

## **RHG Receives Counterproposal from Resimac Syndicate representing an increased cash offer of 49.5 cents per share**

### **Counterproposal from the Resimac Syndicate**

As previously announced to the market on 16 August 2013, RHG received a proposal from Pepper Australia Pty Limited ("Pepper") and Cadence Capital Limited ("CDM") to acquire all of the shares in RHG for a combination of cash and CDM ordinary shares (the "Pepper CDM Proposal").

RHG today announced that it has received a counter proposal from Australian Mortgage Acquisition Company Pty Limited ("AMAC") and Resimac Limited ("Resimac") (together the "Resimac Syndicate") **to acquire all of the issued shares in RHG for cash consideration of 49.5 cents per share** (the "Counterproposal") under the Scheme of Arrangement to be implemented by RHG ("Scheme").

A copy of a media release from Resimac and AMAC that provides an overview of the Counterproposal is attached.

The RHG directors are assessing both the Pepper CDM Proposal and the Counterproposal.

The RHG directors note that both the Pepper CDM Proposal and the Counterproposal involve schemes of arrangement, which are subject to shareholder approval at a scheme meeting. Accordingly, shareholders need not take any steps at this time in response to the proposals.

### **Point of Clarification to CDM Presentation and the Resimac / AMAC media release**

On 20 August 2013, CDM released a presentation to the ASX entitled "CDM/Pepper Scheme to acquire 100% of RHG Ltd". In that presentation, Cadence estimates that RHG can pay a 2.0 cent per share fully franked dividend in October 2013. The attached Resimac and AMAC media release also references that estimate.

Under the MIA proposed by Pepper and CDM, RHG is required to pay a fully franked dividend to the maximum extent possible provided that RHG is not in a franking deficit immediately after the payment of the fully franked dividend.

To clarify both the CDM presentation and the attached Resimac and AMAC media release, RHG expects that the payment of a 2.0 cent per share fully franked dividend in October 2013 will result in RHG being in a franking deficit immediately after paying the fully franked dividend and accordingly does not expect to be in a position to be able to pay a fully franked dividend of 2.0 cents per share in October 2013.

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### **Amendment to the Merger Implementation Deed**

On or about 21 August 2013, RHG entered into an amending deed to the existing Merger Implementation Deed with the Resimac Syndicate. The purpose of the amending deed was to make some minor amendments to the financial assistance resolution and reflect the proposed method of appointing directors to the SPVs. A copy of the amending deed is attached.

### **Media enquiries**

For media enquiries, please contact:  
David Symons (+61 410 559 184)

**Resimac and AMAC increase offer to 49.5c of cash per share**

Resimac Limited ("Resimac") and its transaction partner Australian Mortgage Acquisition Company Pty Limited ("AMAC") confirmed today they have provided RHG Limited ("RHG") with revised terms that **increase the cash consideration of their recommended offer from the previous 48 cents cash per share to 49.5 cents cash per share ("Revised Offer")**.

Resimac and AMAC note the announcement of the proposal by Pepper Australia Pty Limited ("Pepper") and Cadence Capital Limited ("CDM"), (together the "Pepper Syndicate") to acquire RHG Limited ("RHG") through a scheme of arrangement as announced on 16<sup>th</sup> August 2013 ("Pepper Offer"). Resimac and AMAC believe the Revised Offer is a significantly superior proposal as compared to the Pepper Offer due to the following:

- The consideration is 100% cash, providing the highest quality consideration and certainty of proceeds;
- The advanced stage of the transaction will allow the Revised Offer to deliver the consideration to RHG shareholders months in advance of the Pepper Offer ;
- Delivers greater value to RHG Shareholders (the Pepper Offer is worth 49.1c based on CDM closing share price on the 21st August and 48.88c based on CDM NTA as at 30<sup>th</sup> July 2013);
- Provides for equal treatment of all shareholders; and
- Has less conditionality, regulatory risk and market risk, given the Pepper Offer has a scrip component and confers collateral benefits on one shareholder.

Resimac and AMAC would like to highlight the following key elements of the Revised Offer:

- Provides cash of 49.5 cents per share;
- As with the Pepper Offer the Revised Offer permits RHG to pay a fully franked dividend before the Implementation Date to the maximum extent possible as allowed by the available franking credits and the relevant authorities<sup>1</sup>. CDM attributed 0.9c of value to these franking credits in a recent presentation, the same value (if available) will be provided under our Revised Offer ; and
- Resimac and AMAC are willing to work with CDM to structure the offer to allow shareholders who have a preference for CDM shares the ability to receive CDM shares, on a purely optional basis provided this is able to be accommodated without regulatory difficulties and without delay.

Mary Ploughman Executive Director of Resimac said, "Following feedback from RHG shareholders over the course of the last week we are confident that the revised terms we have offered deliver the best outcome for all shareholders. We look forward to the continued support of the RHG Board and working with RHG to complete the transaction in late October"

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<sup>1</sup> Share purchase consideration to be reduced to the extent dividends exceed the current announced 3 cent dividend.

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RESIMAC is a pioneer of residential mortgage backed securities (RMBS) in Australia and a leading non-bank issuer in both domestic and international markets. Including the RHG loan book, Resimac's portfolio will comprise more than 85% prime loans. RESIMAC was the first non-bank issuer to hold an Australian Financial Services Licence and is an unlisted public company. The quality of RESIMAC's operations is demonstrated by the outperformance of its mortgage portfolio as compared to industry peers, as measured by Standard and Poor's arrears reporting, and the 'STRONG' servicer ranking as assessed by Standard and Poor's.

Further enquiries

**Media Adviser**

John Frey  
Cosway Australia  
61 2 9929 8344  
61 411 361 361

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# Deed of Amendment - Merger Implementation Deed

Dated

Australian Mortgage Acquisition Company Pty Limited (ACN 163 867 016) ("**Acquirer**")

Resimac Limited (ACN 002 997 935) ("**Resimac**")

RHG Limited (ABN 22 055 136 564) ("**Target**")

**King & Wood Mallesons**

Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia  
T +61 2 9296 2000  
F +61 2 9296 3999  
DX 113 Sydney  
www.kwm.com  
02-5506-5000

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# Deed of Amendment - Merger Implementation Deed

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# Deed of Amendment - Merger Implementation Deed

## Details

<b>Parties</b>	<b>Acquirer, Resimac and Target</b>	
<b>Acquirer</b>	Name	<b>Australian Mortgage Acquisition Company Pty Limited</b>
	ACN	163 867 016
	Incorporated in	Victoria
<b>Resimac</b>	Name	<b>Resimac Limited</b>
	ACN	002 997 935
	Incorporated in	New South Wales
<b>Target</b>	Name	<b>RHG Limited</b>
	ABN	22 055 136 564
	Incorporated in	Australian Capital Territory
<b>Recitals</b>	A	On 6 July 2013, the parties entered into the Merger Implementation Deed and on 15 July 2013, the parties entered into a deed of amendment with respect to the Merger Implementation Deed.
	B	The parties wish to further amend the Merger Implementation Deed to reflect that the directors of the SPVs may appoint the Acquirer's nominees to the boards of directors of the SPVs, and the consent of BNY Trust Company of Australia Limited in relation to these appointments is not required. These changes affect a condition precedent under the Merger Implementation Deed.
<b>Governing law</b>	New South Wales, Australia	
<b>Date of deed</b>	See Signing page	

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# Deed of Amendment - Merger Implementation Deed

## General terms

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### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the context otherwise requires and save as set out below, capitalised terms in this Deed of Amendment have the meaning given to those terms in the Merger Implementation Deed:

**Merger Implementation Deed** means the merger implementation deed executed by the Target, the Acquirer and Resimac on 6 July 2013 and amended by way of a deed of amendment on 15 July 2013.

#### 1.2 Clauses 1.2 to 1.5 and 20 (where applicable) of the Merger Implementation Deed

Clauses 1.2 to 1.5 and 20 (where applicable) of the Merger Implementation Deed apply to this Deed of Amendment as if set out in full in this deed and as if references in those clauses to "this deed" were to "this Deed of Amendment".

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### 2 Amendments to the Merger Implementation Deed

#### 2.1 Clause 1.1

- (a) The definition of "Financial Assistance Resolution" in clause 1.1 of the Merger implementation Deed is deleted and replaced with:

**"Financial Assistance Resolution** means the resolution put to a general meeting of Target Shareholders under section 260A(1)(b) and 260B of the Corporations Act in respect of payment of amounts by Target and RHGHL directly or indirectly to Acquirer after the Scheme is implemented to assist in the repayment of financing of the Scheme Consideration (and where the Mortgage Asset Acquisition Agreement does not complete within 2 business days after the implementation of the Scheme, the granting of an all assets security by the Target in favour of National Australia Bank Limited (who will provide financing for part of the Scheme Consideration))."

- (b) The following definitions are inserted after the definition of "RHG Mortgage Securities Trust" in clause 1.1 of the Merger implementation Deed:

**"RHGHL** means RHG Home Loans Pty Limited ACN 053 725 741."

**"RHGHL Resolution** means the resolution to be passed by the Target under section 260B of the Corporations Act in respect of payment of amounts by RHGHL directly or indirectly to the Target or the Acquirer after the Scheme is implemented to assist in the repayment of financing of the Scheme Consideration."

#### 2.2 Clause 8.6(b)(ii)

The reference to "BNY to remove the directors of the SPVs and replace them with directors in accordance with the Acquirer's directions" in clause 8.6(b)(ii) of the Merger Implementation Deed is deleted and replaced with "the board of directors of each SPV to appoint directors to the relevant SPV in accordance with

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the Acquirer's directions and procure the resignation of the existing directors of each SPV with effect from the time the Acquirer's nominees are appointed".

### **2.3 Clause 8.6(c)**

The reference to "clause 8.5(b)" in clause 8.6(c) of the Merger Implementation Deed is deleted and replaced with "clause 8.6(b)".

### **2.4 Schedule 2, condition 12(b)**

The reference to "BNY resolves to remove the directors of the SPVs and appoint directors to the SPVs in accordance with the Acquirer's directions" in condition 12(b) in schedule 2 of the Merger Implementation Deed is deleted and replaced with "the board of directors of each SPV resolve to appoint directors to the relevant SPV in accordance with the Acquirer's directions and each existing director of each SPV resigns as a director of the relevant SPV with effect from the time that the Acquirer's nominees are appointed,".

### **2.5 Schedule 4**

The following new item is inserted after item 11 in Schedule 4 of the Merger Implementation Deed:

"**(RHGHL Resolution)** on the day of the Scheme Meeting, immediately after the Target Shareholders pass the Financial Assistance Resolution, pass the RHGHL Resolution and procure that RHGHL gives notice to ASIC of the passage of the RHGHL Resolution (and otherwise complies with the requirements of the Corporations Act in relation to the RHGHL Resolution) and give notice to the Acquirer and Resimac on the day of lodgement with ASIC that this has occurred, on the express basis that the new board of RHG confirm (following implementation of the Scheme and before the financial assistance is provided) that resolution and confirm that the proposed financial assistance will not cause any company in the RHG Group to become insolvent."

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## **3 Remaining provisions unaffected**

Except as specifically amended by this deed, the provisions of the Merger Implementation Deed remain in full force and effect.

**EXECUTED** as a deed

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# Deed of Amendment - Merger Implementation Deed

## Signing page

DATED:

EXECUTED by AUSTRALIAN )  
MORTGAGE ACQUISITION )  
COMPANY PTY LIMITED in )  
accordance with section 127(1) of the )  
Corporations Act 2001 (Cwlth) by )  
authority of its director: )

.....  
Signature of Trevor Loewensohn  
who states that they are the sole  
director and sole company secretary of  
**AUSTRALIAN MORTGAGE  
ACQUISITION COMPANY PTY  
LIMITED**

SIGNED, SEALED AND DELIVERED )  
BY RESIMAC LIMITED by its attorney: )

in the presence of

..... )  
Signature of attorney )

.....  
Signature of witness

..... )  
Name of attorney (block letters) )

.....  
Name of witness

EXECUTED as a deed by RHG )  
LIMITED in accordance with section )  
127(1) of the Corporations Act 2001 )  
(Cwlth) by authority of its directors: )

..... )  
Signature of director )

.....  
Signature of director/company  
secretary\*  
\*delete whichever is not applicable

..... )  
Name of director (block letters) )

.....  
Name of director/company secretary\*  
(block letters)  
\*delete whichever is not applicable

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