mr John under the FY2015 Managing Director's Award

How many Indeterminate Rights will Mr John receive?

Subject to Shareholder approval, the "Total Available Indeterminate Rights" that may be granted to Mr John is 150,000 Indeterminate Rights. This is the **maximum number** of the Indeterminate Rights that may be granted to Mr John. Subject to sanction by Shareholders, the Board resolved to issue Mr John up to 150,000 Indeterminate Rights as it considers this number to be fair and reasonable and within comparable market parameters having regard to both the Company's size and stage of development and the role and responsibilities expected of Mr John as Managing Director of the Company.

Subject to achievement of the Performance Conditions (described below) during the 12 month period to 30 June 2015, a certain number of Indeterminate Rights will then be granted to Mr John.

These Indeterminate Rights may vest into fully paid ordinary shares in the Company if the Vesting Conditions (described below) are met. Alternatively, if the Vesting Conditions are met, the Board may determine in its absolute and unfettered discretion that a vested Indeterminate Right will be satisfied by the Company making a cash payment to Mr John in lieu of allocating Shares. In such an instance, the cash payment will be equivalent to the number of vested Indeterminate Rights multiplied by the then value of the Company's Share price as traded on the ASX.

Performance Conditions & Vesting Conditions

Performance Conditions

The actual number of Indeterminate Rights which may be granted to Mr John will be determined by reference to achievement of both Target 1 and Target 2 (together the **Performance Condition**) as described below. The two elements comprising the Performance Condition drive each of the Company's financial and individual performance and have been recognised by the Board as part of its business planning as fundamental to the Company's future success and therefore, increasing shareholder value. Performance Conditions for future awards under the Plan will have similar attributes and although not exhaustive are expected be based around financial, operational, share price and individual targets.



- **Target 1 (50% of the Performance Condition):** the financial performance of the Company for the 12 month financial period ending 30 June 2015 of a \$6,600,000 operating profit after taxation as approved by the Board for release to the ASX (in the form of audited financial results).
- **Target 2 (50% of the Performance Condition):** individual assessment against the Company's 'Leadership Principles'. There are six Leadership Principles as follows:
 1. Technical Competence
 2. Clear Communication
 3. Unwavering Passion
 4. Fearless Vision
 5. Unlimited Accessibility
 6. Selfless Loyalty

Further information about the Company's Leadership Principles were set out in section 4.3 of the Company's Prospectus dated 4 April 2014 and are also summarised on the Company's website (www.pioneercredit.com.au).

In respect of assessing Mr John's performance, there is a binary determination in respect of each of the six principles (ie the Company's expectations have either been met or not been met).

Assessment of Mr John's performance against the Leadership Principles will be reviewed by the Remuneration Committee and will be reported to the Board for its approval.

- Together, Target 1 and Target 2 comprise the total "Performance Condition" and are co-dependent.
 - Target 1 acts as the "first gate" in respect of the FY2015 Managing Director's Award – ie Target 1 must be met prior to any Indeterminate Rights are granted to Mr John.
 - Target 2 acts as the "second gate" in respect of the FY2015 Managing Director's Award in that Mr John must also meet the Company's expectation on four or more of the Leadership Principles against which he is assessed prior to any Indeterminate Rights are granted to Mr John.
- Target 1 and Target 2 have an equal weighting as follows:
 - Achievement of Target 1 (and subject to meeting Target 2 conditions): 50% of the Total Available Indeterminate Rights will be delivered as Indeterminate Rights.
 - Achievement of Target 2 (and subject to meeting Target 1 conditions): up to 50% of the Total Available Indeterminate Rights will be delivered as Indeterminate Rights.
- Therefore, if Mr John meets the Company's expectation on:



- four of the Leadership Principles against which he is assessed: four-sixths (66.67%) of the Target 2 Total Available Indeterminate Rights will be delivered as Indeterminate Rights. When coupled with the Target 1 Total Available Indeterminate Rights (100%), Mr John will receive 83.34% of his Total Available Indeterminate Rights as Indeterminate Rights (ie he will receive 125,010 Indeterminate Rights);
- five of the Leadership Principles against which he is assessed: five-sixths (83.33%) of the Target 2 Total Available Indeterminate Rights will be delivered as Indeterminate Rights. When coupled with the Target 1 Total Available Indeterminate Rights (100%), Mr John will receive 91.67% of his Total Available Indeterminate Rights as Indeterminate Rights (ie he will receive 135,505 Indeterminate Rights); or
- all of the Leadership Principles against which he is assessed: all (100%) of the Target 2 Total Available Indeterminate Rights will be delivered as Indeterminate Rights. When coupled with the Target 1 Total Available Indeterminate Rights (100%), Mr John will receive 100% of his Total Available Indeterminate Rights as Indeterminate Rights (ie he will receive 150,000 Indeterminate Rights).

After assessment of the Performance Condition (at the time the Board considers approval of the FY2015 results expected to be in August 2015), the actual number of Indeterminate Rights granted to Mr John will be reported via the Company's lodgment of an Appendix 3Y and will also be described in the Company's 2015 Remuneration Report.

Vesting Conditions

As stated above, one of the reasons that the Company has introduced the Plan is not only to attract and reward key executives, but to retain talented staff. Therefore, the Board has resolved that a tenure based vesting condition is the most appropriate hurdle for current purposes.

Generally, any Indeterminate Rights granted to Mr John will vest under the FY2015 Managing Director's Award in accordance with the following schedule (each a "Vesting Date"):

- 1 July 2017 : 60% Indeterminate Rights will vest;
- 1 July 2018: 25% Indeterminate Rights will vest; and
- 1 July 2019: 15% Indeterminate Rights will vest,

provided Mr John remains employed by the Group at a respective Vesting Date.

Technical Information (for the purposes of the ASX Listing Rules)

Pursuant to the requirements of ASX Listing Rule 10.15, the following information is provided with regard to Resolution 8:

- Mr Keith John is the Managing Director and is an Executive Director of the Company.
- Mr John will be granted up to 150,000 Indeterminate Rights for nil financial consideration which, subject to the achievement of performance conditions, may convert to ordinary shares in the capital of Pioneer Credit Limited on a one-for-one basis. As such up to 150,000 ordinary shares may be allotted to Mr John upon the conversion of vested Indeterminate Rights, for nil financial consideration. Any shares allotted to Mr John may be acquired on



market or issued by Pioneer Credit Limited. Alternatively, should Indeterminate Rights vest, the Board may determine in its absolute discretion that a vested Indeterminate Right will be satisfied by the Company making a cash payment to Mr John in lieu of allocating Shares.

- As this is the first allocation of securities under the Pioneer Credit Limited Equity Incentive Plan, for the purposes of ASX Listing Rule 10.15.4, no person referred to in Listing Rule 10.14 has received any securities under the Plan.
- The Terms and Conditions of the Pioneer Credit Limited Equity Incentive Plan provide that any Director is eligible to participate in particular awards. With respect to the FY2015 Executive Award and FY2015 Managing Director's Award, the only Director who is eligible for participation is the Executive Director, Mr John.
- The Indeterminate Rights will be granted under the terms and conditions of the Pioneer Credit Limited Equity Incentive Plan, the subject of Resolution 7 at this 2014 AGM.
- A Voting Exclusion Statement is set out under Resolution 8 in the Notice of Meeting.
- There is no loan attaching to the offer under the Plan.
- Details of any securities issued under the FY2015 Executive Award and the FY2015 Managing Director's Award will be published in Pioneer Credit Limited's future annual Remuneration Reports, including that approval for this issue of securities was obtained under Listing Rule 10.14.
- The Company is expected to allocate the Indeterminate Rights within one year after the Annual General Meeting (ie after testing of the Performance Condition at the time the Board considers approval of the FY2015 results expected to be in August 2015).

The Board (with Mr John abstaining) unanimously recommends that shareholders vote in favour of granting Indeterminate Rights to Mr Keith John under the Pioneer Credit Equity Incentive Plan.



By mail:
Pioneer Credit Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Pioneer Credit Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **9:00am (AWST) on Wednesday 29 October 2014 at K&L Gates, Level 32, 44 St Georges Terrace, Perth, Western Australia 6000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Items 6, 7 and 8: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intentions below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Items 6, 7 and 8 even though the Items are connected directly or indirectly with the remuneration of a member of the Key Management Personnel of Pioneer Credit Limited.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
Item 2 Election of Mr Michael Smith, Independent Non-Executive Director (& Chairman)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 6 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Election of Mr Rob Bransby, Independent Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 7 Approval of Pioneer Credit Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Election of Ms Anne Templeman-Jones, Independent Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 8 Grant of Indeterminate Rights to Mr Keith John under the Pioneer Credit Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Re-election of Mr Mark Dutton, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy and vote on your behalf.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark with an 'X' in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:00am (AWST) on Monday 27 October 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE >

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



by mail:

Pioneer Credit Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**