

**ASX/MEDIA RELEASE**

**Sydney, 13 February 2017**

**AMENDMENT TO SECURITY TRADING POLICY**

DirectMoney Limited (**DirectMoney, Company**) (ASX: DM1) advises the Board has changed the periods in which Restricted Persons and Associates of a Restricted Person can trade in the Company's securities.

The relevant clause in the Company's Security Trading Policy, now states the following:

*Restricted Persons can only deal in DirectMoney's Securities during the following open **Trading Windows**:*

- (a) From the business day after the release of DirectMoney's half year results to the ASX for six weeks;*
- (b) From the business day after the release of DirectMoney's annual preliminary financial results to the ASX for six weeks;*
- (c) From the business day after DirectMoney's AGM for a period of 30 days; and*
- (d) Any other period designated by the Board.*

*Restricted Persons may deal in DirectMoney Securities during the trading windows subject to complying with insider trading prohibitions (see part 2 above) and the authorisation requirements of this policy.*

*Further, the Board has absolute discretion to place restrictions on some or all Restricted Persons and/or their Associates trading in DirectMoney Securities at any time*

In accordance with Listing Rule 12.10, the revised policy is attached and is effective immediately.

-ENDS-

**For further information please contact:**

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**About DirectMoney Limited**

DirectMoney is a fintech pioneer in the rapidly growing Australian marketplace lending industry. DirectMoney connects borrowers and investors by leveraging technology and partnerships. We offer competitive interest rates and terms on personal loans for borrowers and provide innovative structures for retail and institutional investors to invest in these loans. We strive to deliver Australians better financial choice and improved investment outcomes.

# Security Trading Policy

DirectMoney Limited (ACN 004 661 205) (**DirectMoney** or **Company**)

## 1. Introduction

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### 1.1 Purpose

This policy summarises the law relating to insider trading, considers the perception of insider trading and sets out DirectMoney's trading policy on buying and selling of DirectMoney Securities.

The aim of the policy is to preserve the reputation and integrity of DirectMoney via a framework through which those associated with DirectMoney can deal in the Company's securities, without any actual or perceived wrong doing.

### 1.2 Application of Policy

This policy applies to all employees, directors, alternate directors, officers and contractors of DirectMoney (**Applicable Persons**) including their family and associates.

**Restricted Persons** means:

- (a) Key Management Personnel, including Directors, Company Secretary and those employees directly reporting to the Chief Executive Officer or Managing Director;
- (b) Directors and Company Secretary of any subsidiary of the Company;
- (c) Any person who is entitled to receive equity performance rights and/or options as part of any equity based incentive scheme of the Company; and
- (d) Employees of the Company or of any subsidiary of the Company who are nominated by the Board as Restricted Persons (and who are notified accordingly).

**Associates of a Restricted Person** includes family members, trusts, companies, nominees and other persons over whom a person has, or may be expected to have, investment control or influence.

### 1.3 Further advice

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If you do not understand any aspect of this trading policy, or are uncertain whether it applies to you or your family or associates, please contact the Company Secretary. You may wish to obtain your own legal or financial advice before dealing in DirectMoney Securities.

## **2. General Inside Information Prohibition**

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### **2.1 Application**

If you have Inside Information relating to DirectMoney, the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules prohibit you from trading in DirectMoney Securities.

If you have Inside Information, there is a **General Prohibition** that you cannot:

- (a) Deal in (that is, apply for, acquire or dispose of) DirectMoney Securities or enter into an agreement to do so; or
- (b) Procure another person to deal in DirectMoney Securities or enter into an agreement to do so; or
- (c) Directly or indirectly communicate, or cause to be communicated, that Inside Information to any other person if you know, or ought reasonably to know, that the person would or would be likely to use the information to deal in (or procure another person to deal in) DirectMoney Securities.

These prohibitions also apply to the application for, grant, exercise or transfer of an option over DirectMoney Securities, and to the Securities of other entities if you possess Inside Information about those entities.

It does not matter **how** or in what capacity you become aware of the Inside Information. It does not have to be obtained from DirectMoney to be Inside Information.

You cannot avoid the insider trading prohibition by arranging for a member of your family or a friend to deal in DirectMoney Securities nor may you give “tips” concerning Inside Information relating to DirectMoney to others.

**These prohibitions apply to everyone at all times.**

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**2.2 What is Inside Information?**

**Inside Information** is information about DirectMoney:

- (a) Which is not generally available; and
- (b) If it was generally available, would be likely to have a material effect on the price or value of DirectMoney Securities. It can include matters of speculation or supposition and matters relating to intentions or likely intentions, of a person.

Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in DirectMoney Securities.

Examples of Inside Information could be (this list is not exhaustive):

- (a) The financial performance of DirectMoney against its budget or against forecasts;
- (b) Changes in the actual or anticipated financial condition or business performance of DirectMoney;
- (c) Changes in the capital structure of DirectMoney, including proposals to raise additional equity or borrowings;
- (d) Proposed changes in the nature of the business of DirectMoney;
- (e) Changes to the Board or significant changes in key management personnel;
- (f) An undisclosed significant change in DirectMoney's market share;
- (g) Likely or actual entry into, or loss of, a material contract;
- (h) Material acquisitions or sales of assets by DirectMoney;
- (i) A proposed dividend or other distribution or a change in dividend policy; or
- (j) A material claim against DirectMoney or other unexpected liability.

**2.3 When is information generally available?**

Information is generally available if:

- (a) It consists of readily observable matter or deductions;
- (b) It has been brought to the attention of investors through an announcement to ASX Limited (**ASX**) or otherwise similarly brought

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to the attention of investors who commonly invest in securities, and a reasonable period has elapsed since it was announced or brought to investors' attention; or

- (c) It consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (a) or (b) above.

Examples of possible readily observable matters are:

- (a) A change in legislation which will affect DirectMoney's ability to make certain types of investments; or
- (b) A severe downturn in global securities markets.

## **2.4 Penalties**

Breaching the insider trading laws may subject you to:

- (a) Criminal liability - penalties include heavy fines and imprisonment;
- (b) Civil liability - you can be sued by another party or DirectMoney for any loss suffered as a result of illegal trading activities;
- (c) Civil penalty provisions - the Australian Securities and Investments Commission may seek civil penalties against you and may even seek a court order that you be disqualified from managing a corporation.

Breaching the law, this policy, or both, will also be regarded by DirectMoney as serious conduct that may lead to disciplinary action or dismissal.

## **3. Dealing only permitted during certain Trading Windows**

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Restricted Persons can only deal in DirectMoney's Securities during the following open **Trading Windows**:

- (a) From the business day after the release of DirectMoney's half year results to the ASX for six weeks;
- (b) From the business day after the release of DirectMoney's annual preliminary financial results to the ASX for six weeks;
- (c) From the business day after DirectMoney's AGM for a period of 30 days; and
- (d) Any other period designated by the Board.

Restricted Persons may deal in DirectMoney Securities during the trading windows subject to complying with insider trading prohibitions (see part 2 above) and the authorisation requirements of this policy.

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Further, the Board has absolute discretion to place restrictions on some or all Restricted Persons and/or their Associates trading in DirectMoney Securities at any time.

#### **4. Dealing in Trading Windows**

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##### **4.1 Prior notification and clearance required for dealing in Trading Windows**

If a Restricted Person proposes to deal in DirectMoney Securities (including entering into an agreement to deal) at any time they must **first**:

- (a) Complete a DirectMoney **Personal Trading Approval Form** (Schedule A) of their intention to the **Notification Officer** who is:
  - (i) Chairman of the Board for all directors and alternate directors of DirectMoney (other than the chairman of the Board) and the Company Secretary (or another non-executive director for the Company Secretary);
  - (ii) For the Chairman of the Board, another non-executive director and the Company Secretary; and
  - (iii) Company Secretary for all other Restricted Persons, unless otherwise notified to the relevant Restricted Person; and
- (b) Receive written clearance from the Notification Officer.

The relevant Notification Officer may appoint a delegate to act on his or her behalf in the case of temporary absence.

A clearance by the relevant Notification Officer to a notification from a Restricted Person should be issued within one business day and expires five business days from the date of clearance, unless it specifies a different expiry date.

This clearance is to also be provided to the Company Secretary at the same time to enable monitoring of the trading activity.

A clearance to trade confirms that the proposed dealing by the Restricted Person is within the terms of the trading policy but does not otherwise constitute approval or endorsement by DirectMoney or the Notification Officer for the proposed dealing. Even if a clearance is granted, a Restricted Person remains personally responsible for assessing whether the General Prohibition applies to them.

The Company Secretary keeps a register of notifications and clearances.

##### **4.2 Notification of dealing**

In addition to providing prior notification and seeking clearance, Restricted Persons must confirm in writing to the Company Secretary, as soon as

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reasonably possible and in any event within three business days from when the dealing in DirectMoney Securities has occurred, the number of DirectMoney Securities affected and the relevant parties to the dealing.

The Company Secretary keeps a register of directors' interests in DirectMoney Securities.

**4.3 Securities of other entities**

The Chairman may extend this policy by specifying that Restricted Persons are also restricted from dealing in the securities of other specified entities with which DirectMoney may have a close relationship.

**4.4 Associates**

This policy also applies to Associates of Restricted Persons, except with respect to prior notification, clearance and notification of dealing. A Restricted Person must communicate on behalf of their associate with the Notification Officer for the purposes of this policy.

## **5. Exceptional Circumstances**

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A Restricted Person may request, and the Notification Officer may give, prior confirmation clearance for the Restricted Person to:

- (a) Deal in DirectMoney Securities outside a Trading Window; or
- (b) Dispose of DirectMoney Securities even if otherwise prohibited,

If there are exceptional circumstances (except if this would breach the General Prohibition).

Exceptional circumstances may include:

- (a) Severe financial hardship, for example, a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant DirectMoney Securities;
- (b) Requirements under a court order or court enforceable undertakings or other legal or regulatory requirements; or
- (c) Other exceptional circumstances as determined by the Chairman (or the Chairman of the Audit and Risk Management Committee where the Chairman is involved).

If the Notification Officer has any doubt in making a determination of exceptional circumstances, they should exercise the discretion with caution.

The requirements with respect to prior notification, clearance and notification of dealing under part 4 all continue to apply to a Restricted Person where exceptional circumstances apply.

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## 6. Permitted Dealings

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The following types of dealing may be undertaken at any time without requiring prior notification, approval or confirmation of dealing, subject to the General Prohibition:

- (a) (**superannuation**) transfers of Securities which are already held in a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (b) (**third parties**) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in DirectMoney Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) (**other trustees**) where a Restricted Person is a trustee, trading in DirectMoney Securities by the respective trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the Person;
- (d) (**takeover**) a disposal of DirectMoney Securities arising from the acceptance of, a takeover offer scheme of arrangement or equal access buy-back;
- (e) (**pro rata issue**) a disposal of rights acquired, or an acquisition of DirectMoney Securities, under a pro rata issue;
- (f) (**SPPs and DRPs**) trading under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by DirectMoney Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (g) (**lender disposal**) a disposal of DirectMoney Securities that is the result of a secured lender exercising their rights, however, this does not extend to disposal under any margin lending agreements, where such agreements are prohibited by this policy;
- (h) (**incentive scheme**) the exercise (but not the sale of Securities following exercise) of an option or right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and DirectMoney has been in an exceptionally long Prohibited Period or DirectMoney has had a number of consecutive



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Prohibited Periods and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so; and

- (i) **(bonus issues)** acquiring DirectMoney Securities under a bonus issue made to all holders of DirectMoney Securities of the same class;
- (j) **(no change in beneficial interest)** trading DirectMoney Securities where the trading results in no change in beneficial interest in DirectMoney Securities. However, the requirements of clauses 4.1 and 4.2 must be complied with; and
- (k) **(subscription under disclosure document)** subscribing for DirectMoney Securities under a disclosure document.

Under the insider trading laws, a person who possesses Inside Information may be prohibited from trading even where the trading falls within an exception specified above.

## **7. Further restrictions**

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### **7.1 No margin lending**

Restricted Persons are not permitted to enter into margin lending arrangements in relation to DirectMoney Securities. This is on the grounds that the terms may require DirectMoney Securities to be sold during a Prohibited Period or when the Restricted Person possesses Inside Information.

This restriction does not extend to other funding arrangements where DirectMoney Securities may be included as security. Restricted Persons should consult the Company Secretary if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

### **7.2 No short term or speculative trading**

DirectMoney encourages Restricted Persons to be long-term investors in DirectMoney.

Persons must not engage in short term or speculative trading in DirectMoney Securities or in financial products associated with DirectMoney Securities. Short term is considered to be a 90 day period, meaning that any purchase of securities triggers this minimum holding period and those interests may not be sold.

Restricted Persons are not permitted to engage in short selling of DirectMoney Securities.

### **7.3 No Hedging**

Subject to the law, Restricted Persons must not:

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- (a) Enter into transactions or arrangements with anyone which could have the effect of limiting their exposure to risk relating to an element of their remuneration that:
  - Has not vested; or
  - Has vested but remains subject to a holding lock; or
- (b) Deal *at any time* in financial products associated with DirectMoney Securities, except for a type of dealing permitted by law or a permitted dealing under this policy.

#### **7.4 Meaning of Financial Products**

Financial products includes derivatives, options, warrants, futures, forward contracts, swaps and contracts for difference issued or created over or associated with DirectMoney Securities by third parties.

### **8. Confidential Information**

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You must treat all sensitive, non-public information (**Confidential Information**) about DirectMoney as confidential and belonging to DirectMoney.

You must not disclose Confidential Information to others (including family members, relatives, business or social acquaintances) except as authorised or legally required.

You must avoid inadvertent or indirect disclosure of Confidential Information. Even within DirectMoney, Confidential Information should be distributed to or discussed with others only on a need-to-know basis, and those people must be told that the information is confidential.

Be careful that your conversations are not overheard in elevators, airplanes or other public places. Do not leave Confidential Information on conference tables, desks or otherwise unguarded.

Take whatever steps are reasonably necessary to keep Confidential Information from being disclosed, except as authorised or legally required.

### **9. Policy Awareness**

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To ensure all Applicable Persons are aware of the Company's Security Trading Policy and its contents the Policy will be:

- Be part of the Company's Induction Pack for new employees and Contractors;
- Be available on the Company's website and intranet (if applicable);
- Emails will be sent to Restricted Persons notifying them when trading

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windows are open and closed; and

## **10. Compliance**

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The responsibility of monitoring compliance with this policy will reside with the board. The Company Secretary will bring any abnormalities identified, to the attention of the Board.

## **11. Administration**

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### **11.1. Where can I obtain further information?**

If you require further information or assistance, or are uncertain about the application of this policy or the law, please contact the Company Secretary.

### **11.2. Review and publication of this policy**

The Board will review this policy from time to time. This policy may be amended by resolution of the Board.

A copy of this policy will be available on DirectMoney's website. It will be distributed to all directors, employees and other persons as relevant. Key features will be published in the Corporate Governance Statement.

## **12. Definitions**

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**Applicable Persons** is defined in clause 1.2.

**Associates** is defined in clause 1.2.

**ASX** is defined in clause 2.3.

**Board** means the board of directors of DirectMoney Limited.

**Business day** means a day other than a Saturday, Sunday or public holiday in Australia. **Confidential Information** is defined in clause 8.

**Corporations Act** is defined in clause 2.1.

**Derivative** has the meaning in section 761D of the Corporations Act and includes options, forward contracts, futures, warrants, swaps, caps and collars.

**DirectMoney** means DirectMoney Limited and its controlled entities.

**DirectMoney Securities** means the shares in DirectMoney Limited quoted on the Australian Securities Exchange (**ASX**) and any other Securities issued by DirectMoney.

**General Prohibition** is defined in clause 2.1.

**Inside Information** is defined in clause 2.2.

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**Notification Officer** is defined in clause 4.1.

**Restricted Persons** is defined in clause 1.2.

**Trading Windows** is defined in clause 3.

**Securities** include shares, options, rights, debentures (including convertible notes), interests in a managed investment scheme, derivatives and other financial products covered by section 1042A of this Corporations Act.

**Approved: 25 February 2017**

<b>SCHEDULE A</b>
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**NOTIFICATION OF INTENTION TO TRADE IN DM1 SECURITIES**

**To:** The Company Secretary, DirectMoney Limited

In accordance with DirectMoney Limited's Security Trading Policy, I notify the Company of the following proposed transaction to be undertaken either by me or persons associated with me.

I declare that I do not hold information which:

- is not generally available to the market; and
- would have a material effect on the price of DirectMoney Limited's listed shares if it were generally available to the market.

I know of no reason to prohibit me from trading in DirectMoney Limited's listed shares and certify that the details given below are complete, true and correct.

<b>Name of person:</b>	
<b>Name of holder of shares (if different):</b>	
<b>Approval to buy or sell (specify which):</b>	
<b>Number of securities</b>	
<b>Security</b>  <b>DirectMoney</b>  <b>Other (stock name)</b>	
<b>Likely date of transaction:</b>	
<b>Signature:</b>	
<b>Date and Time:</b>	

**Approval:**

<b>Clearance granted:</b>	Yes / No
<b>Clearance granted by:</b>	
<b>Signature:</b>	

\*Once approved, you have five (5) business days to complete the transaction. If not completed within this timeframe, you will need to seek further approval. Please confirm to the Company Secretary when the transaction is completed, and return completed form to the Company Secretary who will liaise with the Nomination Officer.