

ASX release

9 March 2022

Placement and Priority Shareholder Offer – Option Terms

Pioneer Credit Limited (ASX: PNC) refers to its announcement today regarding the Placement and Priority Shareholder Offer (the 'Offers').

A copy of the terms of the Options to be issued under the Offers follows.

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About Pioneer

Pioneer Credit is an ASX-listed company (ASX: PNC) providing high quality, flexible, financial services support to help everyday Australians out of financial difficulty. Pioneer Credit has the trust of long-term vendor partners to do the right thing and respectfully support customers to achieve their financial independence.

Pioneer Credit has established a solid foundation to pursue further growth by leveraging its outstanding industry relationships, compliance record and customer-focused culture.

www.pioneercredit.com.au

Option Terms

1. Entitlement

The Company will grant you 1 option for every Share subscribed by you under the Placement (**Grant Date**). Each Option entitles you to subscribe for one Share at the exercise price specified in clause 4, during the Option period specified in clause 3.

2. Issue price

No amount is payable on the issue of the Options.

3. Option period

The Options may be exercised in part or in whole after the issue of the Options. If not exercised, the Options automatically expire at 5.00pm (WST) on 31 March 2025.

4. Exercise price

The exercise price of an Option is \$0.80.

5. Participation rights, bonus issues, rights issues and reorganisations

5.1 Participation

The Optionholder is not entitled to participate in any new issue to existing shareholders of securities in the Company unless they have exercised their Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.

5.2 Bonus issues

Subject to the ASX Listing Rules, if there is a bonus issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

5.3 Pro rata issues

(a) Notice

Each Optionholder will be notified by the Company of any proposed pro rata issue of securities to shareholders 5 business days prior to the record date set for that pro rata issue to give the Optionholder the opportunity to exercise the Options in sufficient time

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to receive, before that record date, Shares issued on the exercise of Options entitling participation in the pro rata issue

(b) Treatment of Options

Subject to the Listing Rules, if there is a pro rata issue (except a bonus issue) to the holders of Shares, the exercise price of an Option will be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N+1}$$

where:

- O' = the exercise price immediately following the adjustment;
- O = the exercise price immediately prior to the adjustment;
- E = the number of Shares into which one Option is exercisable;
- P = the average market price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex rights date or ex entitlements date;
- S = the subscription price for a Share under the pro rata issue;
- D = any dividend due but not yet paid on a Share (except any Share to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

5.4 Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Optionholder (including the number of Options to which the Optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

5.5 Calculations and adjustments

Any calculations or adjustments which are required to be made under clause 5 of these terms will be made by the Board of the Company and will, in the absence of manifest error, be final, conclusive and binding on the Company and the Optionholder.

5.6 Notice of change

The Company must within a reasonable period give to the Optionholder notice of any change under clause 5 of these terms to the exercise price of any Options held by the Optionholder or the number of Shares which the Optionholder is entitled to subscribe for on exercise of an Option.

5.7 Other matters

- (a) An Option does not entitle the Optionholder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (b) An Option does not entitle the Optionholder to any dividends.

- (c) An Option does not entitle the Optionholder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (d) An Option does not entitle the Optionholder to participate in the surplus profits or assets of the Company upon winding up.

6. Method of exercise of Options

6.2 Method and payment

To exercise Options, the Optionholder must give the Company or its share registry, at the same time:

- (a) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Options being exercised and Shares to be issued; and
- (b) payment of the exercise price for the Shares the subject of the exercise notice by in immediately available funds.

6.3 Exercise of Options

- (a) The Optionholder may exercise the Options in part or in whole.
- (b) Options will be deemed to have been exercised on the later of the date the exercise notice is lodged with the directors of the Company and the exercise price for the Shares the subject of the exercise notice is paid to the Company.

6.4 Issue of Shares

Within 5 business days after receiving an application for exercise of Options and payment by the Optionholder of the exercise price, the Company must issue the Optionholder the number of Shares specified in the application.

7. Ranking of Shares issued on exercise of Options

All Shares issued on the exercise of Options rank in all respects (including rights relating to dividends) *pari passu* with the existing Shares at the date of issue.

8. Quotation

- (a) Subject to ASX's quotation requirements including that there is at least 50 holders of Options under these terms and conditions, the Company will apply to the ASX for official quotation of the Options. The Company gives no assurances that such quotation will be granted.
- (b) The Company will apply to ASX Limited for official quotation of the Shares issued on exercise of Options.

9. Transfer

Subject at all times to the Corporations Act, the Listing Rules and the Company's Constitution, following official quotation of the Options the Options will be freely transferable.