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## ASX Announcement

15 November 2017

### **Scheme of arrangement approved by Pepper shareholders and announcement of Special Dividend**

Pepper Group Limited (**Pepper**) shareholders have voted overwhelmingly in favour of the proposed scheme of arrangement under which Red Hot Australia Bidco Pty Ltd, an entity owned by certain funds, clients or accounts managed or advised by KKR Credit Advisors (US) LLC or its affiliates, will acquire all of the ordinary shares in Pepper<sup>1</sup> (**Scheme**). The vote was conducted at the Pepper scheme meeting held in Sydney today.

Pepper shareholders also approved certain amendments to Pepper's Constitution at a general meeting held prior to the scheme meeting.

Pepper will apply to the Federal Court of Australia (**Court**) for approval of the Scheme at a hearing scheduled to take place at 4.15pm (Sydney time) on 20 November 2017.

#### **Special Dividend and Scheme Consideration**

Consistent with the terms of the proposed Scheme, the Pepper Board has determined, subject to approval of the Scheme by the Court and the Scheme taking effect, to pay a fully franked special dividend of 10 cents per Pepper share on those Pepper shares which will be, or will be deemed to be, exchanged for the Cash Consideration under the Scheme and held by Pepper shareholders as at the record date for the Special Dividend, which is scheduled to be 7:00pm (Sydney time) on 23 November 2017 (**Special Dividend**). The Special Dividend will be paid on 4 December 2017.

If the Scheme is approved by the Court and the Scheme takes effect, Pepper shareholders who hold Pepper shares as at the Scheme Record Date (currently proposed to be 7.00pm (Sydney time) on 27 November 2017) will receive the Scheme Consideration (in accordance with the terms of the Scheme, as set out in Annexure C of the Scheme Booklet).

#### **Voting results - Scheme Meeting**

Pepper advises that the resolution to approve the Scheme, as set out in the Notice of Scheme Meeting dated 12 October 2017, was passed by the requisite majorities of Pepper shareholders, with:

- 99.96% of votes cast in favour of the resolution; and
- 97.73% of Pepper shareholders present and voting (either in person or by proxy) in favour of the resolution.

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<sup>1</sup> Except the Retained Pepper Shares the subject of the Retention Option.

The poll report submitted by the returning officer as appointed by Pepper is attached in Annexure A.

The results of the poll were as follows:

	<b>For</b>	<b>Against</b>	<b>Abstain*</b>	<b>Total votes</b>
Votes	159,457,491	65,716	0	159,523,207
Holders	129	3	0	132
Percentage of votes	99.96%	0.04%	0	100%
Percentage of holders	97.73%	2.27%	0	100%

\* Note that votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities.

The proxies received were as follows:

	<b>For</b>	<b>Against</b>	<b>Abstain*</b>	<b>Open</b>	<b>Total votes</b>
Votes	159,095,348	65,715	0	189,315	159,350,378
Holders	122	3	0	6	131
Percentage of votes	99.84%	0.04%	0%	0.12%	100%
Percentage of holders	93.12%	2.29%	0%	4.58%	100%

\* Note that votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities.

### Voting results - General Meeting

Pepper advises that the resolution to approve the amendments to Pepper's Constitution, as set out in the Notice of General Meeting dated 12 October 2017, was passed by the requisite majority of Pepper shareholders, with 99.99% of votes cast in favour of the resolution.

The poll report submitted by the returning officer as appointed by Pepper is attached in Annexure B.

The results of the poll were as follows:

	For	Against	Abstain*	Total votes
Votes	155,867,646	15,715	952	155,884,313
Percentage of votes	99.99%	0.01%	n/a	100%

\* Note that votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities.

The proxies received were as follows:

	For	Against	Abstain*	Open	Total votes
Votes	155,546,446	15,715	952	321,200	155,884,313
Percentage of votes	99.79%	0.01%	n/a	0.20%	100%

\* Note that votes relating to a shareholder who abstains from voting are not counted in determining the requisite majorities.

### Implementation timetable

Implementation of the Scheme and payment of the Special Dividend remains subject to the Court approving the Scheme. A timetable of remaining key dates in relation to the Scheme is set out below.

Date	Event
4.15pm on 20 November 2017	Second Court date for approval of the Scheme
21 November 2017	Effective Date and last day of trading in Pepper Shares on the ASX
7.00pm on 23 November 2017	Special Dividend Record Date (for determining entitlements to the Special Dividend)
7.00pm on 27 November 2017	Scheme Record Date (for determining entitlements to the Scheme Consideration)
28 November 2017	Expected ASX announcement of final election results, including whether any scale back applies
4 December 2017	Implementation Date - expected date for despatch of the Scheme Consideration and payment of the Special Dividend

The above times and dates are references to the time and date in Sydney, Australia and all such times and dates are subject to change. Pepper will announce any changes to the above timetable via ASX.

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## Annexure A

**Pepper Group Limited  
2017 Scheme Meeting  
Wednesday, 15 November 2017  
Voting Results**

The following information is provided in accordance with section 251AA(2) of the Corporations Act 2001 (Cth).

Resolution details		Instructions given to validly appointed proxies (as at proxy close)				Number of votes cast on the poll (where applicable)			Resolution Result
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain	For	Against	Abstain*	Carried / Not Carried
Scheme Resolution	Scheme	Number of Shares				Number of Shares			Carried
		159,095,348 99.84%	65,715 0.04%	189,315 0.12%	0	159,457,491 99.96%	65,715 0.04%	0	
		Number of Holders				Number of Holders			Carried
		122 93.13%	3 2.29%	6 4.58%	0	129 97.73%	3 2.27%	0	

\* Votes cast by a person who abstains on an item are not counted in calculating the required majority on a poll.

## Annexure B

**Pepper Group Limited  
General Meeting  
Wednesday, 15 November 2017  
Voting Results**

The following information is provided in accordance with section 251AA(2) of the Corporations Act 2001 (Cth).

Resolution details		Instructions given to validly appointed proxies (as at proxy close)				Number of votes cast on the poll (where applicable)			Resolution Result
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain	For	Against	Abstain*	Carried / Not Carried
General Meeting Resolution	Special	155,546,446 99.79%	15,715 0.01%	321,200 0.20%	952	155,867,646 99.99%	15,715 0.01%	952	Carried

\* Votes cast by a person who abstains on an item are not counted in calculating the required majority on a poll.