

BASPER LIMITED
(TO BE RE-NAMED "DIRECTMONEY LIMITED")

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A.B.N. 80 004 661 205

20 May 2015

Dear Shareholder

SHAREHOLDER MEETING FOR APPROVAL OF DIRECTMONEY ACQUISITION

As previously announced on 24 March 2015, Basper Limited (the **Company**) intends to enter the rapidly growing marketplace lending industry with the acquisition of DirectMoney Pty Ltd (**DirectMoney**) and undertaking of an associated capital raising offer and application to re-commence trading on ASX.

We are pleased to now provide shareholders with a Shareholder Booklet to convene a shareholder meeting to consider the transaction. The meeting will also constitute an Annual General Meeting for the 2014 financial year.

The Shareholder Meeting will be held at 10:00am AEST on Friday 19 June 2015 at the offices of BDO at Level 14, 140 William Street, Melbourne.

Included in this envelope is:

1. **Shareholder Booklet**

The Shareholder Booklet includes the Notice of Annual General Meeting, an Explanatory Statement (explaining the proposed resolutions) and other supporting materials.

2. **Independent Expert's Report**

Hall Chadwick Corporate (NSW) has prepared an Independent Expert's Report in relation to the Transaction (as defined in their report). The Independent Expert has concluded that the Transaction is fair and reasonable to the non-associated shareholders of the Company.

3. **Shareholder Proxy Form**

This form can be used to lodge your vote with the Company ahead of the shareholder meeting or to nominate a representative to attend, and vote, on your behalf.

Shareholders are urged to read the Shareholder Booklet and Independent Expert's Report in full.

If you have any queries regarding any of the enclosed documents, please contact the Company or consult your financial or legal adviser.

Yours faithfully



Winton Willesee
Chairman

**BASPER LIMITED
(TO BE RENAMED “DIRECTMONEY LIMITED”)
ACN 004 661 205**

SHAREHOLDER BOOKLET

**Annual General Meeting (including approval of
DirectMoney acquisition, capital raising and other
related matters)**

TIME: 10:00am (AEST)

DATE: Friday, 19 June 2015

PLACE: BDO, Level 14, 140 William Street, Melbourne

This Booklet should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

All Shareholders should refer to the Independent Expert's Report enclosed with this Booklet.

Should you wish to discuss the matters in this Booklet please contact the Company Secretary, Erlyn Dale on (08) 9389 3100.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Booklet relates (**Meeting**) will be held at 10:00am (AEST) on Friday, 19 June 2015 at the offices of BDO at Level 14, 140 William Street, Melbourne.

DEFINED TERMS

Unless the context requires otherwise, capitalised terms in this Booklet are defined in the Booklet and in the Glossary of terms.

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEST) on Wednesday, 17 June 2015.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

CORPORATE REPRESENTATION

If your holding is registered in a company name and you would like to attend the meeting (and do not intend to return a proxy form) please bring with you to the meeting a duly completed Appointment of Corporate Representative Form (and the original or a certified copy of the power of attorney under which the form is signed (if any)) to enable you to attend and vote at the Meeting.

You can obtain an Appointment of Corporate Representative Form by contacting the Company's share registry as follows:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Telephone: +1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)
Fax: +1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and lodge it with the Company's share registry (together with the original or a certified copy of the power of attorney under which the Proxy Form is signed (if any)) so that it is received **by no later than 10:00am (AEST) on Wednesday, 17 June 2015** using any of the following methods:

In person: Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria Australia 3001.

By mail: Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Australia 3001.

By Fax: +1800 783 447 (within Australia) or +61 3 9473 25 55 (outside Australia).

1. In accordance with section 249L of the Corporations Act, Shareholders are advised that:
 - each Shareholder has a right to appoint a proxy;
 - the proxy need not be a Shareholder; and
 - a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
2. A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on a particular resolution. If an appointment directs the way the proxy is to vote on a particular resolution:
 - if the proxy is the Chair – the proxy must vote on a poll and must vote in the way directed; and
 - if the proxy is not the Chair – the proxy need not vote on a poll, but if the proxy does so, the proxy must vote in the way directed.
3. If a proxy appointment is signed or validly authenticated by the Shareholder but does not name the proxy or proxies in whose favour it is given, the Chair may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the Company secretary.
4. Proxy appointments in favour of the Chair of the meeting, the Company secretary or any Director which do not contain a direction will be voted in support of the resolution.

EXPLANATORY STATEMENT

An Explanatory Statement accompanies and forms part of this Booklet.

All Shareholders should read the entire Explanatory Statement carefully. Shareholders who are in any doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial report of the Company and the reports of the Directors and Auditor for the year ended 30 June 2014.

There is no requirement for Shareholders to approve these reports.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That the Remuneration Report for the year ended 30 June 2014 be adopted.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the Key Management Personnel (whose remuneration is disclosed in the Remuneration Report), and any of their Closely Related Parties; and
- as a proxy by a member of the Key Management Personnel and any of their Closely Related Parties,

unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 1:

- in accordance with their directions of how to vote on the proxy form; or
- by the Chair under the authorisation on the proxy form.

Notes:

- The vote on this Resolution is advisory only and does not bind the Directors or the Company.
- The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.
- If 25% or more of votes cast are against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those meetings on a resolution that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election.

The Chair intends to vote all available proxies in favour of this Resolution.

RESOLUTION 2 – RE-ELECTION OF WINTON WILLESEE

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

“That Mr Winton Willesee be re-elected as a Director of the Company.”

RESOLUTION 3 – RE-ELECTION OF CAMPBELL MCCOMB

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

“That Mr Campbell McComb be re-elected as a Director of the Company.”

RESOLUTION 4 – RE-ELECTION OF ANDREW MCKAY

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

“That Mr Andrew McKay be re-elected as a Director of the Company.”

RESOLUTION 5 – RE-ELECTION OF ROBERT PARTON

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

“That Mr Robert Parton be re-elected as a Director of the Company.”

RESOLUTION 6 – APPOINTMENT OF AUDITOR

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

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO East Coast Partnership, having been nominated by a shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company.”

RESOLUTION 7 - CHANGE TO NATURE AND SCALE OF ACTIVITIES

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

“That, subject to and conditional upon the passing of all Acquisition Resolutions and Completion, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities as described in the Explanatory Statement accompanying this Booklet.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or 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.

RESOLUTION 8 – ISSUE OF SHARES - VENDOR CONSIDERATION SHARES, SHARES IN LIEU OF PROFESSIONAL SERVICES AND PARTICIPATION IN CAPITAL RAISING

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

“That, subject to and conditional on the passing of all Acquisition Resolutions and Completion, for the purposes of ASX Listing Rule 7.1 and in accordance with section 611 (Item 7) of the Corporations Act, the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to:

- (a) 195,800,000 Shares under the Share Sale Agreement to all the Vendors in consideration for the acquisition by the Company of all the securities in DirectMoney pursuant to the Share Sale Agreement;
- (b) 3,809,932 Shares to Liberum Alternative Finance and its directors Simon Atkinson and Cormac Leech in lieu of professional services provided to DirectMoney and the Company in relation to the Capital Raising; and

- (c) up to 17,500,000 Shares to Adcock Private Equity Pty. Limited (**Adcock Private Equity**), up to 100,000 Shares to Amplitudo Pty Ltd (**Amplitudo**) and up to 100,000 Shares to Tatman Pang (**Tatman Pang**) (all being existing DirectMoney securityholders) under the Capital Raising,

including approval for:

- (d) the Vendors and their respective associates thereby acquiring a combined voting power in the Company of up to 83.71%;
- (e) Liberum Alternative Finance and its directors Simon Atkinson and Cormac Leech and their respective associates (including the Vendors) thereby acquiring combined voting power in the Company of up to 83.71%; and
- (f) Adcock Private Equity, Amplitudo and Tatman Pang and their respective associates (including the Vendors) thereby acquiring voting power in the Company of up to 83.71%,

on the terms and conditions set out in the Explanatory Statement accompanying this Booklet.”

Expert’s Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 (Item 7) of the Corporations Act, which accompanies this Booklet. The Independent Expert’s Report comments on the fairness and reasonableness of the transactions the subject of Resolution 8 to the non-associated Shareholders of the Company. The Independent Expert has concluded that the proposed Transaction is **fair and reasonable** to the non-associated Shareholders of the Company.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the Vendors and their respective associates, any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

RESOLUTION 9 – CAPITAL RAISING

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

“That, subject to and conditional on the passing of all Acquisition Resolutions and Completion, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 75,000,000 Shares under the Prospectus at an issue price of \$0.20 per Share to raise up to \$15,000,000 (before costs), on the terms and conditions set out in the Explanatory Statement accompanying this Booklet.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Shareholder who has lodged an application form under the Prospectus for the Capital Raising to be issued by the Company on or around 22 May 2015, or any Shareholder who might obtain a benefit in connection with the Capital Raising, except a benefit solely in the capacity of a holder of ordinary shares, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

RESOLUTION 10 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

“That, subject to and conditional upon the passing of all Acquisition Resolutions and Completion, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to ‘DirectMoney Limited’.”

RESOLUTION 11 – ELECTION OF STEPHEN PORGES

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

“That, subject to and conditional on the passing of all Acquisition Resolutions and Completion, and with effect from the date of Completion, Stephen Porges be elected as a Director of the Company as contemplated by the Share Sale Agreement and for all other purposes.”

RESOLUTION 12 – ELECTION OF CRAIG SWANGER

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, subject to and conditional on the passing of all Acquisition Resolutions and Completion, and with effect from the date of Completion, Craig Swanger be elected as a Director of the Company as contemplated by the Share Sale Agreement and for all other purposes.”

RESOLUTION 13 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS UNDER THE PERFORMANCE RIGHTS PLAN

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

“That, subject to and conditional on the passing of all Acquisition Resolutions and Completion, the following be approved for the purposes of Exception 9 to Listing Rule 7.2 (as an exception to Listing Rule 7.1) and for all other purposes:

- (a) *the establishment and operation of a long term incentive plan to be called the Performance Rights Plan (**Plan**) for the provision of incentives to current and prospective executive and non-executive directors, full time, part time and casual employees and contractors of the Company and any related body corporate of the Company, who the Board determines are eligible to receive Performance Rights (**Participants**); and*
- (b) *the grant of Performance Rights, and the subsequent issue or transfer of Shares to Participants under the Plan upon the vesting of such Performance Rights,*

each as described in the Explanatory Statement accompanying this Booklet.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of such person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

RESOLUTION 14 – APPROVAL OF POTENTIAL TERMINATION BENEFITS UNDER THE PLAN

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

"That, subject to and conditional on the passing of all Acquisition Resolutions and Completion, for the purposes of sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the Company giving benefits under the Plan to a person in connection with that person ceasing to hold a managerial or executive office in the Company (or a related body corporate of the Company) on the terms and conditions as described in the Explanatory Statement accompanying this Booklet."

RESOLUTION 15 – GRANT OF PERFORMANCE RIGHTS TO DIRECTORS AND PROPOSED DIRECTORS

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

"That, subject to and conditional on the passing of all Acquisition Resolutions and Completion in accordance with Listing Rule 10.14, Chapter 2D of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 24,000,000 Performance Rights (and the subsequent issue or transfer of Shares on the vesting of such Performance Rights) to the Directors and Proposed Directors (or their respective nominees), under the Plan as further detailed in the Explanatory Statement accompanying this Booklet."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director or Proposed Director who is eligible to participate in the Plan and, if ASX has expressed an opinion under Listing Rule 10.14.3 that approval is required for participation in the Plan by anyone else, that person, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

DATED: 20 May 2015

BY ORDER OF THE BOARD



Winton Willesee
Chairman

A. EXPLANATORY STATEMENT ON THE ORDINARY BUSINESS OF THE MEETING

This Explanatory Statement sets out further information regarding Resolutions 1 to 6 (inclusive), which relate to the ordinary business of the AGM.

FINANCIAL REPORT AND REPORTS OF THE DIRECTORS AND AUDITORS

This item allows Shareholders the opportunity to consider the financial report, directors' report and auditors' report. Under the Corporations Act the Company is required to lay these three reports that together comprise the Company's annual report before its Shareholders at the Meeting.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on these reports or statements. However, Shareholders will be given the opportunity to raise questions on the reports and statements at the Meeting.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to the:

- (a) conduct of the audit;
- (b) preparation and content of the independent audit report;
- (c) accounting policies adopted in relation to the preparation of the financial statements; and
- (d) independence of the Auditor in relation to the conduct of the audit.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Resolution 1 provides Shareholders the opportunity to vote on the Remuneration Report. Under the Corporations Act, the Company must put the adoption of its remuneration report to a Shareholder vote at the Meeting.

The vote on this Resolution is advisory only and does not bind the Board or the Company.

The Remuneration Report forms part of the director's report within the 2014 annual report.

The Chair will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at this Meeting when reviewing the Company's remuneration policies.

If 25% or more of the votes cast are "against" the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "**Spill Resolution**") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election. The Company encourages all Shareholders to cast their votes on this Resolution. At the 2012 and 2013 annual general meetings, 25% or more votes were cast against the respective remuneration reports and a Spill Resolution was voted on at the 2013 annual general meeting, but it was not carried.

The Directors consider that the remuneration policies adopted by the Company are appropriately structured to provide rewards commensurate with the performance of the Company and the individual. On that basis, the Directors unanimously recommend that Shareholders vote in favour of this advisory Resolution. The Chair intends to vote available proxies in favour of the adoption of the Remuneration Report.

RESOLUTION 2 – RE-ELECTION OF WINTON WILLESEE

Resolution 2 provides for the re-election of Mr Winton Willesee as Director in accordance with Rule 10.3.2 of the Constitution.

Mr Willesee was appointed as Director on 27 October 2014 to fill a casual vacancy on the Board after the resignation of the previous board of directors of the Company. Rule 10.3.2 provides that any Director appointed to fill a casual vacancy holds office until the next annual general meeting and is then eligible for re-election.

A profile of Mr Willesee, including details of his experience, is included on page 5 of the Company's financial report for the year ended 30 June 2014.

Shareholders are advised that if the Acquisition Resolutions are approved, Mr Willesee will resign as Director with effect from Completion under the Share Sale Agreement. See Section 1.5(i)(i) of the Explanatory Statement.

The Directors (other than Mr Willesee who, given his interest in the outcome, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 3 – RE-ELECTION OF CAMPBELL MCCOMB

Resolution 3 provides for the re-election of Mr Campbell McComb as Director in accordance with Rule 10.3.2 of the Constitution.

Mr McComb was appointed as Director on 27 October 2014 to fill a casual vacancy on the Board after the resignation of the previous board of directors of the Company. Rule 10.3.2 provides that any Director appointed to fill a casual vacancy holds office until the next annual general meeting and is then eligible for re-election.

A profile of Mr McComb, including details of his experience, is included on page 6 of the Company's financial report for the year ended 30 June 2014.

Shareholders are advised that if the Acquisition Resolutions are approved, Mr McComb will continue in his position as Director. See Section 1.5(i)(i) of the Explanatory Statement. Details of Mr McComb's proposed remuneration following the Company's re-admission to the official list of ASX are set out in Sections 9.2 and 9.4(b)(i) of this Booklet.

The Directors (other than Mr McComb who, given his interest in the outcome, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 4 – RE-ELECTION OF ANDREW MCKAY

Resolution 4 provides for the re-election of Mr Andrew McKay as Director in accordance with Rule 10.3.2 of the Constitution.

Mr McKay was appointed as Director on 27 October 2014 to fill a casual vacancy on the Board after the resignation of the previous board of directors of the Company. Rule 10.3.2 provides that any Director appointed to fill a casual vacancy holds office until the next annual general meeting and is then eligible for re-election.

A profile of Mr McKay, including details of his experience, is included on page 6 of the Company's financial report for the year ended 30 June 2014.

Shareholders are advised that if the Acquisition Resolutions are approved, Mr McKay will resign as Director with effect from Completion under the Share Sale Agreement. See Section 1.5(i)(i) of the Explanatory Statement.

The Directors (other than Mr McKay who, given his interest in the outcome, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 5 – RE-ELECTION OF ROBERT PARTON

Resolution 5 provides for the re-election of Mr Robert Parton as Director in accordance with Rule 10.3.2 of the Constitution.

Mr Parton was appointed as Director on 27 October 2014 to fill a casual vacancy on the Board after the resignation of the previous board of directors of the Company. Rule 10.3.2 provides that any Director appointed to fill a casual vacancy holds office until the next annual general meeting and is then eligible for re-election.

A profile of Mr Parton, including details of his experience, is included on page 7 of the Company's financial report for the year ended 30 June 2014.

Shareholders are advised that if the Acquisition Resolutions are approved, Mr Parton will resign as Director with effect from Completion under the Share Sale Agreement. See Section 1.5(i)(i) of the Explanatory Statement.

The Directors (other than Mr Parton who, given his interest in the outcome, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

RESOLUTION 6 – APPOINTMENT OF AUDITOR

RSM Bird Cameron, who are the Company's current auditors, have given notice of their intention to resign as auditor of the Company (under section 329(5) of the Corporations Act) subject to receipt of the consent of ASIC and Shareholder approval of this Resolution 6 for the appointment of BDO East Coast Partnership as auditor.

Subject to ASIC consenting to the resignation of RSM Bird Cameron, and RSM Bird Cameron submitting a resignation to the Company, it is proposed that the Company appoint BDO East Coast Partnership as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for BDO East Coast Partnership to be appointed as the Company's auditor. A copy of this nomination is attached to this Booklet as Annexure F.

BDO East Coast Partnership has given its written consent to act as the Company's auditor subject to Shareholder approval of this Resolution 6.

If Resolution 6 is passed, the appointment of BDO East Coast Partnership as the Company's auditor, will take effect at the close of this Meeting.

B. EXPLANATORY STATEMENT ON MATTERS RELATING TO THE ACQUISITION AND CAPITAL RAISING

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the Acquisition and Capital Raising.

Resolutions 7 to 15 (inclusive) are inter-conditional on all of those Resolutions being approved. If any of Resolutions 7 to 15 (inclusive) are not passed, then all of Resolutions 7 to 15 (inclusive) will be taken to have been rejected by Shareholders.

Resolutions 7 to 15 (inclusive) are referred to as **Acquisition Resolutions** throughout this Booklet.

1 BACKGROUND TO PROPOSED ACQUISITION OF DIRECTMONEY

1.1 General background

On 24 March 2015 Basper Limited (ASX Code: BER) (the **Company**) announced that it had executed a binding conditional share sale agreement with the shareholders of DirectMoney Pty Ltd ACN 119 503 221 (**DirectMoney**) (**Share Sale Agreement**) pursuant to which the Company would acquire all of the issued shares in DirectMoney from the shareholders of DirectMoney in consideration for the issue of the Vendor Consideration Shares (**Acquisition**).

A summary of the material terms of the Share Sale Agreement is set out in Section 1.5(i)(i) of this Explanatory Statement.

The shareholders of DirectMoney (together, the **Vendors**) are as set out in Annexure C of this Booklet.

The Vendors also comprise the DirectMoney convertible noteholders (**Noteholders**) who, prior to completion of the Acquisition will have their DirectMoney convertible notes (**Notes**) converted into DirectMoney ordinary shares (on a one-for-one basis) and, on completion of the Acquisition, will receive Vendor Consideration Shares. The Noteholders are as set out in Annexure C of this Booklet.

DirectMoney is a pioneer in the Marketplace Lending industry in Australia.

DirectMoney provides a simple and fast online application process targeted at prime retail borrowers.

Since commencing lending in October 2014, DirectMoney has rapidly grown its presence and has now lent to over 350 borrowers, with a total loan book value of approximately \$6 million.

Section 1.5 of this Explanatory Statement contains more information about DirectMoney and its business.

Subject to Shareholders' approval of the Acquisition Resolutions and subject to the terms of the Share Sale Agreement, including satisfaction or waiver of the conditions precedent summarised in Section 1.5(i)(i), the Company proposes to:

- (a) change the nature and scale of the Company's activities to commence participation in the Marketplace Lending industry via the proposed Acquisition (see Resolution 7);
- (b) issue 195,800,000 Vendor Consideration Shares to the Vendors (including certain related parties of the Company) in consideration for the Acquisition by the Company of 100% of the issued capital in DirectMoney (see Resolution 8). The 195,800,000 Vendor Consideration Shares includes the Vendor Consideration Shares to be issued to Noteholders in consideration for their DirectMoney shares to be issued on conversion of their Notes at completion of the Acquisition as referred to above;

- (c) issue 3,809,932 Shares to Liberum Alternative Finance and its directors Simon Atkinson and Cormac Leech (**LAF Parties**) in lieu of professional services provided to DirectMoney and the Company in relation to the Capital Raising (see Resolution 8 and Section 1.4 below for further details);
- (d) issue up to 17,500,000 Shares to Adcock Private Equity, up to 100,000 Shares to Amplitudo and up to 100,000 Shares to Tatman Pang under the Capital Raising (each existing securityholders of DirectMoney) (see Resolution 8); and
- (e) raise new capital of up to a maximum of \$15,000,000 (before costs) via a prospectus offer by issuing up to 75,000,000 Shares at \$0.20 per Share (**Capital Raising**) (see Resolution 9).

As at the date of this Booklet, the Company understands that no other Vendors (other than Adcock Private Equity, Amplitudo and Tatman Pang – see Resolution 8) intend to participate in the Capital Raising. If this changes prior to the date of the Meeting, the Company will notify Shareholders in an announcement to ASX prior to the date of the Meeting.

Bell Potter Securities is acting as the lead manager and underwriter to the Capital Raising. Bell Potter Securities has also agreed in principle to underwrite the minimum subscription amount under the Capital Raising, which is 50,000,000 Shares to raise up to \$10,000,000. An underwriting agreement is to be finalised in connection with the finalisation and lodgement of the Prospectus which is expected to occur on around Tuesday, 26 May 2015. If agreed, the terms of the underwriting agreement will be summarised in the Prospectus.

In connection with the Acquisition, the Company also proposes to change its name to “DirectMoney Limited” with effect from Completion.

1.2 Existing activities of the Company

The Company was incorporated on 2 May 1966 and was listed on ASX on 16 March 1989. It has operated as a design and manufacture business in the automotive industry.

Following difficult trading conditions, the majority of the Company’s business was sold to a third party in June 2013. A property owned by the Company and certain residual assets were subsequently sold by early 2014. As a result of the sale of these assets, the Company’s shares were suspended from trading on 6 January 2014.

The proceeds of sale were returned to shareholders by way of a capital return in June 2014, and a subsequent dividend in October 2014.

As at the date of this Booklet, the Company has no material assets or liabilities.

In October 2014, a new board of directors was appointed to the Company comprising Winton Willesee as Chairman and Campbell McComb, Andrew McKay and Robert Parton as non-executive directors.

The new board has been aggressively exploring options to realise the value of the corporate shell. On 24 March 2015 the Company was pleased to announce its agreement with DirectMoney to enter into the Transaction and undertake the Offer.

Please refer to the Company’s relevant ASX announcements, including the Company’s annual report lodged on ASX on 12 March 2015 and to the Company’s 31 December 2014 half-yearly report lodged on ASX on 10 April 2015, for further information.

1.3 Change in nature and scale of activities

As stated above, the Company and the Vendors have entered into the Share Sale Agreement, pursuant to which the Company will, subject to Shareholders’ approval of the Acquisition Resolutions and the terms of the Share Sale Agreement, including satisfaction or waiver of the conditions precedent summarised in Section 1.5(i)(i), acquire 100% of the issued share capital of DirectMoney (being 334,047,874 shares).

See Section 2.2 for information on the application of Listing Rule 11.1 (proposed change to nature or scale of activities) to the Acquisition.

1.4 Issue of Shares to the LAF Parties

The LAF Parties and DirectMoney entered into a share option agreement in November 2014 (**Share Option Agreement**) pursuant to which DirectMoney issued each LAF Party an option to acquire the following fully paid ordinary DirectMoney shares, for a total consideration of \$1.00:

- (a) Liberum Alternative Finance – 4,654,000 DirectMoney shares;
- (b) Simon Atkinson – 923,000 DirectMoney shares; and
- (c) Cormac Leech – 923,000 DirectMoney shares,

being a total number of 6,500,000 shares, in lieu of payment for professional services provided by the LAF Parties to DirectMoney in respect of the Capital Raising.

Under the terms of the Share Option Agreement, the LAF Parties are entitled to exercise their respective options, at an option price of \$0.0001 per DirectMoney share, in the event of an initial public offering or rights issue of DirectMoney's shares on a licensed Australian stock exchange, or a reverse take-over, acquisition or similar transaction where the counterparty is listed and quoted on a licensed Australian stock exchange.

The completion of the transactions contemplated by the Acquisition Resolutions would entitle the LAF parties to exercise their Options and be issued with a total of 6,500,000 fully paid ordinary DirectMoney shares as set out above.

However, the LAF Parties and DirectMoney have instead agreed on 16 May 2015 that the LAF Parties will waive their entitlement to exercise their respective options, in return for the LAF Parties being issued with the number of Shares in the Company they would otherwise have been entitled to on completion of the transactions contemplated by the Acquisition Resolutions, had they exercised their respective options prior to such completion occurring. The Company has also consented to this arrangement. See Section 1.5(i)(vi) for some further information.

Accordingly, the LAF Parties will be issued with the following Shares as soon as reasonably practicable after the Completion Date:

- (a) Liberum Alternative Finance – 2,727,912 Shares;
- (b) Simon Atkinson – 541,010 Shares; and
- (c) Cormac Leech – 541,010 Shares.

These Shares may be subject to escrow restrictions pursuant to the Listing Rules.

1.5 About DirectMoney

(a) Overview

DirectMoney is a new entrant in the Marketplace Lending industry.

Since commencing lending in October 2014, DirectMoney has rapidly grown its presence and has now lent to over 350 borrowers, with a total loan book value of approximately \$6 million.

The loans are unsecured loans to personal borrowers who are resident in Australia (**Personal Loans**). The minimum loan amount is \$5,000 and the maximum loan amount is \$35,000 (excluding any loan application fee that may be payable). The average loan amount is between \$10,000 and \$20,000. The loan terms are 3 or 5 years. The loans are targeted at prime retail borrowers. DirectMoney does not target sub-prime or 'payday' borrowers.

As a participant in the Marketplace Lending industry, DirectMoney will primarily act as an intermediary company between borrowers and lenders in relation to the Personal Loans.

DirectMoney originates the Personal Loans. After a short 'warehousing period' (as explained in Section 1.5(e)), at the election of DirectMoney, the Personal Loans will then be on-sold to an in-house retail fund or investment company managed by DirectMoney or other third party institutions (**Loan Investors**).

DirectMoney has recently launched an in-house fund called the 'DirectMoney Personal Loan Fund' for this purpose. The DirectMoney Personal Loan Fund is a registered managed investment scheme. Investors' money is pooled and invested into Personal Loans acquired from DirectMoney.

DirectMoney is also in the process of establishing a private wholesale investment company called 'DirectMoney Marketplace Limited'. DirectMoney intends to seek a listing of DirectMoney Marketplace Limited on ASX in late 2015.

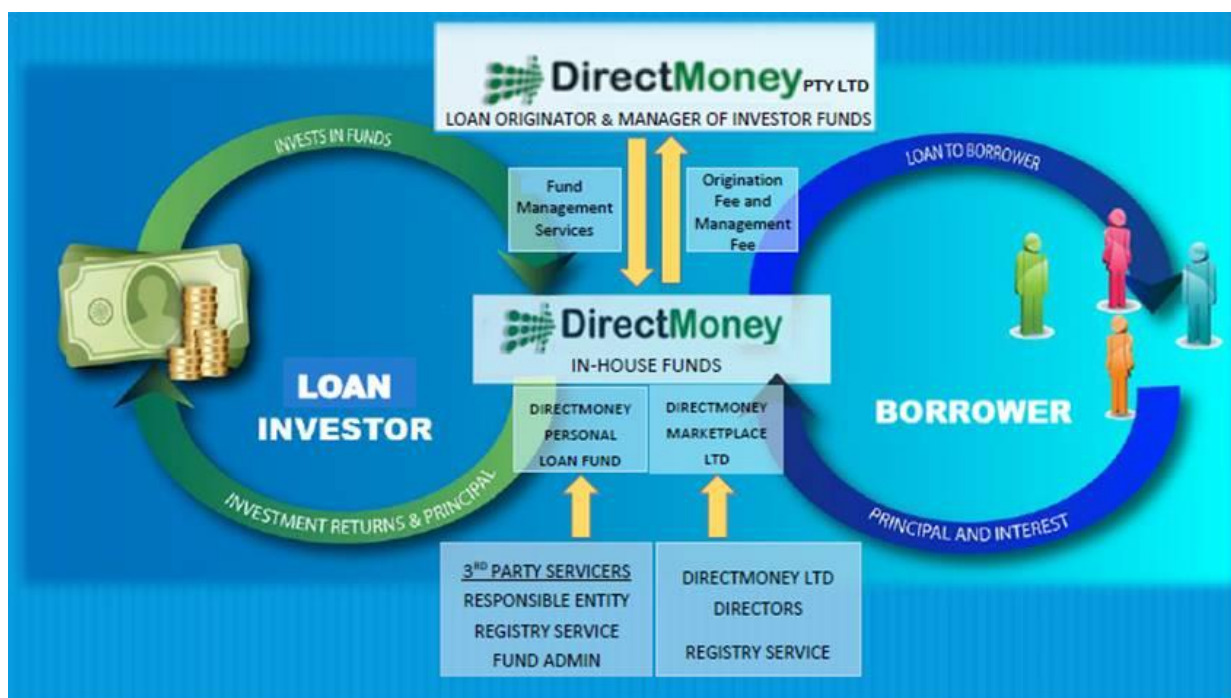
After the warehousing period, and assuming sufficient Loan Investors are available for DirectMoney to on-sell the Personal Loans, the returns and credit risk on the Personal Loans are passed through to the Loan Investors. If insufficient Loan Investors are available, the Personal Loans are kept in the warehouse until such time as Loan Investors are available.

The current loan book of approximately \$6 million is currently held in the DirectMoney warehouse but will be on-sold to Loan Investors as funding becomes available from the Loan Investors.

The redemption profile of the Loan Investors is closely matched to the loan book. DirectMoney earns an origination fee from the borrowers and a fixed management fee for servicing the loans on behalf of the Loan Investors based on the amount of loans under management.

DirectMoney holds an Australian Financial Services Licence and an Australian Credit Licence.

The diagram below demonstrates how DirectMoney will operate its business following completion of the Acquisition and Capital Raising and subsequent re-admission to the official list of ASX:



In the longer term, DirectMoney may seek to expand its business to also cover home mortgages, small business loans and other finance products to borrowers. However, DirectMoney will always focus on operating in Marketplace Lending and so, subject to the loan warehouse, will primarily only act as an intermediary in relation to these products.

(b) Background on the Marketplace Lending industry

Marketplace Lending is a new financial services model operated by intermediary companies (such as DirectMoney) which originate consumer loans funded by Loan Investors.

The intermediary company does not borrow to lend and instead acts as a fund manager earning an origination fee from borrowers and a fixed management fee for servicing the loans on behalf of the Loan Investors. Credit risk is assumed by the Loan Investors and the redemption profile of the Loan Investors is closely matched to the loan book. Loan Investors generally earn higher rates of return compared to bank deposits because of the low capital requirements and cost-efficient technology used by intermediary companies.

Marketplace Lending is an improved version of peer-to-peer lending, which is an older industry model with several disadvantages, including the risk of being substantially exposed as an investor to a single loan and the effort required for investors to match their funds with individual borrowers. The in-house retail funds to be managed by DirectMoney are structured such that money is pooled and invested in a portfolio of Personal Loans written by DirectMoney, so an individual investor is not exposed to a single loan, as is normally the case with traditional peer-to-peer lenders.

The Australian Bureau of Statistics reports that around \$4 billion in personal loans are approved each month in Australia.

The personal loan market is highly profitable for Australian banks. Australian banks are among the world's most profitable banks with personal loans on average representing 3% of assets and 16% of profits.

DirectMoney believes that a significant opportunity exists to use disruptive technology to undercut the higher margins between current bank deposit rates of 2% to 3% and bank personal loan rates of around 14% in Australia.

Similar market conditions in the United States are driving significant growth in Marketplace Lending and peer-to-peer lending.

Marketplace Lending is disrupting banking by using internet and cloud technology to directly connect borrowers with investors and provide better value for all parties.

DirectMoney understands that there is currently only one Australian peer-to-peer lender and two European-based lenders competing with banks in Australia. DirectMoney does not compete in pay day lending, which is a separate small market.

(c) Personal Loans

DirectMoney writes unsecured Personal Loans.

The Personal Loans are written through DirectMoney's online lending platform or approved credit process.

DirectMoney has already invested significant capital to establish and refine its intellectual property, systems and licences for its online lending platform.

DirectMoney can provide online same working day approval and settlement for approved borrowers.

All Personal Loans have a fixed monthly repayment consisting of principal and interest amounts, such that by the end of a loan's term it must be fully repaid. A loan may be repaid early by the borrower without penalty.

DirectMoney lends relatively small amounts to a large number of borrowers who satisfy DirectMoney's minimum credit score requirements.

The minimum loan amount is \$5,000 and the maximum loan amount is \$35,000 (excluding any loan application fee that may be payable). The average loan amount is between \$10,000 and \$20,000. The loan terms are 3 or 5 years.

The minimum and maximum loan amounts and other loan terms may be changed by DirectMoney at its discretion and notice of any change will be provided at www.directmoney.com.au.

A potential borrower must satisfy DirectMoney's credit policy's requirements. Amongst other things, a potential borrower must demonstrate a good credit record, a history of stable employment and sufficient disposable income to meet loan commitments before they are approved for a loan.

DirectMoney uses a scoring methodology to assess the creditworthiness of individual borrowers during the assessment of their application for a loan and the interest rate offered to each borrower reflects their score. DirectMoney will only lend to borrowers who meet a minimum credit score requirement.

(d) **Marketing**

The DirectMoney marketing team has extensive experience in digital marketing gained from leading eCommerce companies, banks and financial services companies.

The marketing team will target borrowers aged over 21 years old with good employment and a sound credit history. DirectMoney targets borrowers seeking loans for credit card consolidation, home improvement, pools, travel, weddings, medical, education, solar panels and other expenses.

The marketing team will conduct a multi-channel strategy with multiple test and refine campaign experiments. A data driven approach will be taken where campaign experiments are monitored, evaluated, improved, and expanded where successful. Channels to be used include search engine optimisation, paid search engine advertising, direct email, social media and affiliates. DirectMoney also expects to list its Personal Loan product on comparison ratings sites.

DirectMoney also intends to target multiple partnering opportunities with established branded vendors of products suitable for funding with personal loans or introducing borrowers such as mortgage brokers, credit unions, building societies, health providers and insurers, general insurers, car dealers, credit bureaus, travel vendors, schools and wedding venues. Partnering with established brands will lower customer acquisition costs, increase credit quality and enhance DirectMoney's brand image and exposure.

DirectMoney marketing will be guided by a trial and measurement approach and media spending will be committed after trial campaigns have met ROI targets. A comprehensive database is being integrated into the DirectMoney website infrastructure to track inbound calls, correspondence, online ad impressions, rollovers, click-throughs, conversions, customer acquisition cost and customer lifetime value. This detailed measurement approach will enable continuous fine tuning of marketing campaigns.

(e) **Loan Warehouse**

DirectMoney has established an innovative structure to assist with its Marketplace Lending platform called a **Loan Warehouse**.

In the same way that supermarkets keep a stock of goods available to meet demand at various times and in varying amounts, DirectMoney maintains funding in a Loan Warehouse to enable it to immediately write Personal Loans to suitably qualified borrowers as soon as their credit is approved.

DirectMoney intends to fund its Loan Warehouse with equity in keeping with its policy of zero leverage on its lending platform.¹

A significant proportion of the proceeds of the Capital Raising are to be used for the purposes of funding the Loan Warehouse as referred to in section 1.9. The increased size of the Loan Warehouse following the Capital Raising is expected to give DirectMoney the ability to significantly increase the number of loans written to borrowers.

After each loan is written, it will be held in the Loan Warehouse for a minimum 'warehousing period' until the borrower has paid their first repayment under the loan (which is 30 days from the date of settlement of the loan). This is to determine that the borrower is bona fides and not a fraudulent applicant. Based on operational experience, DirectMoney considers that the likelihood of a borrower being fraudulent is significantly reduced if the first repayment is received.

After the warehousing period, at the election of DirectMoney, loans will then be on-sold to an in-house retail fund or investment company managed by DirectMoney or other third party institutions (**Loan Investor**). See section 1.5(f) for further information.

After the warehousing period, and assuming sufficient Loan Investors are available to on-sell the Personal Loans, the returns and credit risk on the Personal Loans are passed through to the Loan Investors. If insufficient Loan Investors are available, the Personal Loans are kept in the warehouse until such time as Loan Investors are available.

The current loan book of approximately \$6 million is currently held in the DirectMoney warehouse but will be on-sold to Loan Investors as funding becomes available from the Loan Investors. For such time as the loans are held in the Loan Warehouse and not sold to the Loan Investors, the returns and credit risk on the loans are to the account of DirectMoney only.

(f) **Loan Investors**

Under the Marketplace Lending model to be operated by DirectMoney, after the short 'warehousing period' referred to in Section 1.5(e) above, DirectMoney intends to on-sell any Personal Loans it originates to an in-house retail fund or investment company managed by DirectMoney or other third party institutions (**Loan Investors**).

Details of the Loan Investors to whom DirectMoney intends to sell Personal Loans are set out below.

The decision on which Loan Investor to sell loans to, and the value of loans to be sold, is at the discretion of DirectMoney in all cases, and will be determined by DirectMoney according to which Loan Investor has the capacity to purchase the Personal Loans at the relevant time and any other relevant considerations.

DirectMoney will sell Personal Loans to these entities, and in the case of in-house Loan Investors which it establishes such as the DirectMoney Personal Loan Fund and DirectMoney Marketplace Limited described below, it has entered into arrangements to manage these entities and the Personal Loans they acquire in exchange for certain fees and charges payable to DirectMoney and its subsidiaries.

¹ DirectMoney does not currently have any debt on its balance sheet at the date of this Booklet other than a secured loan from an existing DirectMoney shareholder, Greig Holdings Pty Limited ACN 105 872 302 (**Greig Holdings**) of \$2 million (**Secured Loan**). Under a Deed of Confirmation and Security dated 15 May 2015, DirectMoney and Greig Holdings have agreed that the Secured Loan will be repaid by DirectMoney in full on 15 June 2015. On repayment of the loan, the security in respect of the Secured Loan (which is security over \$2 million of Personal Loans held by DirectMoney) will be released. DirectMoney intends to repay the Secured Loan with the proceeds of funds anticipated to be received from the sale of Personal Loans to the DirectMoney Personal Loan Fund, DirectMoney Marketplace Limited and other third party institutions if necessary prior to 15 June 2015. The effect of this transaction is that the Loan Warehouse and DirectMoney and its subsidiaries will not have any debt on their balance sheet as at the Re-admission Date. Please see Section 1.5(i)(iii) below for further details.

DirectMoney Personal Loan Fund

DirectMoney has recently launched an in-house fund to investors called the 'DirectMoney Personal Loan Fund'.

The DirectMoney Personal Loan Fund is a registered managed investment scheme (ARSN 602 325 628).

Investors' money is pooled and invested into Personal Loans acquired from DirectMoney. As at the date of this Booklet there are funds of approximately \$125,000 invested in the DirectMoney Personal Loan Fund. DirectMoney expects that more substantial investments for the DirectMoney Personal Loan Fund will be received from investors shortly.

DirectMoney has entered into a Loan Sale and Servicing Deed with the DirectMoney Personal Loan Fund under which it is entitled to on-sell Personal Loans written by DirectMoney to the DirectMoney Personal Loan Fund (**Loan Investments**).

DirectMoney will earn an origination fee from the borrower under each loan and a fixed management fee for servicing the loans on behalf of the DirectMoney Personal Loan Fund based on the total volume of loans under management (see below and Section 1.5(i) for further information).

The purpose of the DirectMoney Personal Loan Fund is to provide investors with monthly income distributions and a rate of return higher than the rate of return paid by banks on savings and deposit accounts.

The DirectMoney Personal Loan Fund will not borrow. The only funds used by the DirectMoney Personal Loan Fund to acquire Personal Loans from DirectMoney will be from funds invested by investors.

Structure of the DirectMoney Personal Loan Fund

The DirectMoney Personal Loan Fund has an independent responsible entity, One Managed Investment Funds Limited (AFSL 297042) (**Responsible Entity**). One Managed Investment Funds Limited, is a subsidiary of the One Investment Group (**OIG**), which is an independent Australian funds management business. OIG's licensed entities are currently appointed to over 100 trustee roles. The total value of assets for which OIG licensed entities act as trustee is in excess of \$6 billion.

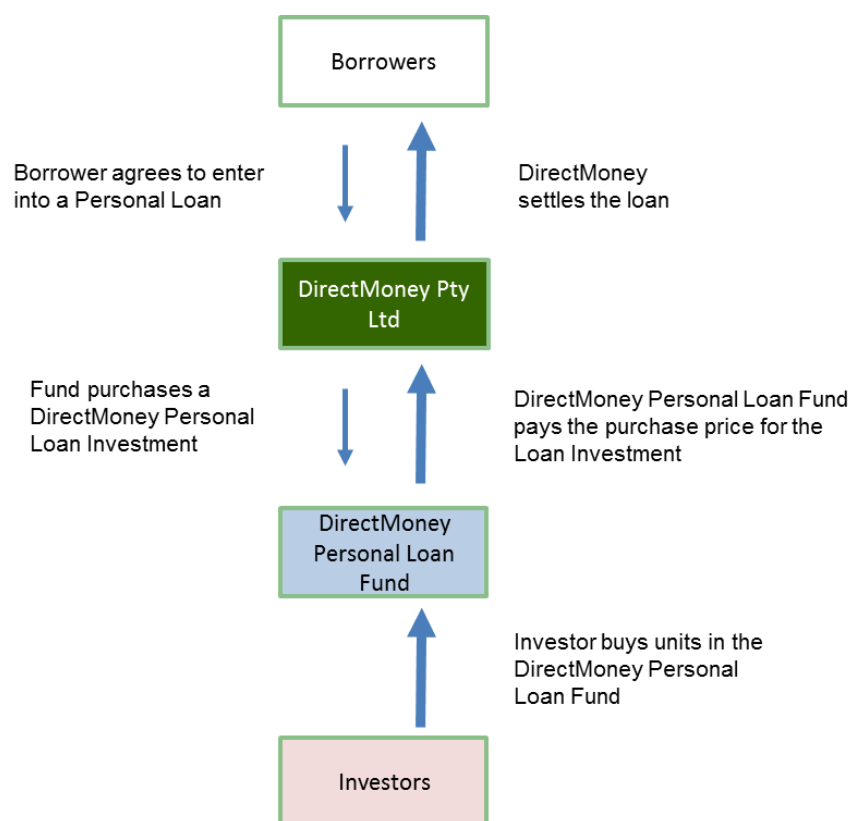
A wholly-owned subsidiary of DirectMoney, DirectMoney Investment Management Pty Ltd (**Investment Manager**) has been appointed by the Responsible Entity as the investment manager of DirectMoney Personal Loan Fund pursuant to an Investment Management Agreement, and is responsible for the day-to-day management of the DirectMoney Personal Loan Fund's investments.

Another wholly-owned subsidiary of DirectMoney, DirectMoney Loans Servicing Pty Ltd (**Servicer**), is responsible for monitoring and servicing Loan Investments, ensuring that borrowers make repayments on time and following up on late payments from borrowers. Finally, another wholly-owned subsidiary of DirectMoney, DirectMoney Credit Management Pty Ltd, (**Credit Manager**) is responsible for holding, operating and maintaining the Loan Investment Account (see below).

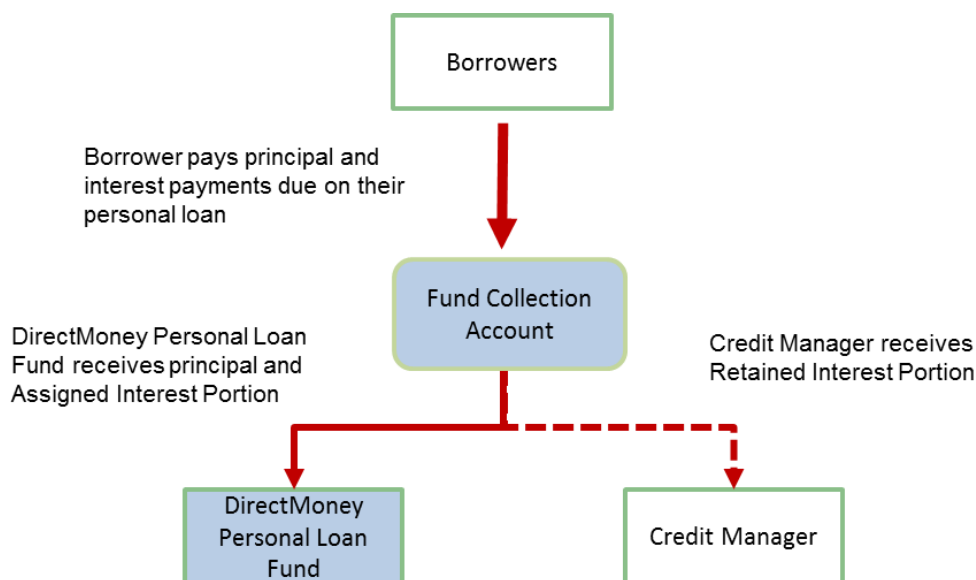
When the DirectMoney Personal Loan Fund acquires a Loan Investment it will pay DirectMoney no more than the principal amount remaining on the loan as at the sale date plus the interest accrued on the loan since the last monthly repayment date.

The DirectMoney Personal Loan Fund is then entitled to receive all of the principal repayments and a portion of the monthly interest repayments made by borrowers on loans made by DirectMoney.

The proposed flow of loan sales from DirectMoney to the DirectMoney Personal Loan Fund is as follows:



The proposed flow of loan payments from borrowers to the Fund is as shown below:



The portion of the monthly interest payments that the DirectMoney Personal Loan Fund is entitled to is referred to as the **Assigned Interest Portion**. The portion of the monthly interest repayment that the DirectMoney Personal Loan Fund is not entitled to receive is referred to as the **Retained Interest Portion**. The Retained Interest Portion is paid to the Credit Manager.

The Credit Manager holds the Retained Interest Portion in a bank account referred to as the **Loan Investment Account**. If any Loan Investment held by the DirectMoney Personal Loan Fund has gone into default and the borrower has not brought their payments up to date in the timeframe allowed in the Loan Sale and Servicing Deed (**Delinquent Loan Investments**), the Investment Manager will procure that those Delinquent Loan Investments are sold to a third party. Alternatively, the Investment Manager may decide it is commercially preferable to sell tranches of Delinquent Loan Investments at a spot price in the market place for the best available price.

The Credit Manager will then pay the DirectMoney Personal Loan Fund the difference between the sale price and the principal amount remaining on the Delinquent Loan Investments from the Loan Investment Reserve Account, provided there are sufficient funds available in the account.

If there are insufficient funds available in the Loan Investment Reserve Account, then the DirectMoney Personal Loan Fund will only receive the funds which are available in the Loan Investment Reserve Account, together with the sale proceeds of the Delinquent Loan Investment to the third party buyer. If this occurs, this would reduce the value of the DirectMoney Personal Loan Fund, however, neither the Credit Manager nor DirectMoney have any obligation to compensate the DirectMoney Personal Loan Fund for any shortfall.

Retained Interest Portion

The Investment Manager anticipates it will take some time to build up the Retained Interest Portion held in the Loan Investment Reserve Account. Therefore, DirectMoney will lend up to \$200,000 to the Credit Manager to provide an immediate reserve of funds in the Loan Investment Reserve Account (**Seller Loan**). No interest is charged on the Seller Loan.

The Responsible Entity holds a security interest over the Loan Investment Reserve Account which means the funds in the Loan Investment Reserve Account cannot be disposed of or otherwise dealt with by the Credit Manager without the Responsible Entity's consent. Provided the Responsible Entity consents, the only payments other than those made to the DirectMoney Personal Loan Fund, that are able to be made out of the Loan Investment Reserve Account are for taxes, bank fees, other charges and repayment of the Seller Loan.

DirectMoney, the Credit Manager and the Responsible Entity have agreed that the Seller Loan is subordinate to the interests of the Responsible Entity in the funds held in the Loan Reserve Account. This means that the Seller Loan will not be repaid without the Responsible Entity's consent.

The amount of the Retained Interest Portion is calculated by the Investment Manager from time to time, based on the expected loan losses on the Loan Investments held by the DirectMoney Personal Loan Fund. This is referred to as the **Loan Investment Loss Rate**.

The Assigned Interest Portion will be the remaining portion of the monthly interest payments made by borrowers after the Retained Interest Portion is calculated and deducted.

The Loan Sale and Servicing Deed gives DirectMoney the authority to vary the amount of the Retained Interest Portion from time to time and this amount will vary in line with actual and expected Loan Investment Loss Rates as calculated by the Investment Manager. If the DirectMoney Personal Loan Fund experiences a higher level of defaults on loans which underpin Loan Investments than the Investment Manager expects, then the amount of the Retained Interest Portion is likely to increase. On the other hand, if the DirectMoney Personal Loan Fund experiences a lower than expected level of defaults on loans which underpin Loan Investments, then the amount of the Retained Interest Portion is likely to decrease.

Fees and costs payable in relation to the management of the DirectMoney Personal Loan Fund (including to DirectMoney and its subsidiaries)

The fees payable by the DirectMoney Personal Loan Fund are as follows:

- An investment management fee of 1.925% per annum (including GST) of the gross value of the assets of the DirectMoney Personal Loan Fund, paid monthly in arrears. This fee is paid to the Responsible Entity, who will then pay this fee to the Investment Manager (a wholly-owned subsidiary of DirectMoney).

- A fund administration fee of 1.1% per annum (including GST) of the gross value of the assets of the DirectMoney Personal Loan Fund, paid monthly in arrears. This fee is for fund administration services and is paid to the Responsible Entity. The Responsible Entity pays itself, the fund administrator (a third party fund administrator company), the fund's auditor, other service providers and the expenses of the DirectMoney Personal Loan Fund (excluding any expenses which are not generally incurred during the day-to-day operation of the DirectMoney Personal Loan Fund (**Abnormal Expenses**)).
- Under the Investment Management Agreement, the Investment Manager is entitled to be paid a termination fee if the Investment Manager's appointment is terminated by the Responsible Entity in either of the following circumstances:
 - where the Responsible Entity decides to terminate the Investment Manager's appointment in circumstances where it ceases to be the responsible entity of the DirectMoney Personal Loan Fund; or
 - a special resolution is passed by investors at a properly convened meeting of the DirectMoney Personal Loan Fund directing the Responsible Entity to terminate the Investment Manager's appointment.

The fee is the equivalent of 5 years' worth of the investment management fee referred to above.

- Under the Investment Management Agreement, the Responsible Entity is also entitled to be paid a removal fee if:
 - it is removed as responsible entity of the DirectMoney Personal Loan Fund within 3 years of the issue of the Product Disclosure Statement for the DirectMoney Personal Loan Fund, other than for gross negligence or for a breach of a fiduciary duty to investors which causes them substantial loss; or
 - it retires as responsible entity of the DirectMoney Personal Loan Fund within 3 years of the issue of the Product Disclosure Statement for the DirectMoney Personal Loan Fund at the request of the Investment Manager in accordance with the Investment Management Agreement.

The amount of this fee is the amount of the fund administration fee referred to above that the Responsible Entity would have received (which is 0.13% per annum of the gross value of the assets of the DirectMoney Personal Loan Fund) if it had remained the responsible entity of the DirectMoney Personal Loan Fund for 3 years from the date of issue of the Product Disclosure Statement.

The other costs payable by the DirectMoney Personal Loan Fund are as follows:

- Operating costs and expenses (excluding Abnormal Expenses) are included in the fund administration fee. Operating costs and expenses of the DirectMoney Personal Loan Fund (excluding Abnormal Expenses) in excess of the fund administration fee referred to above are referred to as **Excess Expenses**. The Investment Manager has agreed to pay any Excess Expenses from its own resources. However, should the Investment Manager be unable to meet any Excess Expenses or should the Investment Manager decide, for whatever reason, not to bear them, then any Excess Expenses will be charged to the DirectMoney Personal Loan Fund itself.
- Abnormal expenses are not included in the fund administration fee referred to above. These are costs and expenses not generally incurred in the day-to-day operation of the DirectMoney Personal Loan Fund and are not necessarily incurred in any given year. These costs and expenses will be paid from the assets of the DirectMoney Personal Loan Fund as and when they are incurred.

The Responsible Entity and the Investment Manager may, in their discretion, accept lower fees and expenses than they are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid.

The constitution of the DirectMoney Personal Loan Fund allows the Responsible Entity to charge a maximum management fee of 2.5% per annum (plus GST less input tax credits or reduced input tax credits as applicable) of the gross value of the DirectMoney Personal Loan Fund's assets. The Responsible Entity will not increase the investment management fees without investors first approving that increase by passing an ordinary resolution at an investor meeting.

Stamp duty will not apply to the acquisition of Loan Investments by the DirectMoney Personal Loan Fund in New South Wales, Victoria, Tasmania, the Australian Capital Territory, Northern Territory or Western Australia. Duty may apply in Queensland and in South Australia. If duty is payable in Queensland or South Australia, then this will be an expense of DirectMoney Personal Loan Fund.

Withdrawal rights of investors in DirectMoney Personal Loan Fund

The DirectMoney Personal Loan Fund allows for withdrawals by investors over a 36 month period in 36 separate monthly instalments. The reason this withdrawal mechanism is utilised is to match withdrawals from the DirectMoney Personal Loan Fund with cash flows generated from the Loan Investments.

The constitution allows the Responsible Entity to suspend withdrawals under certain circumstances. If they are suspended, then withdrawals will only resume at the Responsible Entity's discretion.

Circumstances where the Responsible Entity may suspend withdrawals include where, in the Responsible Entity's reasonable opinion, it is not in the best interests of Investors for withdrawals to be made, or there has, or the Responsible Entity anticipates there will be, withdrawal requests that involve realising a significant amount of the assets of DirectMoney Personal Loan Fund and the Responsible Entity considers that if those withdrawal requests are all met immediately, it would disadvantage investors who continue to be investors in the DirectMoney Personal Loan Fund.

The Responsible Entity may also refuse to accept applications to invest in the DirectMoney Personal Loan Fund from time to time if the value of new applications exceeds the value of loans that DirectMoney has available to sell as Loan Investments.

Other information

Section 1.5(i)(ii) contains a summary of the relevant agreements underpinning the structure referred to above.

A copy of the Product Disclosure Statement for the DirectMoney Personal Loan Fund can be obtained from DirectMoney's website at www.directmoney.com.au. Full details of the DirectMoney Personal Loan Fund are contained in the Product Disclosure Statement. Any investors wishing to invest in the DirectMoney will need to carefully consider the Product Disclosure Statement and complete the application form accompanying it.

DirectMoney Marketplace Limited

In addition to the DirectMoney Personal Loan Fund, DirectMoney is also in the process of establishing an investment company called 'DirectMoney Marketplace Limited'.

DirectMoney Marketplace Limited is currently a wholly-owned subsidiary of DirectMoney. The purpose of DirectMoney Marketplace Limited will be very similar to the DirectMoney Personal Loan Fund described above, except that DirectMoney Marketplace Limited is a company rather than an unlisted registered managed investment scheme.

It is proposed that DirectMoney enter into a Loan Sale and Management Agreement with DirectMoney Marketplace Limited which is on substantially similar terms to the Loan Sale and Servicing Deed for the DirectMoney Personal Loan Fund referred to above and summarised in Section 1.5(i)(ii).

The DirectMoney Marketplace Limited company is currently a private investment vehicle which will be made available for investment to wholesale investors. DirectMoney will be responsible for the management of DirectMoney Marketplace Limited.

In the short term, it is proposed that investors will invest in DirectMoney Marketplace Limited by way of convertible notes. DirectMoney intends that DirectMoney Marketplace Limited will apply for listing on ASX in late 2015, and therefore allow investment in the company by a broader range of investors.

Third party institutions

In addition to making Personal Loans available for sale to the investment vehicles it manages (DirectMoney Personal Loan Fund and DirectMoney Marketplace Limited), DirectMoney may also on-sell Personal Loans to appropriate third party institutions from time to time in its discretion, on such terms as it sees fit.

DirectMoney currently intends to limit sales to such parties to 20% of its origination volume of Personal Loans.

The remaining 80% is intended to be sold to the DirectMoney Personal Loan Fund or DirectMoney Marketplace Limited.

However, DirectMoney may sell to third party institutions if the DirectMoney Personal Loan Fund or DirectMoney Marketplace Limited do not have the funding capacity to acquire Personal Loans from DirectMoney and DirectMoney wishes to sell the Personal Loans to free up funding capital in the Loan Warehouse or for other operational reasons.

(g) Business Model

DirectMoney currently derives revenue from its loan book of approximately \$6 million in Personal Loans which are held in the Loan Warehouse. For such time as loans are held in the Loan Warehouse and not sold to Loan Investors, the returns and credit risk on the loans are to the account of DirectMoney only.

As referred to above, DirectMoney's business model is to primarily only act as an intermediary company between borrowers and lenders in relation to the Personal Loans.

Accordingly, to this end, DirectMoney has recently launched the 'DirectMoney Personal Loan Fund' (see Section 1.5(a) above). As this fund receives funding from investors, loans held in the Loan Warehouse will be sold to the DirectMoney Personal Loan Fund. At that point, the returns and credit risk of the loans will be passed through to the investors of the DirectMoney Personal Loan Fund.

As referred to above, DirectMoney will earn an origination fee from the borrower under each loan and a fixed management fee for servicing the loans on behalf of the DirectMoney Personal Loan Fund based on the total volume of loans under management.

In the longer term, DirectMoney may seek to expand its business to also cover home mortgages, small business loans and other finance products to borrowers. However, DirectMoney will always focus on operating in Marketplace Lending and so will primarily only act as an intermediary in relation to these products.

(h) Key personnel

The key personnel of DirectMoney comprise the following people:

Board

(i) Executive Chairman – Stephen Porges

Stephen is the Executive Chairman of DirectMoney. Prior to joining DirectMoney, he was Chief Executive Officer of SAI Global. Prior to that, he was CEO of Aussie Home Loans from 2008 to 2013 where they were awarded Mortgage Broker of The Year for each year of his tenure. From 2007 until he joined Aussie, Stephen was CEO of Newcastle Permanent Building Society, Australia's largest Building Society. During his tenure the Society was recognised with two Building Society of the Year awards by Money Magazine.

From 2004 till 2007, he was CEO of ASX listed biotechnology company Proteome Systems (PXL). From 2002 to 2007 Stephen was Chairman and then Executive Chairman of BMC Media Ltd. In 2002, Stephen was a founding partner in Cabonne Partners which specialised in advising on re-capitalisations and strategic turnarounds of public companies. Having spent the previous 20 years in international banking, stockbroking and investment banking, Stephen has experience in most significant global capital markets.

Stephen is a Proposed Director of the Company (see Resolution 11).

(ii) *Executive Director - Campbell McComb*

Campbell is the Chief Investment Officer of Adcock Group, a family office and investor in DirectMoney. Prior to that he was the founding CEO of public listed investment manager Easton Investments. Campbell has 15 year experience in funds management and stock broking. He was formerly the Managing Director of Armytage Private Ltd and an investment manager with Greig Middleton funds management in London, United Kingdom.

Campbell is currently a director of the Company and will remain a director following Completion of the Acquisition of DirectMoney.

(iii) *Non-Executive Director – Craig Swanger*

Craig Swanger has 20 years' experience in financial services. He was Executive Director of Macquarie Global Investments, responsible for managing around \$10bn in client funds across Asia, North America and Australia. Craig has direct experience in structuring and raising funds from retail investors, including through managed funds, structured products and listed vehicles in several jurisdictions. He has extensive board experience, including Macquarie Bank's major funds management entity, Macquarie Investment Management Limited and a total of 15 internal and external boards since 2003. He was Chairman of 5 of the largest debt listed investment companies in Australia and New Zealand issued over the past decade, and more recently worked with Australia's largest corporate bond and securitization distribution specialists, FIIG Securities.

Craig is a Proposed Director of the Company (see Resolution 12).

Executive Team

(i) *Founder - David Doust*

David is an entrepreneur specialising in financial services with significant experience in Australia and the USA. From 2008 to 2012 David lived in California where he designed several innovative fund concepts based on residential property equity and he designed the HomeStake US house price forecasting index. Prior to that, David was founder and CEO of Adaptive Edge, an IT consulting company based in Sydney specialising in business process automation. David led a team that delivered back office systems to Australian fund managers, retailers and insurance companies. In this role David was also responsible for business development, IT recruitment, systems specification and IT project management.

From 2001 to 2003 he was Chief Technology Officer at Moveit, an internet based data exchange for the Australian transport industry and from 1996 to 2001 David was CEO and founder of SoftwareMarkets, a Silicon Valley start-up that was a pioneer in the concept of the App Store. David is a former Citibank Assistant Controller and KPMG accountant and auditor. He holds an economics degree with accounting major from the University of Sydney.

(ii) *Chief Operating Officer – Peter Beaumont*

Peter is a senior business executive with over twenty five years global banking, finance and project delivery experience gained with leading international investment banks Citibank, UBS AG, Bank of America Merrill Lynch and ABN AMRO. Peter brings to DirectMoney a broad set of customer acquisition and client sales leadership skills along with deep experience transitioning high volume financial products businesses from traditional channels to online, straight through processing models.

Immediately prior to joining DirectMoney Peter provided senior leadership and advisory services to a variety of infrastructure projects while working with Aquasia and McConnell Dowell. Peter has fulfilled Board roles with a variety of Australian infrastructure companies Wyuna Water, Darwin Convention Centre, Western Liberty Group and Axiom Education 2 and international companies Metalor AG (Switz) and London Precious Metals Trading (UK). Peter is currently a Director on the Board's of Cycling NSW and Member of Council of Wesley College, University of Sydney. Peter holds a B. Sc (Hons. 1st) from University of Sydney and a MBA from MIT-Sloan School, Cambridge, MA. USA. Peter is a Graduate of the Australian Institute of Company Directors and a Certified Finance and Treasury Professional.

(iii) *Credit Manager – Marianne Young*

Marianne has had over 18 years' experience in various credit and lending roles with Westpac Banking Group. Her experience covered unsecured lending products and the specific policies and procedures underpinning them. At a national level, Marianne managed the hindsight review process for consumer, business and personal loans and credit cards up to \$250,000 as well as Transactional Account excess requests for up to \$1million across the Westpac Group (including St George Bank, Bank SA and Bank of Melbourne). Marianne was also part of the national roll-out of the Westpac Group Bank Manager Credit Approval Limit (CAL) Accreditation program for Unsecured Lending. Marianne also developed and implemented the Westpac Group Unsecured Risk Hindsighting and Assurance Framework.

(iv) *Fund Portfolio Manager – Ray Tse*

Ray has over 20 years' experience in the Financial Services industry. He holds a BA (Hons) in Computer Studies from the HK Polytechnic University and an MBA from California State University Hayward majoring in investment and finance. He worked for INVESCO from 1992 to 2002 in Hong Kong and Sydney where he managed IT infrastructure. From 2002 he headed the IT function within a boutique funds management company and managed the automation of the investment processes. He became the fund manager in 2007 and oversaw a number of their investment funds.

(v) *Chief Technology Officer - David Russell*

David has 13 years professional software and web development experience with a focus on financial services. He was a senior developer and team leader for 8 years at IRESS Ltd, a \$1 billion listed financial services company. He has skills and experience in cloud technology and smart phone and tablet app development. David holds an honours degree in computer science.

(vi) *Digital Marketing Manager - Jason Theofilos*

Jason, a senior software engineer has in recent years held the position of Senior Digital Marketer at the Catch Group, a \$350m high growth e-commerce company where he developed and oversaw SEO, SEM, social media and re-marketing strategies. He is focused on customer acquisition optimisation and has created a number of specialised internet marketing reporting and tracking tools. Jason held a senior engineering role at IRESS Market Technology from 2006 to 2013 where he oversaw architecture design, created high speed share trading systems and developed complex charting tools.

(vii) *Head of Distribution - David Marshall*

David held a number of senior positions in the Australian investment banking industry. These included roles as Assistant Vice President at Citibank, Executive Director, Treasury and Capital Markets for NZI Securities and Executive Director, Capital Markets for the National Australia Bank's merchant bank subsidiary, National Australia Limited.

Over the past fifteen years David has held various executive director, managing director and chairman roles in early stage and small-cap companies in technology, finance, retailing, and agri-business. He was Managing Director of a joint venture with van Eyk Capital to assess corporate and project risk in the MIS sector. He initiated the review of over 300 projects for clients in the funds management and financial planning sectors and developed advice for advisors to provide to retail clients.

(i) **Key contracts**

(i) **Share Sale Agreement**

On 24 March 2015, the Company announced that it had entered into a share sale agreement with the Vendors to acquire 100% of the issued share capital in DirectMoney, an unlisted Australian company.

Conditions Precedent

Completion of the Acquisition pursuant to the Share Sale Agreement is conditional on the satisfaction or waiver of the following conditions (**Conditions Precedent**) by no later than 31 July 2015 (or any other date agreed in writing between the Company and the Vendors):

- Shareholders approving the following resolutions by the requisite majorities (and subject to any voting exclusions) at the Meeting:
 - a special resolution for the purposes of changing the Company's name to "DirectMoney Limited";
 - a resolution to approve the issue of the Vendor Consideration Shares in accordance with ASX Listing Rule 7.1;
 - a resolution to approve the Capital Raising (including the issue of Shares under the Capital Raising) in accordance with ASX Listing Rule 7.1;
 - a resolution approving the acquisition of all the issued share capital of DirectMoney by the Company under the Acquisition for the purposes of ASX Listing Rule 11.1; and
 - approval of all other matters required to give effect to the Acquisition and the Offer as described in the notice of the Meeting;
- No Government Agency making any final, non-appealable order, decree or ruling or taking any other action which would restrain or prohibit any aspect of the Acquisition and the Offer taking effect or only permit the taking effect of the Acquisition and the Offer upon the variation, modification or amendment of any aspect of the Acquisition and the Offer or any aspect of their implementation;
- DirectMoney obtaining all necessary consents (on terms and conditions in all respects reasonably satisfactory to the Company) from relevant third parties to the sale of the DirectMoney shares from the Sellers to the Company;
- Provision to the Company of evidence satisfactory to the Company that DirectMoney has obtained (if required) written consent from ASIC (if required) to the change of control of DirectMoney as a result of the Acquisition (on terms and conditions in all respects reasonably satisfactory to the Company or as otherwise agreed by the Company and DirectMoney) in respect of the following DirectMoney licences:
 - Australian Credit Licence number 458572; and
 - Australian Financial Services Licence 458572;

- All other consents from ASIC and the ASX necessary or relevant for the Acquisition and the Offer to take place without breaching any law or agreement are granted and received either:
 - without conditions or requirements; or
 - with conditions and requirements that are acceptable to the Company, and, to the extent that they affect the Company, to the Vendors;
- The results of the Company and the Vendors' due diligence investigations are satisfactory (acting reasonably);
- Completion of the Capital Raising;
- The Company obtaining conditional approval (subject only to the imposition of conditions usual to such approvals) from ASX for its ordinary shares to be reinstated to quotation on ASX;
- The Company meeting the requirements in Chapters 1 and 2 of the Listing Rules as if the Company was applying for admission to the official list of the ASX; and
- The Company not having terminated the Share Sale Agreement as a result of a material adverse effect occurring with respect to the Marketplace Lending business operated by DirectMoney.

Consideration

In exchange for the Company acquiring 100% of the issued shares in DirectMoney, the Company will issue Shares to the Vendors by way of consideration (**Vendor Consideration Shares**), in proportion to their shareholding in DirectMoney.

For the purpose of calculating the consideration:

- existing Shares will be valued at \$0.20 per Share; and
- the number of Vendor Consideration Shares to be issued to the Vendors will be calculated based on a purchase price for the DirectMoney shares of \$39,160,000 on a fully diluted basis.

Changes to the Company's Board

Under the Share Sale Agreement, the Company must procure that the Board will take all actions necessary to ensure that at the Meeting and with effect from Completion:

- Stephen Porges is appointed as a director of the Company, holding the title of chairman of the Company;
- Campbell McComb will remain as a director of the Company;
- one additional nominee of the Vendors is appointed as a non-executive director of the Company (provided that such person has been nominated in writing by the Vendors not less than 14 days prior to the sending of this Booklet to the Shareholders). The nominee for the Vendors for this purpose is Craig Swanger; and
- all other directors of the Company resign.

Escrow Restrictions

Under the Share Sale Agreement, the Company and the Vendors agree that the Vendor Consideration Shares may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

Standard Warranties

The Share Sale Agreement also contains other usual terms and conditions, including representations and warranties from each party. Claims on the representations and warranties are subject to certain financial, time and other limits which have been negotiated by the parties.

(ii) DirectMoney Personal Loan Fund

The key contracts relating to the sale of Personal Loans by DirectMoney to the DirectMoney Personal Loan Fund and the role of it and its wholly-owned subsidiaries in managing the DirectMoney Personal Loan Fund and monitoring, operating and maintaining the Personal Loans held by the DirectMoney Personal Loan Fund are summarised below.

A detailed overview of these arrangements is also contained in Section 1.5(f) above.

Loan Sale and Servicing Deed

The Loan Sale and Servicing Deed sets out the terms on which DirectMoney (as **Seller**) may offer to sell Loan Investments to the Responsible Entity from time to time, and the method and circumstances in which such offers must be accepted by the Responsible Entity.

The Loan Sale and Servicing Deed also includes provisions that allow the Responsible Entity to sell purchased Loan Investments that have become Delinquent Loans Investments.

The Loan Sale and Servicing Deed also provides for the appointment of the Servicer and sets out the terms on which the Servicer must service the purchased Loan Investments. The Loan Sale and Servicing Deed allows the Responsible Entity to terminate the services of the Servicer in certain circumstances. The Responsible Entity may terminate all or any part of the services of the Servicer if an 'event of default' occurs in respect of the Servicer. Examples of such 'events of default' include where the Servicer becomes insolvent, there is a change of control of the Servicer without the Responsible Entity's consent and where the Servicer fails to perform any provision of the Loan Sale and Servicing Deed and that failure is not rectified within a specified period.

Investment Management Agreement

The Investment Management Agreement is between the Responsible Entity and the Investment Manager under which the Investment Manager provides investment manager services to the DirectMoney Personal Loan Fund.

The Investment Management Agreement sets out the Investment Manager's obligations to the Responsible Entity and to the DirectMoney Personal Loan Fund. The agreement also contains the fees payable to the Investment Manager for its services as well as the Investment Manager's termination fee, if applicable. These fees are summarised in Section 1.5(f).

The Investment Management Agreement will remain in force until the DirectMoney Personal Loan Fund is wound up, unless the agreement is terminated earlier in accordance with its provisions. There are also provisions allowing the Responsible Entity to terminate if, for example, the Investment Manager becomes insolvent.

The Investment Manager is permitted to terminate the agreement in certain circumstances, such as if the Responsible Entity ceases to be the responsible entity for the DirectMoney Personal Loan Fund.

Fund Administration Agreement

This agreement is between the Responsible Entity and a third party service provider, Unity Fund Services Pty Ltd ACN 146 747 122 as fund administrator (**Fund Administrator**), under which the Fund Administrator provides administration services for the day-to-day operation of the DirectMoney Personal Loan Fund. These services include fund accounting, unit pricing, unit registry services, taxation services and preparation of statutory accounts.

General Security Agreement

This agreement is between the Responsible Entity and the Credit Manager, under which the Credit Manager grants a security interest over all its current and after-acquired property to secure the payments out of the Loan Investment Reserve Account under the Loan Sale and Servicing Deed as part of the sale of Delinquent Loan Investments.

Subordination Deed

This agreement is between the Responsible Entity, the Credit Manager and the Seller. Under this agreement the Seller subordinates all or its rights to repayment of the Seller Loan to the Responsible Entity's rights to be paid amounts owed to it by the Credit Manager out of the Loan Investment Reserve Account under the Loan Sale and Servicing Deed as part of the sale of Delinquent Loan Investments.

Account Bank Deed

This agreement is between the Responsible Entity, the Credit Manager and the bank that holds the Loan Investment Reserve Account (**Account Bank**). Under this agreement, the Credit Manager irrevocably authorises the Account Bank to act on the directions of the Responsible Entity regarding the Loan Investment Reserve Account.

(iii) Secured Loan with Greig Holdings

Greig Holdings has previously provided a secured loan of \$2 million to DirectMoney.

The security for the loan is equivalent to \$2 million of Personal Loans held by DirectMoney.

Under a Deed of Confirmation and Security dated 15 May 2015, DirectMoney and Greig Holdings have agreed that the Secured Loan will be repaid by DirectMoney in full on 15 June 2015.

On repayment of the loan, the security in respect of the Secured Loan will be released.

DirectMoney intends to repay the Secured Loan with the proceeds of funds anticipated to be received from the sale of Personal Loans to the DirectMoney Personal Loan Fund, DirectMoney Marketplace Limited and other third party institutions if necessary on or prior to 15 June 2015.

The effect of this transaction is that the Loan Warehouse and DirectMoney and its subsidiaries will not have any debt on their balance sheet as at the Re-admission Date.

(iv) Lead Manager Mandate

The Company has entered into a mandate agreement with Bell Potter Securities dated 24 April 2015 pursuant to which the Company appointed Bell Potter Securities as the sole lead manager and underwriter to the Capital Raising.

Under the terms of the mandate agreement, the Company has agreed to pay Bell Potter Securities an offer management fee equal to 2.5% (excluding GST) of the gross proceeds of the Capital Raising (**Management Fee**), together with a selling fee equal to 2.5% (excluding GST) of the gross proceeds of the Capital Raising (**Selling Fee**).

The Company agrees that the Management Fee and Selling Fee will be paid within 7 days after completion of the Capital Raising. If Bell Potter Securities agrees to underwrite the Capital Raising, the Management Fee will become a 'Management and Underwriting Fee' of 2.5% which will be paid in accordance with the underwriting agreement and be deducted from the gross proceeds raised.

In addition, the Company must reimburse Bell Potter Securities for any out of pocket expenses reasonably incurred by it, including legal expenses estimated to be no more than \$20,000.

Under the mandate agreement, the Company agrees to provide Bell Potter Securities with an indemnity in relation to any claim, loss, liability, cost or expense which Bell Potter Securities may sustain or incur in connection with the Capital Raising.

The Company has also provided representations and warranties to Bell Potter Securities that are customary for these types of arrangements, including regarding the affairs of the Company and the Capital Raising.

Either party may terminate the mandate agreement, prior to the execution of an underwriting agreement, by written notice to the other party.

(v) ***Underwriting Agreement***

Bell Potter Securities has agreed in principle to underwrite the Minimum Subscription of the Capital Raising, being the subscription for 50,000,000 Shares at \$0.20 to raise a minimum of \$10 million, to the extent that there is a shortfall in subscriptions to raise this minimum amount.

An underwriting agreement is to be finalised in connection with the finalisation and lodgement of the Prospectus which is expected to occur on around Tuesday, 26 May 2015. If agreed, the terms of the underwriting agreement will be summarised in the Prospectus.

(vi) ***Arrangements with LAF Parties***

As referred to in Section 1.4, the LAF Parties and DirectMoney entered into a Share Option Agreement in November 2014.

Under the terms of the Share Option Agreement, the LAF Parties were entitled to receive certain options as described in Section 1.4.

The issue of the options was in lieu of payment for professional services provided by the LAF Parties to DirectMoney in respect of the Capital Raising. The professional services include services such as advising in connection with the structure, valuation and mechanics of the Capital Raising, assisting with the offer document, assisting in planning an investor marketing program, using reasonable endeavours to procure subscribers and certain other items.

Under an amendment to the Share Option Agreement dated 16 May 2015, the LAF Parties have now agreed to waive their entitlement to exercise their respective options, in return for being issued with the number of Shares in the Company they would otherwise have been entitled to on completion of the transactions contemplated by the Acquisition Resolutions, had they exercised their respective options prior to such completion occurring.

The LAF Parties must continue to perform the services in connection with the Capital Raising contemplated by the original Share Option Agreement.

Liberum Capital will be entitled to a commission of 5% of the aggregate value of the gross proceeds of Shares issued to placees procured by Liberum Capital in connection with the Capital Raising. Liberum Capital placees will be subject to the availability of Shares under the Capital Raising and the Company is not obliged to allocate Shares to Liberum Capital placees in priority to any other applicant.

Liberum Capital has also consented to Bell Potter Securities acting as lead manager and underwriter for the Capital Raising.

1.6 Financial information

The Company has prepared pro forma historical financial information assuming that all of the Acquisition Resolutions are passed and the Acquisition, Capital Raising and other events the subject of the Acquisition Resolutions occur (**Pro Forma Historical Financial Information**).

This Pro Forma Historical Financial Information will be contained in the Financial Information section of the Prospectus to be issued for the Capital Raising. A draft extract of this information is set out in Annexure A. As this information is in draft form, it is therefore subject to potential change as the Prospectus is finalised.

The information contained in Annexure A is only an extract of the Financial Information and so does not contain all of the financial information which will be contained in the Prospectus. In particular, the Prospectus will also include the significant accounting policies which form the basis for the financial information.

The Pro Forma Historical Financial Information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

In compliance with Guidance Note 12 (Significant Changes to Activities) of the Listing Rules, a draft Investigating Accountant's Report on the Pro Forma Historical Financial Information (**IAR**) is also set out in Annexure A. The IAR has been extracted directly from the draft Prospectus to be issued in connection with the Capital Raising. The IAR attached in Annexure A is included in draft form and is therefore subject to potential change as the Prospectus is finalised.

1.7 Tax impact of Transaction for Shareholders

There should be no direct tax impact of the Transaction on existing Shareholders in the Company. The taxation implications for new Shareholders (who acquire shares in the Company under the Capital Raising) will be set out in the Prospectus to be issued in connection with the Capital Raising.

A taxation due diligence exercise has been undertaken in respect of the Company and DirectMoney to identify any residual taxation risks. The taxation due diligence has not identified any material issues which need to be brought to the attention of Shareholders.

Tax liabilities are the responsibility of each individual Shareholder. The Company is not responsible either for taxation or penalties incurred by Shareholders. Shareholders should consult their own taxation advisers to ascertain the tax implications of their investment.

1.8 Pro-forma capital structure

The following table shows the anticipated capital structure of the Company on completion of the Acquisition and the Offer. As the precise number of Shares on issue will depend on the number of Shares issued under the Prospectus, the anticipated capital structure of the Company for both the “Minimum raising” and “Maximum raising” scenarios are set out in the table below:

| | Minimum Raising ¹ | | Maximum Raising ² | |
|---|------------------------------|------------|------------------------------|------------|
| | No. | % | No. | % |
| Existing Shares in the Company | 10,000,443 | 3.85 | 10,000,443 | 3.51 |
| Maximum number of Shares to be issued to the Vendors for the Acquisition of DirectMoney by the Company ³ | 195,800,000 | 75.42 | 195,800,000 | 68.80 |
| Shares to be issued to the LAF Parties ⁴ | 3,809,932 | 1.47 | 3,809,932 | 1.34 |
| Shares to be issued under the Prospectus | 50,000,000 | 19.26 | 75,000,000 | 26.35 |
| Total number | 259,610,375 | 100 | 284,610,375 | 100 |

1. “Minimum raising” assumes that the Company issues 50,000,000 Shares at \$0.20 per share raising gross proceeds of \$10,000,000 under the Prospectus.
2. “Maximum raising” assumes that the Company issues 75,000,000 Shares at \$0.20 per share raising gross proceeds of \$15,000,000 under the Prospectus.
3. The issue of Shares by the Company to the Vendors on the basis of existing Shares being valued at \$0.20 per Share and the number of shares to be issued to DirectMoney being calculated on a fully diluted valuation of \$39,160,000. The 195,800,000 Shares includes the Vendor Consideration Shares to be issued to Noteholders in consideration for their DirectMoney shares to be issued on conversion of their Notes on completion of the Acquisition. The allocation of the Vendor Consideration Shares to Vendors (both existing DirectMoney shareholders and Noteholders is set out in Annexure C).
4. See Resolution 8 and Section 1.4 of this Booklet.

The table above does not contain the Performance Rights which may be issued as contemplated by Resolutions 13 to 15 (inclusive). Further information regarding these Performance Rights and, if they vest, their impact on the capital structure of the Company is contained in Section 9.

1.9 Use of Funds

The company is seeking to raise money under the Capital Raising to provide it with funds to achieve its business objectives (as set out below) and satisfy the ASX requirements for re-quotation. The funds raised will also be used to meet the expenses of the Offer.

The Company aims to complete the following business objectives with the proceeds of the Offer:

- (a) fund and maintain a Loan Warehouse to be used to facilitate fast settlement of loans and to confirm the viability of the loans for on-sale to Loan Investors using the ‘warehousing period’ referred to in Section 1.5(e);
- (b) fund working capital expenses; and
- (c) meet the costs of the Offer.

Below is a summary of the proposed use of funds raised under the Offer. Applicants should note that the anticipated expenditure program may vary from the actual expenditure incurred by the Company.

| Sources of funds | Based on the Minimum Subscription being raised | Based on the Maximum Subscription being raised |
|---|---|---|
| Total Offer proceeds | \$10,000,000 | \$15,000,000 |
| Use of funds | | |
| | Based on the Minimum Subscription being raised | Based on the Maximum Subscription being raised |
| Loan Warehouse | \$7,500,000 | \$12,500,000 |
| Future working capital and costs of the Offer | \$2,500,000 | \$2,500,000 |
| Total | \$10,000,000 | \$15,000,000 |

1.10 Capital Raising

In order to re-comply with Chapters 1 and 2 of the ASX Listing Rules and satisfy the conditions of the Share Sale Agreement, the Company proposes to conduct a Capital Raising to raise a minimum of \$10,000,000 up to a maximum of \$15,000,000 (before costs) at an issue price of \$0.20 per Share.

The Capital Raising will be conducted under a full form prospectus to be prepared by the Company and lodged with ASIC shortly after the date of this Notice of Meeting.

Approval for the issue of Shares pursuant to the Capital Raising is the subject of Resolution 9.

Bell Potter Securities has agreed in principle to underwrite the minimum subscription amount of the Capital Raising (i.e. 50,000,000 Shares). An underwriting agreement is to be finalised in connection with the finalisation and lodgement of the Prospectus which is expected to occur on around Friday, 26 May 2015. If agreed, the terms of the underwriting agreement will be summarised in the Prospectus.

The Directors will endeavour to allocate Shares under the Offer to applicants who are existing Shareholders in priority to all other Applicants.

1.11 New Board of Directors

If all of the Acquisition Resolutions are approved and Completion of the Share Sale Agreement occurs, the Board will comprise:

- (a) Stephen Porges as Executive Director of the Company, holding the title of Executive Chairman;
- (b) Campbell McComb as Executive Director of the Company;
- (c) Craig Swanger as a Non-Executive Director of the Company.

Winton William Willesee, Robert Norman Parton and Andrew Gordon McKay will resign as Directors with effect from Completion.

The election of the Proposed Directors is the subject of Resolutions 11 and 12.

Summaries of the background and experience of each of the Proposed Directors are set out in Section 1.5(i)(i) above.

The new Board also proposes to appoint an independent non-executive director following re-listing. A process to appoint this director is expected to commence as soon as reasonably practicable after the Re-admission Date.

With effect from Completion, the Company's current secretary will also resign and will be replaced by Leanne Ralph. Ms Ralph is the Founder and Director of Boardworx, a specialist company secretarial firm. Ms Ralph has more than 15 years' experience in company secretarial and governance matters. She holds a Bachelor of Business, a diploma in Applied Corporate Governance and is a member of the Governance Institute of Australia's Corporate and Legal Issues Committee.

1.12 Change of name

In connection with the Acquisition, the Company will change its name to "DirectMoney Limited". Approval for the change of name is the subject of Resolution 10.

1.13 Indicative Timetable for the Acquisition and Capital Raising*

| | |
|--|-------------------------|
| Expected Lodgement of Prospectus with ASIC | Tuesday, 26 May 2015 |
| Expected expiry of exposure period | Tuesday, 2 June 2015 |
| Opening Date of Capital Raising | Wednesday, 3 June 2015 |
| Closing Date of Capital Raising | Wednesday, 17 June 2015 |
| Meeting to approve Acquisition | Friday, 19 June 2015 |
| Settlement of Acquisition and issue of Vendor Shares | Thursday, 25 June 2015 |
| Issue of Shares under the Capital Raising | Thursday, 25 June 2015 |
| Despatch of holding statements for the Capital Raising | Thursday, 25 June 2015 |
| Expected date for reinstatement to quotation on ASX | Monday, 29 June 2015 |

*The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the offer of Shares under the Prospectus early without notice.

1.14 Recommendation of Directors

All the Directors, except Mr Campbell McComb, are independent of the Vendors and recommend that Shareholders vote in favour of Resolutions 7 to 12, which relate to the Acquisition, Capital Raising and related matters.

As Mr Campbell McComb is also a director of DirectMoney, the directors of the Company have agreed that it is not appropriate for him to make a recommendation on Resolutions 7 to 12.

Resolutions 13 to 15 provide for Shareholder approval for the issue of Performance Rights to the Directors and Proposed Directors. The Director's recommendations in relation these Resolutions is set out in Sections 8.1(d), 8.2(b) and 9.9 of this Booklet respectively.

1.15 Independent Expert's Report

The Independent Expert has provided the Independent Expert's Report with respect to the proposed issue of Vendor Consideration Shares pursuant to the Acquisition, as well as the other related transactions (**Transaction**). The Independent Expert has concluded that the proposed Transaction is **fair and reasonable** to the non-associated Shareholders of the Company.

The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the proposed Transaction. A copy of the Independent Expert's Report accompanies this Booklet. It is recommended that all Shareholders read the Independent Expert's Report in its entirety before deciding whether or not to vote in favour of the Acquisition Resolutions.

1.16 Why Shareholders should vote in favour of the Acquisition Resolutions

Reasons why Shareholders may decide to vote in favour of the Acquisition Resolutions include the following:

- (a) The Directors consider that, given the current circumstances of the Company, the passing of the Resolutions 7 to 12 (which relate to the Acquisition, Capital Raising and related matters) is in the best interests of the Company. As noted in this Booklet, the Company is not currently trading and has no material assets. Its Shares were suspended from trading on ASX on 6 January 2014. Accordingly, the Acquisition and Capital Raising (and subsequent re-admission to the official list of ASX) currently represent the only opportunity for Shareholders to realise further potential value and liquidity for their Shares. If the Acquisition Resolutions are not approved, the Board will either have to:
 - (i) apply to wind up the Company (in which case the Shareholders would not receive any further return on their Shares); or
 - (ii) maintain the Company's status quo whilst another opportunity to realise the value of Shares is identified. There is no assurance that this could occur and if the Acquisition and Capital Raising do not occur, this would seem very unlikely.
- (b) The Directors have determined that DirectMoney has the potential to increase Shareholder value and provide the Company with a future business direction in the Marketplace Lending industry.
- (c) The Independent Expert has concluded that the Acquisition and Capital Raising are fair and reasonable to the Shareholders who are not associated with DirectMoney.
- (d) The Company currently has no income generating assets. The Acquisition and Capital Raising provide Shareholders with an opportunity to hold shares in a business operating in the Marketplace Lending industry, with future potential cash flow and dividend opportunities. The listed public company structure will also assist DirectMoney to establish market presence and attract, reward and retain high quality and experienced management. The Acquisition and Capital Raising may provide an opportunity for Shareholders to experience growth in the value of their Shares and significantly boost the Company's market capitalisation and liquidity in share trading, subject to the Company meeting the requirements of Chapters 1 and 2 of the ASX Listing Rules.
- (e) The Directors believe that the Acquisition and Capital Raising allow the Company to achieve its strategic objective of securing sustainable cash flows from a business with considerable growth potential. DirectMoney represents a sensible acquisition for the Company in the financial services sector which enjoys strong market fundamentals and long term cash flow opportunities. The Company will have the benefit of the experience of DirectMoney personnel who will be uniquely placed to set the strategy and direction of the Company in the Marketplace Lending industry.
- (f) The Capital Raising will provide the Company with capital to facilitate the ongoing development of DirectMoney's Marketplace Lending business in accordance with commitments that are consistent with the objectives of this business.

1.17 Why Shareholders may vote against the Acquisition Resolutions

Shareholders may decline to approve the Acquisition Resolutions for a number of reasons. These may include the following:

- (a) The Company will be changing the nature and scale of its activities to the Marketplace Lending industry, which may not be consistent with the investment objectives of all Shareholders. However, it should be noted that if the transaction does not proceed, Shareholders are unlikely to receive any further value or liquidity for their shares (see Section 1.16(a) above).
- (b) The Acquisition and Capital Raising will result in the issue of the Vendor Consideration Shares and in the issue of Shares under the Prospectus, which will have a significant dilutionary effect on the holdings of existing Shareholders. Following completion of the Acquisition and issue of the Vendor Consideration Shares, the equity holding of existing Shareholders will decrease from 100% to 3.85%, prior to any existing Shareholders subscribing for Shares under the Capital Raising.
- (c) Shareholders may disagree with the conclusion of the Independent Expert that the Acquisition and Capital Raising is fair and reasonable to the Shareholders who are not associated with DirectMoney.
- (d) Significant future outlays of funds from the Company may be required following the acquisition of DirectMoney to meet the proposed strategic direction and business objectives of the Company.
- (e) Shareholders may consider that the risk factors associated with the change in nature and scale of the Company's activities, some of which are summarised in Section 1.18 below, outweigh the benefits of the proposed change.

1.18 Risk factors

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities. This Section describes what the Company considers to be the key risks associated with this change and the associated Capital Raising.

This Section should not be considered to be an exhaustive list of every possible risk faced by the Company in light of the Acquisition and the Capital Raising. There may be additional risks and uncertainties that the Company is unaware of, or that the Company currently considers to be immaterial but which could be or become material. The types of risks the Company is exposed to can change over time and vary with changes in economic, technological, environmental and regulatory conditions generally within the industry in which the DirectMoney operates.

Specific Risks

(a) Failure of DirectMoney business model

Although DirectMoney believes its proposed operations and business model (see Section 1.5) will be successful, especially considering DirectMoney's successful operations to date, the experience of its key personnel in the Marketplace Lending industry and the key areas of differentiation between DirectMoney's business model and that of its competitors, any number of factors could adversely affect DirectMoney's proposed operations and business model and no assurance can be given that the Company will be successful in the Marketplace Lending industry.

(b) Credit Risk

As a lending business, DirectMoney is at risk of some or all of its borrowers failing or becoming unable to repay their loans. As identified in Section 1.5, DirectMoney manages its credit risk in a number of ways, including through borrower screening and credit checking processes, its loan warehouse and transfer of loans to third party lenders (including the DirectMoney Personal Loan Fund who assume exposure to the loan after expiry of the loan warehouse seasoning period).

(c) **Ability to attract borrowers**

DirectMoney's on-going viability is strongly linked to its ability to attract suitable borrowers and increase the amount of loans managed by DirectMoney. DirectMoney seeks to manage this issue (and will continue to do so) through appropriate marketing to potential borrowers through various channels.

(d) **Ability to source third party funding**

DirectMoney's on-going viability is strongly linked to its ability to source sufficient third party funding to enable it to have funds to lend to potential borrowers. DirectMoney seeks to manage this risk by sourcing loan funding from various sources, including from funds it manages such as DirectMoney Personal Loan Fund.

Arrangements with third party lenders such as the DirectMoney Personal Loan Fund, however, may be subject to certain termination rights, as described in Section 1.5(i)(ii). Importantly, there is also no assurance that DirectMoney will be able to source sufficient funding from third party funding sources over time.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of DirectMoney depends substantially on senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on DirectMoney if one or more of these employees cease their employment or if one or more of the Proposed Directors leaves the Board.

(f) **Potential undisclosed liabilities**

There may be liabilities that the Company fails or is unable to discover in due diligence, both in relation to itself and in relation to DirectMoney, prior to the consummation of the Acquisition. In particular, there may be latent liabilities with respect to the Company relating to its previous activities, to the sale of its business and assets and to the winding-up of its subsidiaries. Additionally, to the extent that DirectMoney failed to comply with or otherwise breached applicable laws, the Company, as the ultimate successor owner, may be financially responsible for these breaches. The discovery of any material liabilities could have a material adverse effect on the Company's business, financial condition and future prospects.

(g) **Conditions of the Offer and issue of Vendor Consideration Shares**

The Capital Raising and issue of Vendor Consideration Shares are subject to the conditions referred to in Section 1.5(i)(i), which must be satisfied prior to issue of Shares pursuant to the Capital Raising and completion of the Share Sale Agreement by issue of the Vendor Consideration Shares. If the applicable conditions are not satisfied, the Capital Raising and completion of the Share Sale Agreement and Acquisition may not proceed.

(h) **Reinstatement to ASX's official list**

The Company's Shares are currently suspended from trading on ASX. In the event that all Acquisition Resolutions are approved at the Meeting, it is anticipated that the Company's Shares will remain suspended until completion of the Share Sale Agreement, Capital Raising and re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares may consequently remain suspended from quotation.

(i) **Contractual risk**

DirectMoney's operations are underpinned by various material agreements (as summarised in Section 1.5(i)) and its success is to a large extent reliant on the various counterparties fulfilling their respective obligations under those agreements. To the extent that this does not occur, DirectMoney may be adversely affected.

(j) **Information technology risk**

There are risks associated with reliance on information technology, including technology failure interrupting the availability of services, data or information loss, or data or information theft. The DirectMoney website, through which borrowers apply for loans, may be the subject of malicious or criminal attacks, such as hacking or denial of service attacks. Such activity could impact on DirectMoney's ability to source loans.

Industry Specific Risks

The following are the key risks that relate specifically to the Marketplace Lending industry in Australia in which the Company will operate following the completion of the Acquisition:

(a) **Competition**

DirectMoney competes directly with banks for personal loan customers. Banks (particularly Australia's so called "big 4 banks") are well established mainstays in this lending segment and have substantially more capital at their disposal to attract borrowers. Additionally, DirectMoney and other entrants in the Marketplace Lending industry generally remain viable by undercutting the relatively high interest rates offered by these banks. DirectMoney's profitability could be affected if the banks respond to this competitive pressure by reducing their personal loan interest rates.

(b) **Regulation**

The Company may be exposed to the risk of changes to applicable laws or underlying policy or their interpretation that have an impact on the Company, its investments or returns to Shareholders or the risk of non-compliance with reporting or other legal obligations. In particular, the Marketplace Lending industry is relatively new in Australia and regulators could review the regulatory regime which applies to it. There is therefore a risk that new regulations or regulators could be introduced to this industry, and they may impose unforeseen compliance burdens resulting in delays and extra cost for the Company, which could adversely affect its operations and prospects.

(c) **Licensing risk**

If the Australian Financial Services Licence or Australian Credit Licence of DirectMoney is suspended or revoked, then this could adversely impact the operations of the Company. It may also affect its ability to manage the DirectMoney Personal Loan Fund and DirectMoney Marketplace Limited from which it intends to derive revenue.

(d) **Default and fraud**

If the Australian economy enters into a recession there is a risk that the Company's loan book could suffer higher levels of defaults than anticipated when loans were written. In addition, there is a general ongoing risk that borrowers may deliberately fabricate evidence to support their loan applications and that they have no intention of paying off their loan. Although DirectMoney has procedures in place to detect fraudulent applications, the risk of fraud cannot be discounted. The Company could also be subject to identity fraud and hacking attacks on its information technology assets.

General Risks

(a) Market risk

Investment returns are influenced by market factors. These factors include the change in the economic (e.g. changes in interest rates), legislative and political environment, as well as changes in investor sentiment. In addition, exogenous shocks, natural disasters and acts of terrorism can (and sometimes do) add to equity market volatility as well as impact directly on individual entities. As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments.

(b) Interest rate risk

Changes in the interest rates within Australia may impact directly or indirectly on DirectMoney. For the period any Loans are held in the Loan Warehouse, falling interest rates may reduce the return DirectMoney earns on new Personal Loans which are subject to lower interest rates. Increased competition in the personal unsecured loan market generally may also see the rate of interest charged to borrowers reduce, and this may reduce the income of DirectMoney.

(c) Industry risk

There are a number of industry risk factors that may affect the future operation or performance of the Company. These factors are outside the control of the Company. Such factors include increased competition, regulatory and compliance costs and variations in legislation and government policies generally.

(d) Liquidity risk

The Company is a listed entity, therefore the ability to sell Shares is a function of the turnover of the Company's Shares at the time of sale. Turnover itself is a function of the size of the Company and also the cumulative investment intentions of all current and possible investors in the Company at any one point in time.

(e) Operational costs

Operational costs for the Company as a proportion of total assets may be affected by the level of total assets of the Company and by the level of acceptance of the Offer. Operational costs may represent a greater proportion of total assets and could reduce the operating results of the Company and accordingly the ability to make dividend payments if the Company only achieves the minimum subscription under the Offer than if it secures a greater level of acceptance.

(f) Taxation risk

Tax laws (including Australian tax laws) are in a continual state of change and reform that may affect the Company and Shareholders. Tax liabilities are the responsibility of each individual Shareholder. The Company is not responsible either for taxation or penalties incurred by Shareholders. Shareholders should consult their own taxation advisers to ascertain the tax implications of their investment.

(g) Force majeure risk

Force majeure is a term generally used to refer to an event beyond the control of a party claiming that the event has occurred, including acts of God, acts of terrorism, fire, flood, earthquakes, war and strikes. The Company does not have insurance for all force majeure risks, some of which are, in any event, uninsurable. To the extent that any such risks occur, there may be an adverse effect on the operations and profitability of the Company's business.

(h) **Further funding requirements**

Although the Directors believe that, on completion of the Capital Raising, the Company will have sufficient working capital to carry out its stated business objectives, there can be no assurance that such objectives can be met without further financing or, if further financing is necessary, that it can be obtained on favourable terms or at all. If additional funds are raised by issuing equity securities, this may result in dilution of some or all of the Shareholders.

1.19 Plans for the Company if the Acquisition Resolutions are not passed

If the Acquisition Resolutions are not passed the Share Sale Agreement will not Complete and the Acquisition and Capital Raising will not proceed.

If this was to occur, the Board would either have to:

- (a) apply to wind up the Company (in which case the Shareholders would not receive any further return on their Shares); or
- (b) maintain the Company's status quo whilst another opportunity to realise the value of Shares is identified. There is no assurance that this could occur, and, if the Acquisition and Capital Raising do not occur, this would seem very unlikely.

1.20 Directors' interests in the Share Sale Agreement

With the exception of Campbell McComb, who is a DirectMoney shareholder, none of the Company's existing Directors have any interest in the proposed acquisition of the issued shares of DirectMoney pursuant to the Share Sale Agreement, other than as disclosed in this Booklet.

1.21 Related Parties

The following Vendors are related parties of the Company, due to them being (or being controlled by) a Director or Proposed Director of the Company or their respective spouses, parents or children (**Related Parties**), or by a person who was a Related Party of the Company at any time within the six months prior to the date of this Booklet:

- (a) Campbell McComb; and
- (b) Stephen Porges.

None of the Vendors have an existing interest in the Company's Shares separate from the Resolutions and the Share Sale Agreement.

1.22 Conditional Acquisition Resolutions

All Acquisition Resolutions are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of Resolutions 7 to 15 (inclusive) is not approved at the Meeting, none of them will take effect and the Share Sale Agreement and the other matters contemplated by those Resolutions will not be completed pursuant to this Booklet.

1.23 Voting intentions

The current Directors (with the exception of Campbell McComb, who does not hold any Shares) hold a combined voting power in the Company of 34.4%. Subject to any voting exclusion or restriction that applies to the Directors, they all intend to vote in favour of all the Acquisition Resolutions.

2 RESOLUTION 7 – APPROVAL TO CHANGE THE NATURE AND SCALE OF THE COMPANY’S ACTIVITIES

2.1 General

Resolution 7 seeks approval from Shareholders for a change in the nature and scale of the activities of the Company to change the focus of the Company’s activities to the Marketplace Lending industry.

As outlined in Section 1.5(i)(i) of this Explanatory Statement, the Company has entered into a Share Sale Agreement whereby the Company proposes to acquire all of the issued capital in DirectMoney.

The Share Sale Agreement is subject to the Conditions Precedent as summarised in Section 1.5(i)(i) above. A detailed description of DirectMoney and its business is also outlined in Section 1.5(i)(i).

Resolution 7 is subject to all Acquisition Resolutions being approved by Shareholders.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the official list of ASX.

ASX has indicated to the Company that the change in the nature and scale of the Company’s activities as a result of proposed Acquisition and Capital Raising requires the Company in accordance with ASX Listing Rule 11.1.2 to obtain Shareholder approval and the Company must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has also indicated to the Company that the change in the nature and scale of the Company’s activities is a back-door listing of DirectMoney, which consequently requires the Company to (in accordance with ASX Listing Rule 11.1.3) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (including any ASX requirement to treat the Company’s Shares as restricted securities).

Accordingly, the Company’s Shares will remain suspended from quotation on ASX, and the Vendor Consideration Shares and any Shares issued by the Company pursuant to the Capital Raising will not be quoted on ASX until the Company has fulfilled the requirements of Chapters 1 and 2 of the Listing Rules, including by satisfying any conditions precedent to the reinstatement to quotation of the Shares on the official list of ASX.

3 RESOLUTION 8 - ISSUE OF SHARES - VENDOR CONSIDERATION SHARES AND PARTICIPATION IN CAPITAL RAISING

3.1 General

Resolution 8 seeks Shareholder approval pursuant to Item 7 of section 611 of the Corporations Act in order for up to:

- (a) 195,800,000 Shares to be issued to all the Vendors, as consideration for the Company acquiring all of the issued capital in DirectMoney (see Section 1.1);

- (b) up to 17,500,000 Shares to be issued to Adcock Private Equity, up to 100,000 Shares to be issued to Amplitudo and up to 100,000 Shares to be issued to Tatman Pang under the Capital Raising; and
- (c) 3,809,932 Shares to be issued to the LAF Parties in lieu of professional services provided to DirectMoney in relation to the Capital Raising (see Section 1.4).

Resolution 8 also seeks Shareholder approval pursuant to ASX Listing Rule 8.11, which provides that an entity must not issue or agree to issue securities to a related party without the approval of the entity's shareholders. The related parties for this purpose are Stephen Porges and Campbell McComb who are to receive Shares in the Company in their capacity as Vendors in consideration for their DirectMoney securities (see Section 1.21 above).

Resolution 8 is subject to all Acquisition Resolutions being approved by Shareholders.

3.2 Item 7 of section 611 of the Corporations Act

The Company considers that the Vendors will be associates of each other for the purpose of the Corporations Act.

The result of the proposed issue of the Vendor Consideration Shares, the proposed issue of 3,809,932 Shares to the LAF Parties, and the proposed issue of up to 17,500,000 Shares to Adcock Private Equity, up to 100,000 Shares to Amplitudo and up to 100,000 Shares to Tatman Pang under the Capital Raising, is that:

- (a) the collective voting power of the Vendors in the Company;
- (b) the collective voting power of the LAF Parties; and
- (c) the voting power of Adcock Private Equity, Amplitudo and Tatman Pang,

and that of their respective associates, will increase from 0% to more than 20%.

On this basis, the Company seeks Shareholder approval for the proposed Share issues under Resolution 8 in accordance with Item 7 of section 611 of the Corporations Act to enable the Vendors, the LAF Parties, Adcock Private Equity, Amplitudo Tatman Pang and their respective associates to increase their voting power in the Company in excess of the threshold limit prescribed by the Corporations Act.

Approval pursuant to Listing Rule 7.1 for issue of the Vendor Consideration Shares, the proposed issue of 3,809,932 Shares to the LAF Parties, and the proposed issue of up to 17,500,000 Shares to Adcock Private Equity, up to 100,000 Shares to Amplitudo and up to 100,000 Shares to Tatman Pang under the Capital Raising is not required because the approval for those issues under Item 7 of section 611 of the Corporations Act is an exception to Listing Rule 7.1, pursuant to Listing Rule 7.2 exception 16.

A summary of the requirements of Item 7 of section 611 of the Corporations Act is set out below in Sections 3.5 and 3.6 of this Explanatory Statement.

3.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

An issue of Shares to the Vendors (including Adcock Private Equity, Amplitudo and Tatman Pang) (whether the Vendor Consideration Shares or under the Capital Raising), or to the LAF Parties, would constitute giving a financial benefit. Shareholder approval pursuant to Chapter 2E of the Corporations Act would be required for the issue of Shares to the Vendors or to the LAF Parties who are Related Parties of the Company (as identified above in Section 1.4) unless a relevant exception applies.

The Directors consider that none of the LAF Parties are Related Parties of the Company. Accordingly, Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the proposed issue of 3,809,932 Shares to the LAF Parties.

The Directors also consider that neither Adcock Private Equity, Amplitudo nor Tatman Pang is a Related Party of the Company. Accordingly, Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the proposed issue of up to 17,500,000 Shares to Adcock Private Equity, up to 100,000 Shares to Amplitudo and up to 100,000 Shares to Tatman Pang under the Capital Raising.

The Directors consider that none of the Vendors are Related Parties of the Company, other than Stephen Porges and Campbell McComb (see Section 1.21 above).

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Vendor Consideration Shares to those Vendors as the Share Sale Agreement, which governs the issue of the Vendor Consideration Shares the subject of Resolution 8, was negotiated on an arm's length basis. This is an exception to the requirement to obtain shareholder approval under Chapter 2E. Therefore, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required.

Notwithstanding the above, the Directors consider that ASX Listing Rule 10.11 approval is required in respect of Stephen Porges and Campbell McComb receiving Shares in the Company in their capacity as Vendors. Please see section 3.7 below for further information.

3.4 Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%,

(Prohibition).

Voting power

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

Associates

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

- (a) (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
 - (i) a body corporate the first person controls;
 - (ii) a body corporate that controls the first person; or

- (iii) a body corporate that is controlled by an entity that controls the first person;
- (b) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (c) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example, where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

By virtue of being parties to the Share Sale Agreement for the Acquisition, the Vendors will be associates of each other at the time of the completion of the Acquisition. No representation is made that the Vendors will remain associates of each other following completion of the Acquisition.

Relevant interests

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (a) a body corporate in which the person's voting power is above 20%;
- (b) a body corporate that the person controls.

The Vendors do not currently have a relevant interest in the Company's issued share capital.

3.5 Reasons why section 611 approval is required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition described in Section 3.6 above, whereby a person and their associates may acquire a relevant interest in a company's voting shares with shareholder approval.

The Vendors are associates of each other as they are acting or proposing to act, in concert at the time of completion of the Acquisition and the Capital Raising and therefore in determining their voting power, their relevant interests (and those of their respective associates) in the Company's Shares will be aggregated. However, there is no determination that the Vendors will continue to be associates of each other for the purpose of the Corporations Act, following completion of the Acquisition and the Capital Raising.

Additionally, Adcock Private Equity, Amplitudo and Tatman Pang are each Vendors and have indicated that they intend to subscribe for up to 17,500,000 Shares, 100,000 Shares and 100,000 Shares under the Capital Raising respectively. Therefore, in determining the voting power of the Vendors, the relevant interests in the Company's Shares of Adcock Private Equity, Amplitudo and Tatman Pang (and those of their respective associates, including the Vendors collectively) will be aggregated.

Further, the LAF Parties are associates of Liberum Capital Limited, a Vendor, and, amongst the LAF Parties, Simon James Atkinson and Cormac Leech are also Vendors themselves. Therefore, in determining the voting power of the LAF Parties, the relevant interests in the Company's Shares of the LAF Parties (and their respective associates, including the Vendors collectively) will be aggregated.

Accordingly, the relevant interests in the Company of the Vendors, the LAF Parties, Adcock Private Equity, Amplitudo and Tatman Pang (and their respective associates) after implementation of all the Acquisition Resolutions (when aggregated) will increase from nil to more than 20%.

On this basis, the Company seeks Shareholder approval for the proposed issue of the Vendor Consideration Shares, for the proposed issue of 3,809,932 Shares to the LAF Parties and for the proposed issue of up to 17,500,000 Shares to Adcock Private Equity, up to 100,000 Shares to Amplitudo and up to 100,000 Shares to Tatman Pang under the Capital Raising under Resolution 8 in accordance with Item 7 of section 611 of the Corporations Act, to enable the Vendors, the LAF Parties, Adcock Private Equity, Amplitudo and Tatman Pang (and their respective associates) to increase their voting power in the Company in excess of the threshold limit prescribed by the Corporations Act.

3.6 Specific Information Required by section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report which accompanies this Booklet.

(a) Identity of persons proposing to participate in the issue and their associates

If Resolution 8 is passed and on completion of the Acquisition and Capital Raising, the persons who will hold a relevant interest in the Vendor Consideration Shares, in the Shares issued to the LAF Parties, and in the Shares issued under the Capital Raising to Adcock Private Equity, Amplitudo and Tatman Pang, along with their associates, are the Vendors (including Adcock Private Equity, Amplitudo, Tatman Pang and the LAF Parties).

The Vendors (including Adcock Private Equity, Amplitudo, Tatman Pang, Simon James Atkinson and Cormac Leech) and their respective interests in the share capital of DirectMoney are as set out in Annexure C of this Booklet. Liberum Alternative Finance is not a Vendor as it holds no shares in DirectMoney.

In addition to the Vendors being associates of each other for the purposes of Resolution 8, the table in Annexure E of this Booklet identifies the respective associates of each of the Vendors (including Adcock Private Equity, Amplitudo, Tatman Pang, Simon James Atkinson and Cormac Leech) and of Liberum Alternative Finance.

(b) The maximum extent of the increase in the relevant interests and voting power

There are 10,000,443 Shares currently on issue in the Company and none of the Vendors or their associates has a relevant interest in these Shares as at the date of this Booklet.

Upon completion of the issue of the Vendor Consideration Shares, 3,809,932 Shares to the LAF Parties, and up to 17,500,000 Shares to Adcock Private Equity, up to 100,000 Shares to Amplitudo and 100,000 Shares to Tatman Pang under the Capital Raising the subject of Resolution 8, the total number of Shares on issue will, assuming the Maximum Subscription, be 284,610,375 and the number of Shares in which the Vendors (including Adcock Private Equity), the LAF Parties and their respective associates would have a relevant interest and their relevant voting power will be as set out in the table in Annexure D of this Booklet.

The table in Annexure D shows the Voting Power of each Vendor assuming the Minimum Subscription is raised under the Capital Raising (i.e. 50,000,000 Shares are issued under the Prospectus) and assuming the Maximum Subscription is raised under the Capital Raising (i.e. 75,000,000 Shares are issued under the Prospectus).

(c) **The voting power that person would have as a result of the issues**

Based on the table in Annexure D, the maximum extent of the increase in the voting power of each of the Vendors and their associates is 83.71% (assuming the Minimum Subscription is raised under the Capital Raising) and 76.35% (assuming the Maximum Subscription is raised under the Capital Raising).

Adcock Private Equity and its associates will hold up to 22.92% (assuming the Minimum Subscription is raised under the Capital Raising) and 20.91% (assuming the Maximum Subscription is raised under the Capital Raising).

(d) **Intentions as to the future of the Company**

Other than as disclosed elsewhere in this Booklet and changes pursuant to the Acquisition and the Resolutions, the Company understands that the Vendors and their associates (including the Proposed Directors):

- (i) have no intention of making any significant changes to the business of the Company;
- (ii) have no intention of injecting further capital into the Company;
- (iii) have no intention of making changes regarding the future employment of the present employees of the Company, other than as contemplated under the Agreement and set out in this Booklet;
- (iv) do not intend to redeploy any fixed assets of the Company;
- (v) do not intend to transfer any property between the Company and the Vendors or any entity associated with any one of them, other than as contemplated under the Acquisition and set out in this Booklet;
- (vi) do not intend to significantly change the financial policy of the Company, however the Vendors may choose to implement a dividend policy but make no forecast as to whether any dividend will be payable; and
- (vii) have no intention to change the composition of the Board other than as required under the Share Sale Agreement (see Section 1.5(i)(i) under “Changes to the Company’s Board”, as reflected in Resolutions 11 and 12) and as set out in Section 1.11.

These intentions are based on the Company’s understanding of the intentions of the Vendors’ and their associates as at the date of this Booklet and on information concerning the Company, DirectMoney and its business environment as known to the Vendors and their associates at the date of this Booklet.

Final decisions regarding these matters will only be made by the Vendors and their associates (including the Proposed Directors), together or individually, in light of material information and circumstances at the relevant time. Accordingly, the statements set out above are statements of current intention only, which may change as new information becomes available or as circumstances change.

(e) **Reason for the proposed issue**

The Vendor Consideration Shares the subject of Resolution 8 will be issued to the Vendors in consideration for the Acquisition, pursuant to the Share Sale Agreement. A summary of the material terms of the Share Sale Agreement is set out in Section 1.5(i)(i) above.

(f) **Capital structure**

The proposed capital structure of the Company following completion of the Acquisition is set out in Section 1.8 above.

(g) **Directors' interests**

With the exception of Mr Campbell McComb, who is a director of both the Company and DirectMoney (and a shareholder of DirectMoney), none of the other Directors are related parties of any of the Vendors or any of their associates. Nor do any of the other Directors have any interest in any shares in the Vendors or their respective associates (to the extent that they are companies).

(h) **Directors' recommendation**

All the Directors, except Mr Campbell McComb, recommend that Shareholders vote in favour of Resolution 8, on the basis that the Directors consider the Acquisition is in the best interests of the Company.

As Mr Campbell McComb is also a director of DirectMoney, he has concluded that it is not appropriate for him to make a recommendation.

(i) **Independent Expert's Report**

The Independent Expert has provided the Independent Expert's Report with respect to the proposed issue of Vendor Consideration Shares to the Vendors pursuant to Resolution 8. The Independent Expert has concluded that the proposal as outlined in Resolution 9 is fair and reasonable to the Shareholders of the Company.

For further details in relation to the Independent Expert's Report refer to Section 1.15. A copy of the Independent Expert's Report accompanies this Booklet.

3.7 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As referred to above, the relevant related parties for the purposes of the proposed transaction are Stephen Porges and Campbell McComb. Stephen Porges and Campbell McComb are proposed and current directors of the Company respectively. Stephen Porges and Campbell McComb are to receive Shares in the Company in their capacity as Vendors under the transaction. The details of Stephen Porges' and Campbell McComb's holdings are set out in Annexure C.

In respect of the ASX Listing Rule 10.11, the Company notes that Stephen Porges and Campbell McComb are receiving Shares in exchange for their DirectMoney securities on exactly the same terms as all other Vendors under the transaction.

If Resolution 8 is passed, the date for the issue of the Shares to Stephen Porges and Campbell McComb must not be more than 1 month after the date of the Meeting, unless ASX agrees to an extension.

In respect of the other specific disclosure requirements for an ASX Listing Rule 10.11 approval under ASX Listing Rule 10.13:

- The names of the relevant persons for which approval is sought are Stephen Porges and Campbell McComb.
- The maximum number of Shares to be issued to these persons is as set out in Annexure D.
- The issue price of the Shares and a statement of the terms of issue is set out in Section 1.
- A voting exclusion statement has been included in the Agenda of this Booklet.

- The Shares are being issued as consideration for the acquisition of Stephen Porges' and Campbell McComb's securities in DirectMoney.

The Directors other than Campbell McComb recommend that Shareholders vote in favour of this Resolution.

4 RESOLUTION 9 – CAPITAL RAISING

4.1 General

As detailed in Section 1.10, the Company proposes under the Capital Raising to issue up to 75,000,000 Shares at an issue price of \$0.20 per Share pursuant to the Prospectus to raise up to \$15,000,000 (before costs).

Resolution 9 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of Shares under the Prospectus.

4.2 Details of the Capital Raising

(a) The offer

Pursuant to the Prospectus, the Company invites applications for up to 75,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$15,000,000 (before costs).

This Prospectus is a re-compliance prospectus for the purpose of satisfying Chapters 1 and 2 of the Listing Rules and to satisfy the ASX requirements for re-quotation following a change to the nature and scale of the Company's activities, as a result of the Acquisition.

(b) Minimum Subscription

The minimum subscription to the Capital Raising is 50,000,000 Shares for \$10,000,000.

Bell Potter Securities has agreed in principle to underwrite the minimum subscription amount under the Capital Raising.

(c) Underwriting

Bell Potter Securities has agreed in principle to underwrite the Minimum Subscription under the Capital Raising (i.e. up to 50,000,000 Shares). An underwriting agreement is to be finalised in connection with the finalisation and lodgement of the Prospectus which is expected to occur on around Tuesday, 26 May 2015. If agreed, the terms of the underwriting agreement will be summarised in the Prospectus.

(d) Commissions payable

Under the terms of the Lead Manager Mandate (see Section 1.5(i)(iv)), the Company will pay the Lead Manager a selling fee equal to 2.5% of the total proceeds of the Capital Raising. This selling fee is included in the total fee of 5% of the total proceeds of the Capital Raising under the Mandate Letter for the Lead Manager referred to in clause 1.5(i)(iv).

Liberum Capital will be entitled to a commission of 5% of the aggregate value of the gross proceeds of Shares issued to placees procured by Liberum Capital in connection with the Capital Raising. Liberum Capital placees will be subject to the availability of Shares under the Capital Raising and the Company is not obliged to allocate Shares to Liberum Capital placees in priority to any other applicant.

In addition, the Company reserves the right to pay a commission of up to a further 4% (exclusive of GST) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

4.3 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 9 will be to allow the Company to issue up to 75,000,000 Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1

4.4 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Shares to be issued under Resolution 9 is 75,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). Based on the indicative timetable for the Acquisition and Capital raising set out in Section 1.13, it is intended that issue of Shares will occur on 22 June 2015;
- (c) the issue price will be \$0.20 per Share;
- (d) the Shares are proposed to be issued to the applicants of the Capital Raising under a Prospectus offer. Applications for Shares under the Prospectus are open to persons who have a registered address in Australia. In addition, existing Shareholders with a registered address in Australia can apply for Shares under the Prospectus. The Prospectus does not, and is not intended to, constitute an offer of Shares in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue the Prospectus. It is the responsibility of prospective applicants of Shares under the Prospectus who are outside Australia to obtain all necessary approvals in their jurisdiction for the issue to them of Shares pursuant to the Prospectus;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as, the Company's existing Shares on issue; and
- (f) the Company intends to use the funds raised from the Shares issued under the Capital Raising as a whole, in the manner outlined in Section 1.9.

5 RESOLUTION 10 – CHANGE OF NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Under the Corporations Act, a "special resolution" must be passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

Resolution 10 seeks the approval of Shareholders for the Company to change its name to "DirectMoney Limited".

If Resolution 10 is passed by the required majority identified above, the change of the Company's name will take effect when ASIC alters the details of the Company's registration to reflect its new name.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company, if the Acquisition is completed.

6 RESOLUTION 11 – ELECTION OF STEPHEN PORGES AS DIRECTOR

Resolution 11 seeks the approval of Shareholders for the election of Stephen Porges as a director of the Company.

Under the Share Sale Agreement, the Company must procure that the Board will take all actions necessary to ensure that at the Meeting and with effect from Completion, Stephen Porges is appointed as a director of the Company. See Section 1.11 on the changes to the Board that are required to be approved by Shareholders under the Share Sale Agreement.

The election of Stephen Porges to the Board is subject to and conditional on the passing of all Acquisition Resolutions and Completion of the Share Sale Agreement. It is intended that following the election of Stephen Porges to the Board (and subject to the passing of all Acquisition Resolutions and Completion of the Share Sale Agreement), the Directors will appoint Stephen Porges as the Company's chairman and he will act in an executive capacity.

Details of the qualifications and experience of Stephen Porges are set out in Section 1.5(h)(i), and details of his proposed remuneration following the Company's re-admission to the official list of ASX are set out in Sections 9.2 and 9.4(b)(ii).

Directors' Recommendation

All the Directors, except Mr Campbell McComb, recommend that Shareholders vote in favour of Resolution 11.

As Mr McComb is also a director of DirectMoney, he has concluded that it is not appropriate for him to make a recommendation.

7 RESOLUTION 12 – ELECTION AS DIRECTOR - CRAIG SWANGER

Resolution 12 seeks the approval of Shareholders for the election of Craig Swanger as a director of the Company.

Under the Share Sale Agreement, the Company must procure that the Board will take all actions necessary to ensure that at the Meeting and with effect from Completion, one additional nominee of the Vendors is appointed as a non-executive director of the Company (provided that such person has been nominated in writing by the Vendors not less than 14 days prior to the sending of this Booklet to the Shareholders). Craig Swanger is the Vendor's nominee. See Section 1.11 on the changes to the Board that are required to be approved by Shareholders under the Share Sale Agreement.

The election of Craig Swanger to the Board is subject to and conditional on the passing of all Acquisition Resolutions and Completion of the Share Sale Agreement. It is intended that following the election of Craig Swanger to the Board (and subject to the passing of all Acquisition Resolutions and the completion of the Acquisition and the Capital Raising), he will act in a non-executive capacity.

Full details of the qualifications and experience of Craig Swanger are set out in Section 1.5(e)(vii), and details of his proposed remuneration following the Company's re-admission to the official list of ASX are set out in Sections 9.2 and 9.4(b)(iii).

Directors' Recommendation

All the Directors, except Mr Campbell McComb, recommend that Shareholders vote in favour of Resolution 12.

As Mr McComb is also a director of DirectMoney, he has concluded that it is not appropriate for him to make a recommendation.

8 RESOLUTIONS 13 AND 14 – APPROVAL OF THE PERFORMANCE RIGHTS PLAN AND PAYMENT OF POTENTIAL TERMINATION BENEFITS UNDER THE PERFORMANCE RIGHTS PLAN

8.1 Resolution 13 – Approval of the Plan

(a) Background

The Company is focused on the delivery of sustainable value to its shareholders. A remuneration structure has been developed which directly links incentives for its senior executives and other employees to creating and sustaining Shareholder value.

To achieve its corporate objectives, the Company needs to attract and retain executives and employees of a high calibre who have the knowledge, experience and capability to deliver its business objectives.

To this end, the Board wishes to adopt a performance rights plan (**Plan**), pursuant to which eligible persons will be offered Performance Rights as a part of their total remuneration package. The Performance Rights will convert into Shares (that is, they will 'vest') subject to satisfaction of specific performance conditions, that are linked to creating and sustaining Shareholder value. Vesting will result in the issue to the eligible participant of one Share for every Performance Right. Performance rights that do not vest will lapse.

The Plan is designed to increase the motivation of staff and create a stronger link between increasing shareholder value and employee reward.

The Board believes that grants of Performance Rights made to eligible persons under the PRP will provide a powerful tool to underpin the Company's employment strategy, and that the implementation of the Plan will:

- enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- align the financial interest of eligible persons under the Plan with those of Shareholders; and
- provide incentives to eligible persons under the Plan to focus on superior performance that creates shareholder value.

A summary of the proposed rules of the Plan (**Plan Rules**) is set out in Annexure B. The terms on which Performance Rights are proposed to be offered to each Director and Proposed Director are set out in Section 9 below.

(b) Shareholder Approval

Subject to the approval of the Acquisition Resolutions, Shareholder approval of the Plan is sought for all purposes under the Corporations Act and the Listing Rules, including with respect to Listing Rule 7.1.

Listing Rule 7.1 provides that without the approval of the Shareholders, an entity must not issue or agree to issue equity securities which amount to more than 15% of its issued share capital in any rolling 12 month period. However, Listing Rule 7.2 sets out a number of exceptions to ASX Listing Rule 7.1. These exceptions include Exception 9 which covers an issue of securities under an employee incentive scheme, if within 3 years before the date of issue, the Shareholders have approved the issue of securities under the scheme.

In accordance with ASX Listing Rule 7.2 Exception 9, any Shares issued under the Plan (if approved by Shareholders) will be excluded from the calculation of the maximum number of new securities that can be issued by the Company in any 12 months period for the purposes of Listing Rule 7.1, for a period of three years from the date of such approval.

(c) Listing Rule Requirements

In accordance with the requirements of Listing Rule 7.2, Exception 9(b), the following information is provided to Shareholders:

- a summary of the terms of the Plan is set out in Annexure B;
- no securities have been issued under the Plan; and
- a voting exclusion statement has been included for the purposes of Resolution 13.

(d) Directors' Recommendation

As all the Directors have an interest in the passing of this Resolution, they have concluded that it is not appropriate for them to make a recommendation.

8.2 Resolution 14 – Payment of potential termination benefits under the Plan

(a) Chapter 2D of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate of the company, if it is approved by shareholders or an exemption applies.

This section of the Corporations Act applies to managerial or executive officers of the Company or any of its subsidiaries, which includes directors and all persons whose remuneration is required to be disclosed in the Company's Remuneration Report. This section also applies to persons who, at any time in the three year period up to their retirement, held managerial or executive positions.

The term 'benefit' has a wide operation and may include benefits resulting from the Board exercising its discretion under the Plan Rules to determine the extent to which unvested Performance Rights will vest and the relevant Shares issued, if a Participant ceases to be an Eligible Person due to retirement, total and permanent disablement, redundancy or death, or in respect of the Directors, due to their resignation as contemplated in the Share Sale Agreement following Completion, (each a **Specified Reason**) or for any other reason.

The Company is therefore seeking Shareholder approval under Resolution 14, and pursuant to section 200B and 200E of the Corporations Act, for the exercise of the Board's discretion (as described above) in respect of any current or future participant in the Plan who holds:

- a managerial or executive office in the Company (or a related body corporate of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- Performance Rights under the Plan at the time of their leaving.

The termination benefit that may be given under the Plan is the early vesting of Performance Rights if a Participant ceases employment with the Company due to a Specified Reason or for any other reason, with the approval of the Board.

The value of such benefits cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Performance Rights held by the participant prior to cessation of employment;
- the number of Performance Rights that vest;
- the market price of Shares on ASX on the last ASX trading day before the date of calculation;
- the Participant's length of service and the outstanding portion of their Performance Periods at the time they cease employment;
- the status of the Performance Conditions attaching to the Performance Rights at the time the Participant's employment ceases; and
- the number of unvested Performance Rights that the Participant holds at the time they cease employment.

The Board's current intention is to only exercise its discretion:

- where the Participant ceases to be an Eligible Person due to a Specified Reason; and
- so as only to preserve that number of unvested Performance Rights as are pro-rated to the date of such ceasing.

If Shareholder approval is given under this Resolution the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

(b) Directors' Recommendation

As all the Directors have an interest in the passing of this Resolution, they have concluded that it is not appropriate for them to make a recommendation.

9 RESOLUTION 15 – APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO DIRECTORS AND PROPOSED DIRECTORS

9.1 Background

Subject to approval of the Acquisition Resolutions and Completion of the Share Sale Agreement, Resolution 15 seeks Shareholder approval for the issue of Performance Rights to each of the Directors and Proposed Directors as set out below.

The Board has determined that the grant of Performance Rights to each of the Directors and Proposed Directors is an appropriate form of incentive.

9.2 Quantum

The Performance Rights proposed to be issued to each of the Directors and Proposed Directors are as set out below:

- (a) 500,000 Performance Rights to Winton Willesee;
- (b) 500,000 Performance Rights to Robert Parton;
- (c) 500,000 Performance Rights to Andrew McKay;
- (d) 5,000,000 Performance Rights to Campbell McComb;

- (e) 12,500,000 Performance Rights to Stephen Porges; and
- (f) 5,000,000 Performance Rights to Craig Swanger.

In determining the number of Performance Rights to be issued to each of the above Participants, the Board considered the:

- (a) Company's remuneration strategy;
- (b) Company's situation;
- (c) role and contribution of the Directors to the achievement of the Company's objectives both before and after Completion; and
- (d) current market practice for remuneration of executive and non-executive officers in positions of similar responsibility.

9.3 Performance Conditions

With respect to each Participant, the following conditions must be satisfied for the Performance Rights to vest:

(a) Winton Willesee

The total number of Performance Rights proposed to be issued to Winton Willesee is 500,000.

These Performance Rights will vest if, following the Company's re-admission to quotation on the official list of ASX (**Re-admission**), the volume weighted average price of the Shares (**VWAP**) is at least 25 cents for a period of 10 consecutive trading days.

The Performance Rights will lapse if the vesting condition is not met within 3 years of the date of issue.

Upon vesting, 500,000 Shares will automatically be issued to Winton, subject to the Plan Rules.

(b) Robert Parton

The total number of Performance Rights proposed to be issued to Robert Parton is 500,000.

These Performance Rights will vest if, following Re-admission, the VWAP is at least 25 cents for a period of 10 consecutive trading days.

The Performance Rights will lapse if the vesting condition is not met within 3 years of the date of issue.

Upon vesting, 500,000 Shares will automatically be issued to Robert, subject to the Plan Rules.

(c) Andrew McKay

The total number of Performance Rights proposed to be issued to Andrew McKay is 500,000.

These Performance Rights will vest if, following Re-admission, the VWAP is at least 25 cents for a period of 10 consecutive trading days.

The Performance Rights will lapse if the vesting condition is not met within 3 years of the date of issue.

Upon vesting, 500,000 Shares will automatically be issued to Andrew, subject to the Plan Rules.

(d) Stephen Porges

The total number of Performance Rights proposed to be issued to Stephen Porges is 12,500,000.

These Performance Rights will vest in tranches if, following Re-admission, the VWAP is at least the price specified in the table below, for a period of 10 consecutive trading days, and Stephen remains a Director for at least the period specified:

| VWAP | 25 cents | 35 cents | 50 cents |
|---|-----------|-----------------------------|-----------------------------|
| No. of Performance Rights that will vest | 5,000,000 | 5,000,000 | 2,500,000 |
| Minimum period to remain a Director after Re-admission | None | 12 months from Re-admission | 24 months from Re-admission |

The Performance Rights will lapse if the vesting condition is not met within 3 years of the date of issue.

Upon the vesting of the relevant tranche or tranches of Performance Rights, the equivalent number of Shares will automatically be issued to Stephen, subject to the Plan Rules.

Example Vesting Scenarios

- **Scenario 1:** If at any time following Re-admission (and prior to the lapsing date), the VWAP is at 26 cents for 10 consecutive trading days, 5,000,000 Performance Rights will vest and Stephen will automatically be issued 5,000,000 Shares, subject to the Plan Rules.
- **Scenario 2:** Similarly, if the VWAP is at 36 cents for 10 consecutive trading days, 10,000,000 Performance Rights will vest on the date that is 12 months from Re-admission, but only if Stephen is still a Director by that date.
- **Scenario 3:** If, following the vesting of Shares under Scenario 1, the VWAP increases to 36 cents and remains at this level for 10 consecutive trading days, a further 5,000,000 Performance Rights will vest on the date that is 12 months from Re-admission, but only if Stephen is still a Director by that date.
- **Scenario 4:** If at any time following Re-admission (and prior to the lapsing date), the VWAP is at 51 cents for 10 consecutive trading days, 5,000,000 Performance Rights will vest immediately after the 10th trading day, a further 5,000,000 Performance Rights will vest on the date that is 12 months from Re-admission, but only if Stephen is still a Director by that date and a further 2,500,000 Performance Rights will vest on the date that is 24 months from Re-admission, but only if Stephen is still a Director by that date.

(e) Campbell McComb

The total number of Performance Rights proposed to be issued to Campbell McComb is 5,000,000. These Performance Rights will vest in tranches if, following Re-admission, the VWAP is at least the prices specified in the table below, for a period of 10 consecutive trading days, and Campbell remains a Director for at least the period specified:

| VWAP | 25 cents | 35 cents | 50 cents |
|---|-----------|-----------------------------|-----------------------------|
| No. of Performance Rights that will vest | 2,000,000 | 2,000,000 | 1,000,000 |
| Minimum period to remain a Director after Re-admission | None | 12 months from Re-admission | 24 months from Re-admission |

The Performance Rights will lapse if the vesting condition is not met within 3 years of the date of issue.

Upon the vesting of the relevant tranche or tranches of Performance Rights, the equivalent number of Shares will automatically be issued to Campbell, subject to the Plan Rules. The same example vesting scenarios in Section 9.3(d) above apply.

(f) Craig Swanger

The total number of Performance Rights proposed to be issued to Craig Swanger is 5,000,000.

These Performance Rights will vest in tranches if, following Re-admission, the VWAP is at least the prices specified in the table below, for a period of 10 consecutive trading days, and Craig remains a Director for at least the period specified:

| VWAP | 25 cents | 35 cents | 50 cents |
|---|-----------------|-----------------------------|-----------------------------|
| No. of Performance Rights that will vest | 2,000,000 | 2,000,000 | 1,000,000 |
| Minimum period to remain a Director after Re-admission | None | 12 months from Re-admission | 24 months from Re-admission |

The Performance Rights will lapse if the vesting condition is not met within 3 years of the date of issue.

Upon the vesting of the relevant tranche or tranches of Performance Rights, the equivalent number of Shares will automatically be issued to Craig, subject to the Plan Rules. The same example vesting scenarios in Section 9.3(d) above apply.

9.4 Total Remuneration

The total remuneration received by the Directors, and to be received by the Proposed Directors following re-admission to the official list of ASX, is as follows:

- (a) following the appointment of the Directors on 27 October 2014, they are each to receive \$12,000 for the period to Completion.
- (b) from Completion and Re-admission, the following remuneration is proposed to be paid to Campbell McComb and the Proposed Directors:
 - (i) Campbell McComb - \$50,000 per annum;
 - (ii) Stephen Porges - \$100,000 per annum; and
 - (iii) Craig Swanger - \$50,000 per annum.

The Company will enter into executive services agreements with Campbell McComb and Stephen Porges, and it will also enter into a non-executive director engagement agreement with Craig Swanger, prior to re-admission. These agreements will be entered into on customary terms for agreements of their nature.

9.5 Existing Relevant Interests

As at the date of this Booklet, the Directors and Proposed Directors have a relevant interest in the securities of the Company as follows:

| Name | Relevant Interest |
|-----------------|--------------------------|
| Winton Willesee | 1,137,288 Shares |
| Campbell McComb | Nil |
| Andrew McKay | 1,169,959 Shares |
| Robert Parton | 1,137,287 Shares |

| | |
|----------------|-----|
| Stephen Porges | Nil |
| Craig Swanger | Nil |

9.6 Dilution

A total of 24,000,000 Performance Rights may be granted under Resolution 15.

If the Performance Rights vest, up to 24,000,000 Shares will issue which will have the effect of diluting the shareholding of existing Shareholders. The pro forma capital structure table in Section 1.13 shows that the existing Shareholders would be diluted from 100% to 3.51% following the Acquisition, Capital Raising (assuming the Maximum Raising) and Share issues to the LAF Parties if all of the Performance Rights vest so that 24,000,000 Shares are issued, the effect would be to further dilute the shareholding of the existing Shareholders from 3.51% to 3.24%.

The actual dilution will depend on the actual Shares issued following the completion of the Acquisition and Capital Raising.

9.7 Listing Rule Requirements

Listing Rule 10.11 provides a general restriction against issuing equity securities to a related party of a listed entity without shareholder approval, unless an exception applies. Exception 4 of Listing Rule 10.12 permits the issue of securities to a related party of a listed entity under an employee incentive scheme if the issue has been approved by shareholders pursuant to the requirements of Listing Rule 10.14.

Under Resolution 15, the Company seeks approval from Shareholders for the issue of Performance Rights to the Directors and Proposed Directors, who are related parties of the Company.

For the purposes of the approval sought under Listing Rule 10.14, and for all other purposes, the following information is provided to Shareholders in respect of the Performance Rights, as required under Listing Rule 10.15:

- (a) The Performance Rights will be granted to each of the Directors and Proposed Directors identified in Section 9.2, or their respective nominees.
- (b) The maximum number of Performance Rights which will be granted to each of the Directors and Proposed Directors is as set out, with respect to each one of them, in Section 9.3.
- (c) No consideration is payable by any of the Directors and Proposed Directors at the time of the grant of the Performance Rights or upon the issue of Shares to which they may become entitled to on the vesting of some or all of the Performance Rights.
- (d) No offers or grants of Performance Rights have been made under the Plan as at the date of this Booklet, and it is expected that none will be made until after the date of the Meeting.
- (e) The persons presently entitled to participate in the Plan, and whose grant of Performance Rights is subject to Shareholder approval under Resolution 15 are the Directors and Proposed Directors, namely, Winton Willesee, Robert Parton, Andrew McKay, Campbell McComb, Stephen Porges and Craig Swanger.
- (f) A voting exclusion statement has been set out in the Notice under the text of Resolution 15.
- (g) No loans will be made by the Company in connection with the acquisition of the Performance Rights.
- (h) It is expected that the Performance Rights will be granted to the Directors and Proposed Directors as soon as practicable after this Meeting, and in any event no later than 12 months from the date of this Meeting.

9.8 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of the Performance Rights to the Directors and Proposed Directors under Resolution 15 constitutes the provision of a financial benefit to related parties.

It is the Board's view that the proposed issue of Performance Rights pursuant to Resolution 15 falls within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the positions held (or proposed to be held) by the Directors and Proposed Directors.

In particular, the Board considers that the proposed issue of Performance Rights to the Directors is reasonable remuneration given the circumstances of the Company as described in the Remuneration Report and in Section 8.1(a) above.

Accordingly, the Board has determined not to seek Shareholder approval under section 208 of the Corporations Act for the issue of the Performance Rights to the Directors and Proposed Directors.

9.9 Directors' Recommendation

As all the Directors have an interest in the passing of this Resolution, they have concluded that it is not appropriate for them to make a recommendation.

GLOSSARY

\$ means Australian dollars.

Acquisition means the acquisition by the Company of 100% of the issued share capital in DirectMoney, in consideration for the issue of the Vendor Consideration Shares in the Company, pursuant to the Share Sale Agreement.

Acquisition Resolutions means the inter-conditional resolutions in this Booklet from Resolutions 7 – 15 (inclusive).

Adcock Private Equity means Adcock Private Equity Pty Limited.

AEST means Australian Eastern Standard Time.

Amplitudo means Amplitudo Pty Ltd, a company controlled by Charles Weiser.

Annual General Meeting or **Meeting** means the meeting convened by this Booklet.

Application Monies means \$0.20 multiplied by the number of Shares applied for under the Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Auditor means the current auditor of the Company, RSM Bird Cameron Partners which, subject to approval of Resolution 6, is to be replaced by BDO East Coast Partnership as auditor of the Company.

BDO means BDO East Coast Partnership.

Bell Potter Securities means Bell Potter Securities Limited.

Board means the board of Directors of the Company as at the date of this Booklet.

Booklet means this Shareholder Booklet, including the Notice of Meeting and Explanatory Statement and all its annexures including the Extract of Pro-Forma Financial Information and Investigating Accountant's Report and Summary of Performance Rights Plan, and the Independent Expert's Report which accompanies this Booklet.

Capital Raising means the offer of Shares under the Prospectus that is the subject of Resolution 9.

Chair means the chair of the Meeting.

Closely Related Party means a closely related party of a Key Management Personnel and includes (among others), a spouse, child or dependent of the Key Management Personnel and a company controlled by the Key Management Personnel.

Company means Basper Limited ACN 004 661 205 (to be renamed "DirectMoney Limited").

Completion means the completion of the Acquisition under the Share Sale Agreement, which is subject to satisfaction on the Conditions Precedent.

Conditions Precedent means the conditions precedent to completion of the Share Sale Agreement, as summarised in Section 1.5(i)(i).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Credit Manager means DirectMoney Credit Management Pty Ltd.

Delinquent Loan Investments means a Loan Investment which has gone into default and the borrower has not brought their payments up to date in the timeframe allowed by the Loan Sale and Servicing Deed.

DirectMoney means DirectMoney Pty Ltd ACN 119 503 221.

DirectMoney Personal Loan Fund means the fund referred to in Section 1.5(f) of this document.

Directors means the directors of the Company as at the date of this Booklet.

Explanatory Statement means the explanatory statement contained in this Booklet.

Greig Holdings means Greig Holdings Pty Limited ACN 105 872 302.

Independent Expert means Hall Chadwick Corporate (NSW) Limited.

Independent Expert's Report means the Independent Expert's Report prepared by the Independent Expert which accompanies this Shareholder Booklet.

Investment Manager means DirectMoney Investment Management Pty Ltd.

Investment Management Agreement means the investment management agreement between the Responsible Entity and the Investment Manager.

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. The Remuneration Report identifies the Key Management Personnel.

LAF Parties means Liberum Alternative Finance and its directors Simon James Atkinson and Cormac Leech.

Lead Manager means Bell Potter Securities.

Liberum Alternative Finance means Liberum Alternative Finance Limited of Ropemaker Place, Level 12, 25 Ropemaker Street, London EC2Y 9LY, United Kingdom.

Loan Investment Reserve Account means the bank account held, operated and maintained by the Credit Manager in which the Retained Interest Portion is held.

Loan Investors means in-house retail funds or listed investment companies managed by DirectMoney or other third party institutions.

Loan Investments means equitable interests in Australian unsecured personal loans made by the Seller of either three or five years' duration that provide for monthly repayments of principal and interest.

Loan Investment Reserve Account means the bank account held, operated and maintained by the Credit Manager in which the Retained Interest Portion is held.

Loan Sale and Servicing Deed means the loan sale and servicing deed between the Responsible Entity, the Investment Manager, DirectMoney, the Servicer and the Credit Manager.

Long Term Strategic Objectives has the meaning given in Section 8.1(a).

Marketplace Lending for the purposes of this Booklet means the new financial services model operated by intermediary companies (such as DirectMoney) which originate consumer loans funded by in-house retail funds and listed investment companies or other third party institutions (Loan Investors). The intermediary company does not borrow to lend and instead acts as a fund manager earning an origination fee from the borrower and a fixed management fee for servicing the loans on behalf of the Loan Investors. Credit risk is assumed by the Loan Investors and the redemption profile of the Loan Investors is closely matched to the loan book. Loan Investors generally earn high rates of return compared to bank deposits because of the low capital requirements and cost-efficient technology used by intermediary companies.

Maximum Subscription means applications under the Prospectus for 75,000,000 Shares.

Measurement Date in relation to a Performance Right means the date at which Performance Conditions are to be measured to determine whether that Performance Right has vested.

Minimum Subscription means applications under the Prospectus for 50,000,000 Shares.

Notes means the DirectMoney convertible notes identified in Section 1.1, which will be converted into DirectMoney ordinary shares prior to the Acquisition.

Noteholders means the holders of DirectMoney convertible notes as identified in Section 1.1, whose notes will be converted into DirectMoney ordinary shares prior to the Acquisition and who will also receive Vendor Consideration Shares upon completion of the Acquisition.

Notice or **Notice of Meeting** means the notice of meeting including the Explanatory Statement, the Annexures and the Proxy Form contained in this Booklet and the Independent Expert's Report which accompanies this Booklet.

Participant means a current or prospective full time, part-time or casual employee or a contractor of the Company or a related body corporate of the Company or an executive or non-executive director (including a prospective executive or non-executive director) of the Company or a related body corporate of the Company, who the Board determines are eligible to receive Performance Rights and to whom Performance Rights are granted.

Performance Conditions means the conditions relating to the performance of the Company (or a related body corporate of the Company) or of a Participant (and the manner in which those conditions will be tested) for the purposes of determining, as at each Measurement Date, the number of a Participant's Performance Rights which have vested.

Performance Right means a right granted under the Plan to acquire a Share on the terms set out in the Plan Rules and subject to the Performance Conditions.

Performance Rights Plan or **Plan** means the performance rights plan of the Company the subject of Resolution 14.

Personal Loan means an unsecured loan to a personal borrower resident in Australia.

Plan Rules means the rules of the Plan, a summary of which is set out in Annexure C.

Proposed Directors means the persons the subject of Resolutions 11 and 12 who are proposed to be elected to the Board subject to the passing of all Acquisition Resolutions and Completion of the Share Sale Agreement.

Prospectus means the prospectus currently being prepared by the Company which is expected to be lodged with ASIC on or around 22 May 2015 pursuant to which the Capital Raising will be conducted.

Proxy Form means the proxy form accompanying this Booklet.

Re-admission Date means the date the Company is re-admitted to the official list of ASX following the completion of the Acquisition and Capital Raising, and following successful re-compliance with Chapters 1 and 2 of the Listing Rules.

Related Party means a related party of the Company as defined in Section 1.21.

Remuneration Report means the report on the remuneration of the Key Management Personnel as contained in the Company's annual financial report for the year ended 30 June 2014.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Responsible Entity means One Managed Investment Funds Limited.

Retained Interest Portion means the portion of the monthly interest payments that the DirectMoney Personal Loan Fund is not entitled to receive as part of the purchase of a Loan Investment.

Section means a section of the Explanatory Statement unless otherwise specified.

Secured Loan has the meaning given to that term in Section 1.5(e).

Seller means DirectMoney.

Seller Loan means the sum of up to \$200,000 which the Seller has agreed to lend to the Credit Manager to provide an immediate reserve of funds in the Loan Investment Reserve Account.

Servicer means DirectMoney Loans Servicing Pty Ltd.

Share means a fully paid ordinary share in the capital of the Company.

Share Option Agreement means the share option agreement dated 11 April 2015 entered into between the LAF Parties and DirectMoney as described in Section 1.4.

Share Sale Agreement means the share sale agreement entered into between the Company and the shareholders of DirectMoney (the **Vendors**) in respect of the Acquisition on 24 March 2014, the material terms of which are summarised in Section 1.5(i)(i).

Shareholder means a holder of a Share.

Vendors means the current shareholders of DirectMoney as referred to in Section 1.1 (including the Noteholders).

Vendor Consideration Shares means the Shares that are the subject of Resolution 8 that are proposed to be issued to the Vendors in consideration for the Acquisition.

VWAP means volume weighted average price of Shares.

ANNEXURE A – EXTRACT OF DRAFT PRO-FORMA FINANCIAL INFORMATION AND INVESTIGATING ACCOUNTANT'S REPORT

Please note that the information in this section has been extracted directly from the draft Prospectus to be issued in connection with the Capital Raising. At the time of lodgement and dispatch of this Booklet, the Prospectus is still in draft form, and the information in this section is therefore subject to change as the Prospectus is finalised. Please see Section 1.6 of this Booklet for further information.

Financial Information

Extract from draft Prospectus for inclusion in Notice of Meeting

The financial section is the responsibility of Basper's Directors.

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8. FINANCIAL INFORMATION

8.1. Introduction

This Section contains a summary of the historical financial information and pro forma historical financial information of Basper Limited (Basper) and DirectMoney Pty Ltd (DirectMoney) (collectively the “Financial Information”), which has been prepared by the Directors of Basper and DirectMoney.

The Historical Financial Information comprises the:

- historical consolidated Statement of Profit or Loss and Other Comprehensive Income for the six month period ended 31 December 2014 (H1 FY2015) of DirectMoney (Historical Statement of Profit or Loss and Other Comprehensive Income); and
- historical consolidated Statement of Cash Flows for H1 FY2015 of DirectMoney (Historical Statement of Cash Flows).

The Pro Forma Historical Financial Information comprises the:

- pro forma historical consolidated Statement of Financial Position of the combined Basper and DirectMoney group (the “Combined Group”) as at 31 December 2014.

The Financial Information has been reviewed by BDO East Coast Partnership (BDO ECP). BDO ECP’s Investigating Accountant’s Report on the Pro Forma Historical Financial Information is contained in Section 9 of the Prospectus. Investors should note the scope and limitations of that report.

Historical Statement of Profit or Loss and Other Comprehensive Income and Historical Statements of Cash Flows for Basper have not been disclosed as they relate to prior business activities which ceased with the sale of the majority of Basper’s business to a third party in June 2013, and the sale of property and certain residual assets in early 20154. As such, Basper’s historical results are not relevant to the future activities of Basper.

Basper’s shares are listed on the ASX and Basper is obliged to comply with the continuous disclosure requirements of the ASX and Corporations Act. The ASX companies announcement platform (available from the ASX’s website at www.asx.com.au) and Basper’s website (www.berklee.com.au) list announcements made by Basper, including detail of the historical financial results of Basper.

Also summarised in this Section are:

Table 1: Overview of Financial Information

| Section | Heading |
|---------|--|
| 8.1 | Introduction |
| 8.2 | Basis of Preparation and Presentation of the Financial Information |
| 8.3 | Historical Statement of Profit or Loss and Other Comprehensive Income |
| 8.4 | Historical Statement of Cash Flows |
| 8.5 | Management Discussion and Analysis on Historical Financial Information |
| 8.6 | Pro Forma historical Statement of Financial Position |

The information in this Section 8 should be read in conjunction with the risk factors set out in Section 6 and other information contained in the Prospectus.

All amounts disclosed in the tables are presented in Australian dollars, and unless otherwise noted, are rounded to the nearest thousand dollars.

8.2. Basis of Preparation and Presentation of the Financial Information

8.2.1. Overview

The Directors of Basper and DirectMoney are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Section 8 has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act, and the accounting policies of Basper. The Financial Information and accompanying commentary presented in this Section has also been disclosed with consideration to regulatory guidance issued by ASIC.

The Financial Information is presented in abbreviated form and does not contain all the disclosures, statements or comparative information required by Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.

In preparing the Financial Information, the accounting policies of Basper and DirectMoney have been applied consistently throughout the periods presented. The significant accounting policies of Basper and DirectMoney relevant to the Financial Information are set out within this Section 8.

The Directors have considered ASIC Regulatory Guide 170, and having regard to the requirements of this Regulatory Guide, note that DirectMoney commenced lending in October 2014 and whilst in the current growth phase any prospective financial information would contain a broad range of potential outcomes and possibilities such that the Directors have concluded the Combined Group cannot include prospective financial information in the Prospectus.

8.2.2. Preparation of Historical Financial Information

The Historical Financial Information of DirectMoney has been extracted from the statutory financial statements of DirectMoney Pty Ltd for the six month period ended 31 December 2014. The statutory financial statements of DirectMoney Pty Ltd have been reviewed by BDO East Coast Partnership, [who have issued an unqualified review opinion in respect of these financial statements.] (Note: in process of being finalised and signed)

8.2.3. Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in the Prospectus, and has been extracted from the individual statutory financial statements of DirectMoney Pty Ltd and Basper Limited for the six month period ended 31 December 2014, with adjustments applied to reflect the impact of the Acquisition and the capital structure that will be in place following Completion of the Offer. The statutory financial statements of Basper Limited for the six month period ended 31 December 2014 have been reviewed by RSM Bird Cameron Partners, who have issued an unqualified review opinion with an emphasis of matter paragraph regarding the fact there is a material uncertainty regarding the ability for the company to continue as a going concern in the event the Acquisition and Offer do not proceed. Refer to Section 8.6 for a reconciliation between the Pro Forma Historical Financial Information and the statutory equivalent financial information.

The Directors of Basper and DirectMoney consider the Acquisition results in a reverse acquisition of Basper by DirectMoney. A reverse acquisition occurs when the entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes.

In order for the transaction to be accounted for under *AASB 3 Business Combinations* ("AASB 3"), the legal acquirer must meet the definition of a business. A business under AASB 3 is defined as

an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. The Directors of Basper and DirectMoney have concluded that Basper does not meet the definition of a business as prescribed in AASB 3 and as such, it has been deemed that the Acquisition cannot be accounted for in accordance with the guidance set out in AASB 3.

Therefore, consistent with the accepted practice for transactions similar in nature to the Acquisition, the Directors of Basper and DirectMoney intend to account for the Acquisition in the consolidated financial statements of the legal acquirer (Basper) as a continuation of the financial statements of the legal acquiree (DirectMoney), together with a share based payment measured in accordance with AASB 2 *Share Based Payments*, which represents a deemed issue of shares by the legal acquiree (DirectMoney), equivalent to the current shareholders' interest in Basper following the Acquisition. The excess of the assessed value of the share based payment over the net assets of Basper is expensed to the Statement of Profit or Loss and Other Comprehensive Income as a listing fee.

In relation to the potential carry forward tax losses of the Combined Group, we note as follows:

- Tax losses of Basper Limited may be available to the Combined Group following Completion of the Acquisition and Offer. The utilisation of the tax losses is subject to Basper Limited satisfying the relevant loss utilisation tests (the continuity of ownership test and the same business test) following the Acquisition and Offer (which will be subject to a separate exercise following the Acquisition and Offer); and
- Tax losses of DirectMoney Pty Ltd may be available to the Combined Group following Completion of the Acquisition and Offer. The utilisation of the tax losses is subject to the satisfaction of the tests noted above (which will also be subject to a separate exercise following the Acquisition and Offer). The tax losses of DirectMoney Pty Ltd will be subject to a statutory fraction that will delay the utilisation of these tax losses by the Combined Group.

8.2.4. Explanation of certain non-IFRS and other financial measures

DirectMoney uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as 'non-IFRS financial measures'. Non-IFRS financial measures are intended to supplement the measures calculated in accordance with the Australian Accounting Standards and not as a substitute for those measures. As non-IFRS financial measures are not defined by the recognised body of accounting standards, they do not have a prescribed meaning and the way that DirectMoney calculates them may be different to the way that other companies calculate similarly titled measures. Readers should therefore not place undue reliance on non-IFRS financial information.

In the disclosures in the Prospectus, DirectMoney uses the following non-IFRS measures of performance to assist prospective investors with understanding the trends in financial performance and profitability:

- EBITDA is earnings before interest, tax, depreciation and amortisation expenses; and
- EBIT is earnings before interest and tax expenses.

8.3. Historical Statement of Profit or Loss and Other Comprehensive Income

Set out below is a summary of DirectMoney's historical consolidated Statement of Profit or Loss and Other Comprehensive Income for H1 FY2015.

Table 2: Historical Statement of Profit or Loss and Other Comprehensive Income

| \$000's | H1 FY2015A Reviewed |
|--|------------------------|
| Sales | 71 |
| Employee benefits expense | (300) |
| Marketing expenses | (212) |
| Legal expenses | (215) |
| Administrative expenses | (1,003) |
| EBITDA | (1,659) |
| Depreciation and amortisation expenses | - |
| EBIT | (1,659) |
| Net finance costs | (25) |
| Net profit before tax | (1,684) |
| Taxation expense | - |
| Net profit after tax | (1,684) |

8.4. Historical Statement of Cash Flows

Set out below is a summary of DirectMoney's Historical Statement of Cash Flows for H1 FY2015:

Table 3: Historical Statement of Cash Flows

| \$000's | H1 FY2015A Reviewed |
|--|------------------------|
| Cash flows from operating activities | |
| Repayments from Customers | 101 |
| Payments to suppliers and employees | (789) |
| Loans to customers | (3,777) |
| Interest received | 4 |
| Interest and other finance costs paid | (17) |
| Net cash flow from operating activities | (4,478) |
| Cash flows from investing activities | |
| Net cash flow from investing activities | - |
| Cash flows from financing activities | |
| Proceeds from issue of shares | 785 |
| Proceeds from issue of convertible notes | 1,925 |
| Proceeds from borrowings | 2,000 |
| Repayment of borrowings | (10) |
| Dividends paid | - |
| Net cash flow from financing activities | 4,700 |
| Net cash flow | 222 |

8.5. Management Discussion and Analysis on Historical Financial Information

The management discussion and analysis (MD&A) below relates to the historical Statement of Profit or Loss and Other Comprehensive Income and historical Statement of Cash Flows and should be read in conjunction with the description of the basis upon which the information has been prepared.

The MD&A provides a brief discussion of the main factors which affected DirectMoney's operating and financial performance during H1 FY2015. The factors described below are a summary only and do not represent everything that affected DirectMoney's historical financial performance.

The information in this Section should also be read in conjunction with the risk factors set out in Section 6 and other information contained in the Prospectus.

8.5.1. H1 FY2015

DirectMoney's financial results for the six month period to 31 December 2014 (refer Tables 2 and 3) reflect those of a business in the early stages of its lifecycle. DirectMoney commenced lending operations in October 2014 and in this period the Directors of DirectMoney were successful in lending approximately \$6.0 million to customers.

Revenue

DirectMoney's revenue consists of interest payments and establishment fees earned on loans made to personal loan customers, amortised over the life of each loan. Revenue is linked directly to the size of the DirectMoney loan warehouse, which has been growing since DirectMoney began lending in October 2014.

Expenses

DirectMoney's expenses comprise loan origination, processing and approval costs in addition to staff costs, information technology, rent, insurance, advisory expenses (legal, tax, compliance), bad debts and other items.

EBITDA

DirectMoney's negative EBITDA is a function of the fact DirectMoney is in the early stages of its lifecycle and has focussed on building its loan warehouse and growing its customer base.

Operating cash flows

DirectMoney's negative operating cash flow reflects its lending activities and the operating expenses in the period. The net cash flow of DirectMoney for the period is positive reflecting financing activities generating more cash than was spent in operations

Capital expenditure

DirectMoney's online business model generally does not require large amounts of spending on physical assets or PPE.

8.6. Pro Forma historical Statement of Financial Position

8.6.1. Overview

Set out in the table below are the adjustments that have been made to the reviewed statement of financial position of Basper as at 31 December 2014 and the reviewed statement of financial position of DirectMoney as at 31 December 2014 in order to present the Pro Forma historical Statement of Financial Position of the Combined Group as at 31 December 2014.

The adjustments include the impact of the change in capital structure that will be in place immediately following the Acquisition and Completion of the Offer, as if the Acquisition and the Offer had occurred as at 31 December 2014. These adjustments include assumptions relating to matters that are known as at the date of the Prospectus.

Table 4: Pro Forma historical Statement of Financial Position as at 31 December 2014

| \$000's | Basper Reviewed | DirectMoney Reviewed | Subsequent events | Pro forma adjustments | | | | | Pro Forma |
|----------------------------------|-----------------|----------------------|-------------------|---|---|----------------------------------|-------------------------------|--|---------------|
| | | | | Reverse acquisition accounting ⁽¹⁾ | Interest bearing liabilities ⁽²⁾ | Convertible notes ⁽³⁾ | Offer proceeds ⁽⁴⁾ | Acquisition / Offer costs ⁽⁵⁾ | |
| Current Assets | | | | | | | | | |
| Cash and cash equivalents | 68 | 563 | 2,600 | - | (2,000) | - | 15,000 | (1,560) | 14,672 |
| Trade and other receivables | 31 | 55 | - | - | - | - | - | - | 86 |
| Loan assets | - | 757 | - | - | - | - | - | - | 757 |
| Prepayments | - | 19 | - | - | - | - | - | - | 19 |
| Total current assets | 99 | 1,395 | 2,600 | - | (2,000) | - | 15,000 | (1,560) | 15,534 |
| Non-current assets | | | | | | | | | |
| Property, plant and equipment | - | 4 | - | - | - | - | - | - | 4 |
| Loan assets (net provisions) | - | 2,760 | - | - | - | - | - | - | 2,760 |
| Deferred tax asset | - | - | - | - | - | - | - | - | - |
| Total non-current assets | - | 2,764 | - | - | - | - | - | - | 2,764 |
| Total assets | 99 | 4,159 | 2,600 | - | (2,000) | - | 15,000 | (1,560) | 18,298 |
| Current liabilities | | | | | | | | | |
| Trade and other payables | (116) | (189) | - | - | - | - | - | - | (305) |
| Interest bearing liabilities | - | (2,000) | - | - | 2,000 | - | - | - | - |
| Convertible notes | - | (2,005) | (500) | - | - | 2,505 | - | - | - |
| Total current liabilities | (116) | (4,194) | (500) | - | 2,000 | 2,505 | - | - | (305) |
| Net assets | (17) | (35) | 2,100 | - | - | 2,505 | 15,000 | (1,560) | 17,993 |
| Equity | | | | | | | | | |
| Share capital | 3,600 | 4,007 | 2,100 | (1,600) | - | 2,505 | 15,000 | (1,194) | 24,417 |
| Retained earnings | (3,617) | (4,042) | - | 1,600 | - | - | - | (365) | (6,425) |
| Total equity | (17) | (35) | 2,100 | - | - | 2,505 | 15,000 | (1,560) | 17,993 |

Notes:

As noted in Section 12.8 (d) of the Prospectus, the LAF Parties have agreed with DirectMoney that they will waive their entitlement to exercise their respective share options in DirectMoney in return for the LAF Parties being issued with approximately 3.8 million shares in the Company as soon as reasonably practicable following the Completion Date. The issue of these shares has no financial impact on the Pro Forma Statement of Financial Position as at 31 December 2014.

8.6.2. Subsequent Events

In the period since 31 December 2014 DirectMoney has entered into the following transactions:

- issue of an additional \$2.1 million of fully paid ordinary share capital; and
- issue of an additional \$0.5 million of convertible notes.

The effects of these transactions are collectively disclosed as Subsequent Events within the Pro Forma historical Statement of Financial Position as at 31 December 2014.

8.6.3. Pro Forma Adjustments

Note i - Reverse acquisition accounting

The proposed acquisition of DirectMoney by Basper is deemed to be a reverse acquisition as the substance of the transaction is such that the existing shareholders of DirectMoney will obtain control of Basper. However, Basper is not considered to meet the definition of a business under AASB 3 and as such, it has been concluded that the Acquisition cannot be accounted for in accordance with the guidance set out in AASB 3. Therefore, consistent with the accepted practice for transactions similar in nature to the Acquisition, the Directors intend to account for the Acquisition in the consolidated financial statements of Basper as a continuation of the financial statements of DirectMoney, together with a share based payment measured in accordance with AASB 2. The excess of the assessed value of the share based payment over the net assets of Basper is expensed to the Statement of Profit or Loss and Other Comprehensive Income as a listing fee.

Basper will issue a maximum of 195,800,000 ordinary shares to DirectMoney shareholders and 3,809,932 ordinary shares to LAF Parties who own share options in DirectMoney who, as a result, will collectively own approximately a maximum of 95.2% of the combined entity at settlement of the Acquisition immediately prior to the Offer. The remaining 4.8% will be owned by the current shareholders of Basper.

As there is no current market for DirectMoney shares, the fair value of 100% of Basper is assessed as \$2,000,089 based on 10,000,443 post-consolidation Basper shares on issue immediately prior to the Acquisition, at an issue price of \$0.20 per Share.

Consequently, a listing expense of \$2,017,202 is expensed to the Statement of Profit or Loss and Other Comprehensive Income which represents the excess of the deemed fair value of the share based payment less the net liabilities of Basper of \$17,113 as at 31 December 2014, immediately prior to settlement of the acquisition, as set out below.

Table 5: Share based payment calculation

| \$000's | 31 December 2014 |
|--|------------------|
| Cash and cash equivalents | 68 |
| Trade and other receivables | 31 |
| Trade and other payables | (116) |
| Net liabilities of Basper acquired on reverse acquisition | (17) |
| Assessed fair value of assets acquired: | |
| - Post consolidation Basper shares on issue (#) | 10,000,443 |
| - Post-consolidation Basper value per share under the Prospectus | \$0.20 |
| Deemed fair value of share based payment, assessed in accordance with AASB 2 | 2,000 |
| Listing expense recognised on reverse acquisition | 2,017 |

The \$1.6 million adjustment to share capital as a result of the reverse acquisition relates to the removal of the existing share capital in Basper (\$3.6 million) and replaced by the deemed fair value of the share based payment (refer Table 5 above). Similarly, the \$1.6 million adjustment to retained earnings relates to the removal of the existing retained losses in Basper (\$3.6 million)

offset to some extent by the recognition of the listing expense on reverse acquisition (refer Table 5 above).

Note ii - Interest bearing liabilities

DirectMoney has agreed with the secured noteholder to repay the interest bearing liabilities of \$2.0 million in conjunction with the Offer (and no later than 15 June 2015).

Note iii - Convertible notes

The convertible notes, together with any interest accrued, will convert into ordinary share capital at a deemed issue price of \$0.20 per Share in conjunction with the Offer.

Notes iv and v - Offer proceeds and Acquisition / Offer Costs

The Offer is expected to raise \$15.0 million before payment of Acquisition / Offer costs, which are expected to total approximately \$1.6 million. Of these costs, \$1.2 million is recorded against share capital and \$0.4 million is recorded against retained earnings based on the nature of the expense and whether they are considered directly attributable to either the Offer or the Acquisition.

The Directors
Basper Limited (to be renamed DirectMoney Limited)
Suite 25
145 Stirling Highway
Hedlands WA 6009
Australia

26 May 2015

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Introduction

BDO East Coast Partnership (BDO) has been engaged by Basper Limited (to be renamed DirectMoney Limited) (the Company) to prepare this Investigating Accountant's Report (Report) in relation to certain financial information of the Company in connection with the Company's proposed acquisition of 100% of the issued share capital of DirectMoney Pty Ltd (DMPL), the issue of fully paid ordinary shares in the Company to raise a maximum of \$15.0 million and re-listing of the Company on the Australian Securities Exchange, for inclusion in a prospectus proposed to be issued on or about 26 May 2015 (Prospectus).

Unless stated otherwise in this Report, expressions defined in the Prospectus have the same meaning in this Report.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

Scope

You have requested BDO to perform a limited assurance engagement in relation to the pro forma historical information described below and disclosed in the Prospectus.

The pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the "Pro Forma Historical Financial Information") included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 December 2014.

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Company and DMPL, after adjusting for the effects of pro forma adjustments

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 090 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the International BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



described in section 9.6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 9.2 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company or DMPL's actual or prospective financial position, financial performance, and/or cash flows.

The Pro Forma Historical Financial Information has been compiled by the Company to illustrate the impact of the event(s) or transaction(s) described in Section 9.6 of the Prospectus on the Company's financial position as at 31 December 2014. As part of this process, information about the Company and DMPL's financial position has been extracted by the Company from the Company and DMPL's financial statements for the six month period ended 31 December 2014.

The financial statements of the Company for the six month period ended 31 December 2014 were reviewed by RSM Bird Cameron Partners in accordance with the Australian Auditing Standards. RSM Bird Cameron issued an unqualified review opinion in respect of these financial statements, with an emphasis of matter paragraph regarding the fact there is a material uncertainty regarding the ability for the Company to continue as a going concern in the event the Acquisition and Offer do not proceed. The financial statements of DMPL for the six month period ended 31 December 2014 were reviewed by BDO in accordance with the Australian Auditing Standards, [who have issued an unqualified review opinion in respect of these financial statements.] (Note: in process of being finalised and signed)

Directors' Responsibility

The directors of the Company are responsible for the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Pro Forma Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the Pro Forma Historical Financial Information, based on our limited assurance engagement. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.



Conclusions

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in section 9.6 of the Prospectus, comprising:

- the pro forma historical Statement of Financial Position as at 31 December 2014;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in sections 9.2 and 9.6 of the Prospectus.

SUBSEQUENT EVENTS

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction or event outside of the ordinary business of the Company and DMPL not described in the Prospectus, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

INDEPENDENCE

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed acquisition other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

GENERAL ADVICE WARNING

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

Greg Ellis

Partner

ANNEXURE B – SUMMARY OF PERFORMANCE RIGHTS PLAN

Participation

The Board may from time to time in its absolute discretion issue invitations to Eligible Persons to participate in the Plan. **Eligible Persons** means a current or prospective full time, part-time or casual employee or a contractor of the Company or a related body corporate of the Company or a current or prospective executive or non-executive director of the Company or a related body corporate of the Company. However, it is the current intention of the Board that the Plan will only be offered to current or prospective senior employees (including salaried Directors) and non-executive Directors of the Company who are able to influence the achievement of the Company's strategic objectives.

Offers to participate

An offer (**Offer**) to Eligible Persons to participate in the Plan must set out:

- (a) the date of the Offer;
- (b) the name of the Eligible Person to whom the Offer is made;
- (c) the number of Performance Rights which are capable of vesting (resulting in the issue of Shares) if specific performance conditions are met;
- (d) the performance conditions and performance period in relation to the Performance Rights;
- (e) the approximate date or dates on which the Performance Conditions are to be measured (in respect of the Performance Rights) in order to determine whether the Eligible Person will be issued with Shares;
- (f) the expiry date; and
- (g) the time period in which the Eligible Person may accept the Offer.

Rules of the Plan

Under the Plan, Performance Rights may be offered to Eligible Persons as determined by the Board. The vesting of Performance Rights will be subject to certain criteria. Upon vesting of the Performance Rights, Shares will automatically be issued or transferred to the participant, unless the Company is in a "Blackout Period" (as defined in the Company's Securities Trading Policy) or the Company determines in good faith that the issue or transfer of Shares may breach the insider trading provisions of the Corporations Act, or the Securities Trading Policy in which case the Company will issue or transfer the Shares as soon as reasonably practical thereafter.

The following is a summary of the key terms of the Plan:

- (a) **Participation:** The Board retains complete discretion to make offers of Performance Rights to any Eligible Person.
- (b) **No Assignment:** Except on the death of a Participant, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.
- (c) **Vesting:** Performance Rights may vest in the following ways:
 - (i) if the applicable Performance Conditions in relation to a Performance Period are met as at the relevant test date as set out in the Offer, the Board will determine the number of Performance Rights which will become vested Performance Rights;

- (ii) if the Eligible Person ceases to be an Eligible Person because of retirement, total and permanent disability, redundancy, termination at will or death (**Specified Reason**), the Board may determine the extent to which Performance Rights held by the Eligible Person or their nominee become vested Performance Rights; and
 - (iii) in the event a takeover bid for the Company is declared unconditional, there is a change in control in the Company, or if a merger by way of scheme of arrangement has been approved by a court, then the Board will determine an alternate test date to determine whether the Performance Conditions as set out in the Offer have been met and the extent to which Performance Rights will vest.
- (d) **Automatic Issue of Shares:** Upon vesting of Performance Rights, Shares will automatically be issued or transferred to the participant, unless the Company is in a "Blackout Period" (as defined in the Company's Securities Trading Policy) or the Company determines in good faith that the issue or transfer of Shares at that time may breach the insider trading provisions of the Corporations Act or the Securities Trading Policy, in which case the Company will issue or transfer the Shares as soon as reasonably practical thereafter.
- (e) **Lapse:**
 - (i) Offers of Performance Rights under the Plan will be open for the period (and as otherwise specified) in the Offer. If an application for Performance Rights is not returned within the time specified or otherwise in accordance with the requirements set out in the Offer, the Board may nevertheless in its sole discretion treat any application received from an Eligible Person (or their nominee) as being validly returned. Notwithstanding the completion of an application for Performance Rights, the Eligible Person (or their nominee) will not hold a Performance Right or have any future right to Shares until the time the Performance Rights are granted.
 - (ii) If the Eligible Person ceases to be an Eligible Person for other than a Specified Reason, any unvested Performance Rights will lapse, unless otherwise determined by the Board.
- (f) **Issue Limitations:** The Board is not entitled to make an Offer to an Eligible Person if at the time of making the Offer, the number of Shares to be received on vesting of the Performance Rights the subject of the Offer, when aggregated with the number of Shares that have been issued, or that may be issued, as a result of offers made during the previous 3 years under the Plan, or under any other employee incentive scheme of the Company, in reliance on any ASIC Class Order or similar relief, would not exceed 5% (or such other maximum permitted under any ASIC Class Order or individual ASIC relief instrument in relation to employee incentive schemes) of the total number of issued Shares as at the time of the Offer.
- (g) **Amendment of Plan:** The Board retains the discretion to amend the rules of the Plan by resolution or to suspend or terminate it at any time.

ANNEXURE C – TABLE OF DIRECTMONEY SECURITYHOLDERS

Shareholders

| Name and address of Vendors | Number of Shares held as at the date of this Booklet | Respective Proportion of DirectMoney (assuming conversion of Notes) as at date of this Booklet (%) |
|--|--|--|
| Factotum Holdings Pty Limited ACN 093 370 793 | 845,498 | 0.25 |
| Roumen Staykov as trustee for the Roumen Staykov Trust | 250,000 | 0.07 |
| Amplitudo Pty Limited ACN 107 055 872 | 275,900 | 0.08 |
| Tatman Dustine Pang | 125,000 | 0.04 |
| Greig Holdings Pty. Limited ACN 105 872 302 as trustee for the Greig Family Trust | 39,415,096 | 11.80 |
| Guy Baldwin and Veronica Bell (as joint trustees of the Baldwin Family Trust) | 2,498,871 | 0.75 |
| Brian Sherry Rodwell as trustee of the Rodwell Superannuation Trust | 3,308,556 | 0.99 |
| Mark Daniel Henderson | 1,656,856 | 0.50 |
| David Stanley Jones | 1,656,857 | 0.50 |
| Bubblydays Pty Ltd ACN 104 233 061 | 34,161,651 | 10.23 |
| David Doust and Shirley Doust (as joint shareholders) | 49,420,438 | 14.79 |
| Andy Zapple as trustee of the F3000 Unit Trust | 6,750,104 | 2.02 |
| Ozibiz Consulting Services Pty Limited ACN 168 153 535 | 12,053,186 | 3.61 |
| Angela Karen Marshall | 6,574,465 | 1.97 |
| David Edward Russell | 6,574,465 | 1.97 |
| Janet Gambold and Bleddyn Gambold as trustees of the Gambold Retirement Plan | 32,872,325 | 9.84 |
| Adcock Private Equity Pty. Limited ACN 137 476 843 as trustee of the Adcock Private Equity Trust | 45,844,653 | 13.72 |
| Campbell Gordon McComb | 8,715,018 | 2.61 |
| Richard Cansick | 2,645,856 | 0.79 |
| Stephen Porges | 6,069,162 | 1.82 |
| Liberum Capital Limited | 3,222,000 | 0.96 |
| Charanda Nominee Company Pty Ltd ACN 071 199 358 as trustee for Greycliffe Superfund | 4,691,684 | 1.40 |
| TL Mahony & J Pervan as trustees for Mahony Superannuation Fund | 938,337 | 0.28 |
| Simon James Atkinson | 639,000 | 0.19 |
| Cormac Leech | 639,000 | 0.19 |
| Total | 271,843,978 | 81.38% |

Noteholders

| Name and address of Noteholders | Number of Notes held as at the date of this Booklet | Number of DirectMoney shares to be issued on conversion of the Notes | Respective Proportion of DirectMoney (assuming conversion of Notes) at date of this Booklet (%) |
|---|---|--|---|
| P2P Global Investments PLC | 20,466,772 | 20,466,772 | 6.13 |
| Liberum Capital Limited | 4,259,697 | 4,259,697 | 1.28 |
| Piaster Pty Limited ACN 055 779 970 as trustee for the Trollip Family Super Fund | 5,736,395 | 5,736,395 | 1.72 |
| Michael Tambyraja | 1,582,356 | 1,582,356 | 0.47 |
| Adcock Private Equity | 25,813,779 | 25,813,779 | 7.73 |
| Paul Jensen and Felicity Jensen as trustee for Jensen Family Retirement Fund | 1,434,099 | 1,434,099 | 0.43 |
| Rosalind Glengarry and Main Street Trustees 2012 Ltd as trustee for the Happiness Trust | 1,434,099 | 1,434,099 | 0.43 |
| Felsen Pty Limited ACN 105 486 539 as trustee for Freedom Trust | 1,434,099 | 1,434,099 | 0.43 |
| Simon James Atkinson | 21,300 | 21,300 | 0.01 |
| Cormac Leech | 21,300 | 21,300 | 0.01 |
| Total | 62,203,896 | 62,203,896 | 18.62% |

Totals

| Type of security on issue in DirectMoney | Number | Respective Proportion of DirectMoney as at the date of this Booklet (%) |
|--|--------------------|---|
| Ordinary Shares | 271,843,978 | 81.38% |
| Convertible Notes | 62,203,896 | 18.62% |
| Total | 334,047,874 | 100.00% |

ANNEXURE D – VOTING POWER TABLE

| | Vendors & Associates | Current Shares Held in the Company | Vendor Consideration Shares | Number of Shares to be issued to under the Capital Raising | Number of Shares to be issued for any other reason | Total Shares Held in the Company | Voting Power assuming Minimum Subscription Raised (%) | Voting Power assuming Maximum Subscription Raised (%) |
|-----|---|------------------------------------|-----------------------------|--|--|----------------------------------|---|---|
| 1. | Factotum Holdings Pty Limited ACN 093 370 793 | Nil | 495,583 | Nil | Nil | 495,583 | 0.19 | 0.17 |
| 2. | Roumen Staykov as trustee for the Roumen Staykov Trust | Nil | 146,536 | Nil | Nil | 146,536 | 0.06 | 0.05 |
| 3. | Amplitudo Pty Limited ACN 107 055 872 | Nil | 161,717 | 100,000 | Nil | 261,717 | 0.10 | 0.09 |
| 4. | Tatman Dustine Pang | Nil | 73,268 | 100,000 | Nil | 173,268 | 0.07 | 0.06 |
| 5. | Greig Holdings Pty. Limited ACN 105 872 302 as trustee for the Greig Family Trust | Nil | 23,102,903 | Nil | Nil | 23,102,903 | 8.90 | 8.12 |
| 6. | Guy Baldwin and Veronica Bell (as joint trustees of the Baldwin Family Trust) | Nil | 1,464,697 | Nil | Nil | 1,464,697 | 0.56 | 0.51 |
| 7. | Brian Sherry Rodwell as trustee of the Rodwell Superannuation Trust | Nil | 1,939,289 | Nil | Nil | 1,939,289 | 0.75 | 0.68 |
| 8. | Mark Daniel Henderson | Nil | 971,155 | Nil | Nil | 971,155 | 0.37 | 0.34 |
| 9. | David Stanley Jones | Nil | 971,156 | Nil | Nil | 971,156 | 0.37 | 0.34 |
| 10. | Bubblydays Pty Ltd ACN 104 233 061 | Nil | 20,023,631 | Nil | Nil | 20,023,631 | 7.71 | 7.04 |

| | | | | | | | | |
|-----|--|-----|------------|------------|------------|------------|-------|-------|
| 11. | David Doust and Shirley Doust (as joint shareholders) | Nil | 28,967,470 | Nil | Nil | 28,967,470 | 11.16 | 10.18 |
| 12. | Andy Zapple as trustee of the F3000 Unit Trust | Nil | 3,956,531 | Nil | Nil | 3,956,531 | 1.52 | 1.39 |
| 13. | Ozibiz Consulting Services Pty Limited ACN 168 153 535 | Nil | 7,064,897 | Nil | Nil | 7,064,897 | 2.72 | 2.48 |
| 14. | Angela Karen Marshall | Nil | 3,853,580 | Nil | Nil | 3,853,580 | 1.48 | 1.35 |
| 15. | David Edward Russell | Nil | 3,853,580 | Nil | Nil | 3,853,580 | 1.48 | 1.35 |
| 16. | Janet Gambold and Bledwyn Gambold as trustees of the Gambold Retirement Plan | Nil | 19,267,900 | Nil | Nil | 19,267,900 | 7.42 | 6.77 |
| 17. | Adcock Private Equity Pty. Limited ACN 137 476 843 as trustee of the Adcock Private Equity Trust | Nil | 42,002,125 | 17,500,000 | Nil | 59,502,125 | 22.92 | 20.91 |
| 18. | Campbell Gordon McComb | Nil | 5,108,251 | Nil | Nil | 5,108,251 | 1.97 | 1.79 |
| 19. | Richard Cansick | Nil | 1,550,851 | Nil | Nil | 1,550,851 | 0.60 | 0.54 |
| 20. | Stephen Porges | Nil | 3,557,400 | Nil | Nil | 3,557,400 | 1.37 | 1.25 |
| 21. | Liberum Capital Limited (and each of its Associates as set out below): | Nil | 4,385,349 | Nil | Nil | 4,385,349 | 1.69 | 1.54 |
| | • Liberum Alternative Finance | Nil | Nil | Nil | 2,727,912* | 2,727,912 | 1.05 | 0.96 |
| | • Simon Atkinson | Nil | 387,031 | Nil | 541,010* | 928,041 | 0.36 | 0.33 |
| | • Cormac Leech | Nil | 387,031 | Nil | 541,010* | 928,041 | 0.36 | 0.33 |

| | | | | | | | | |
|-----|---|-----|--------------------|-------------------|-------------------|--------------------|--------------|--------------|
| 22. | P2P Global Investments PLC | Nil | 11,996,466 | Nil | Nil | 11,996,466 | 4.62 | 4.22 |
| 23. | Piaster Pty Limited ACN 055 779 970 as trustee for the Trollip Family Super Fund | Nil | 3,362,351 | Nil | Nil | 3,362,351 | 1.30 | 1.18 |
| 24. | Michael Tambyraja | Nil | 927,488 | Nil | Nil | 927,488 | 0.36 | 0.33 |
| 25. | Paul Jensen and Felicity Jensen as trustee for Jensen Family Retirement Fund | Nil | 840,588 | Nil | Nil | 840,588 | 0.32 | 0.30 |
| 26. | Rosalind Glengarry and Main Street Trustees 2012 Ltd as trustee for the Happiness Trust | Nil | 840,588 | Nil | Nil | 840,588 | 0.32 | 0.30 |
| 27. | Felsen Pty Limited ACN 105 486 539 as trustee for Freedom Trust | Nil | 840,588 | Nil | Nil | 840,588 | 0.32 | 0.30 |
| 28. | Charanda Nominee Company Pty Ltd ACN 071 199 358 as trustee for Greycliffe Superfund | Nil | 2,750,000 | Nil | Nil | 2,750,000 | 1.06 | 0.97 |
| 29. | TL Mahony & J Pervan as trustees for Mahony Superannuation Fund | Nil | 550,000 | Nil | Nil | 550,000 | 0.21 | 0.19 |
| | Total | | 195,800,000 | 17,700,000 | 3,809,932* | 217,309,932 | 83.71 | 76.35 |

*These are the Shares to be issued to each of the LAF Parties. See Resolution 8 and Section 1.4.

ANNEXURE E – TABLE OF ASSOCIATES

Associates of the Vendors

| | Vendors | Associates of the Vendors |
|-----|--|---|
| 1. | Factotum Holdings Pty Limited ACN 093 370 793 | Factotum Information Systems Pty Ltd and Pandora Services Pty Ltd |
| 2. | Roumen Staykov as trustee for the Roumen Staykov Trust | - |
| 3. | Amplitudo Pty Limited ACN 107 055 872 | - |
| 4. | Tatman Dustine Pang | - |
| 5. | Greig Holdings Pty. Limited ACN 105 872 302 as trustee for the Greig Family Trust | - |
| 6. | Guy Baldwin and Veronica Bell (as joint trustees of the Baldwin Family Trust) | - |
| 7. | Brian Sherry Rodwell as trustee of the Rodwell Superannuation Trust | - |
| 8. | Mark Daniel Henderson | - |
| 9. | David Stanley Jones | - |
| 10. | Bubblydays Pty Ltd ACN 104 233 061 | - |
| 11. | David Doust and Shirley Doust (as joint shareholders) | - |
| 12. | Andy Zaple as trustee of the F3000 Unit Trust | - |
| 13. | Ozibiz Consulting Services Pty Limited ACN 168 153 535 | - |
| 14. | Angela Karen Marshall | - |
| 15. | David Edward Russell | - |
| 16. | Janet Gambold and Bledwyn Gambold as trustees of the Gambold Retirement Plan | - |
| 17. | Adcock Private Equity Pty. Limited ACN 137 476 843 as trustee of the Adcock Private Equity Trust | Celest Holdings Pty Ltd |
| 18. | Campbell Gordon McComb | - |
| 19. | Richard Cansick | - |
| 20. | Stephen Porges | Cabonne Partners Pty Ltd |
| 21. | Liberum Capital Limited | the LAF Parties |
| 22. | P2P Global Investments PLC | - |
| 23. | Piaster Pty Limited ACN 055 779 970 as trustee for the Trollip Family Super Fund | - |
| 24. | Michael Tambyraja | - |
| 25. | Paul Jensen and Felicity Jensen as trustee for Jensen Family Retirement Fund | - |
| 26. | Rosalind Glengarry and Main Street Trustees 2012 Ltd as trustee for the Happiness Trust | - |

| | Vendors | Associates of the Vendors |
|-----|--|--|
| 27. | Felsen Pty Limited ACN 105 486 539 as trustee for Freedom Trust | - |
| 28. | Charanda Nominee Company Pty Ltd ACN 071 199 358 as trustee for Greycliffe Superfund | - |
| 29. | TL Mahony & J Pervan as trustees for Mahony Superannuation Fund | - |
| 30. | Simon James Atkinson | Liberum Capital Limited Liberum Alternative Finance Cormac Leech |
| 31. | Cormac Leech | Liberum Capital Limited Liberum Alternative Finance Simon Atkinson |

ANNEXURE F – NOMINATION OF AUDITOR

13 May 2015

Company Secretary
Basper Limited
(to be re-named DirectMoney Limited)
Suite 25, 145 Stirling Highway
NEDLANDS WA 6009

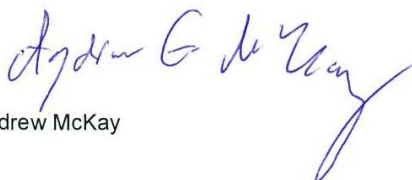
Dear Sirs

NOMINATION OF BDO EAST COAST PARTNERSHIP AS AUDITOR OF BASPER LIMITED

I, Andrew McKay, being a shareholder of Basper Limited (**Company**), hereby nominate BDO East Coast Partnership of Level 11, 1 Margaret Street, Sydney NSW for appointment as auditor of the Company at its 2014 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Shareholder Booklet for the 2014 Annual General Meeting of the Company as required by section 328B(3) of the Corporations Act 2001.

Yours faithfully



Andrew McKay

19 May 2015

The Directors
Basper Limited
Suite 25, 145 Stirling Highway
NEDLANDS WA 6009

Dear Sirs,

Independent Expert's Report on the Proposal to acquire 100% of the Issued Share Capital of DirectMoney Pty Ltd

1. INTRODUCTION

Background

- 1.1 Basper Limited ("Basper" or "the Company") is an Australian public listed company which is actively seeking out new investment opportunities capable of bringing value to Basper shareholders.
- 1.2 As announced to the market on 24 March 2015, Basper has entered into a conditional share sale agreement for the acquisition of 100% of the issued capital of DirectMoney Pty Ltd ("DirectMoney"), with consideration comprising the issue of Basper shares to DirectMoney Shareholders ("Consideration Shares").
- 1.3 DirectMoney is an Australian company operating an online lending business through web-based technology. Over the last six years it has developed intellectual property, systems and licences for its Market Lending Platform, which combines an online lending system with a retail funds management capability.
- 1.4 The acquisition of DirectMoney by Basper and other related transactions detailed in section 2, is referred to in this report as the "Transaction".

Opinion

- 1.5 In our opinion, the Transaction is **fair and reasonable** to the shareholders of Basper whose votes are not to be disregarded, being the Non-Associated Shareholders.
- 1.6 The ultimate decision however on whether to accept the Transaction should be based on shareholders own assessment of their circumstances.

HALL CHADWICK
CORPORATE (NSW) LIMITED

ACN 080 462 488

SYDNEY

Level 40, 2 Park Street
Sydney NSW 2000 Australia

GPO Box 3555 Sydney NSW
2001

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International Ltd, a
worldwide association of
separate and independent
accounting and consulting
firms

Purpose of Report

- 1.7 You have requested Hall Chadwick Corporate (NSW) Limited (“HCC”) to prepare an Independent Expert’s Report to advise the shareholders of Basper other than those associated with the proposed issue of Basper shares to the shareholders of DirectMoney (“Non-Associated Shareholders”), whether the proposed Transaction is fair and reasonable when considered in the context of the interests of Non-Associated Shareholders and to set out the reasons for our conclusions.
- 1.8 HCC understands and has agreed that this report will be included in or accompany the notice to convene a meeting of Basper shareholders, to assist the Non-Associated Shareholders in their consideration of the proposed Transaction.

2. OUTLINE OF THE PROPOSED TRANSACTION

- 2.1 The Transaction involves the Company's acquisition of 100% of the issued capital of DirectMoney with consideration comprising the issue of 195,800,000 Basper shares ("Consideration Shares").
- 2.2 The valuation of DirectMoney is on a fully diluted basis inclusive of all ordinary shares and any other equity securities on issue. The purchase price is based on the condition that DirectMoney and its subsidiaries must be debt free at completion. The valuation assumes acquisition on a debt and cash free basis, and a positive working capital position consistent with normal working capital levels.
- 2.3 The following resolutions relating to the Transaction and the subject of our report will be put to Basper shareholders. These resolutions are interdependent and will only be passed if all other resolutions listed below are passed:
- The acquisition of DirectMoney through the issue of 195,800,000 Consideration Shares to DirectMoney shareholders;
 - A change in the nature and scale of Company's activities to a marketplace lending business;
 - The issue of a minimum 50,000,000 and up to 75,000,000 shares at an issue price of \$0.20 per share to raise a minimum of \$10,000,000 and up to \$15,000,000 under a Capital Raising ("Capital Raising"). Shareholder approval is also being sought for the issue of up to 17,500,000 shares to Adcock Private Equity Pty Limited, up to 100,000 shares to Amplitudo Pty Limited and up to 100,000 shares to Tatman Dustine Pang, all existing DirectMoney shareholders, under the Capital Raising;
 - The issue of 3,809,932 shares to Liberum Alternative Finance and its directors Simon Atkinson and Cormac Leech in lieu of professional services provided to DirectMoney and the Company in relation to the Capital Raising;
 - Change of company name to DirectMoney Limited;
 - The appointment to the Board of Directors of Stephen Porges and Craig Swanger.
- 2.4 Bell Potter Securities is acting as the lead manager and underwriter to the Capital Raising. Bell Potter has agreed in principle to underwrite the minimum subscription amount under the Capital Raising, which is 50,000,000 shares to raise \$10,000,000, subject to the terms of an Underwriting Agreement which is proposed to be entered into at around the time of lodgement of the prospectus for the Capital Raising.
- 2.5 As interdependent resolutions to those relating to the Transaction detailed above, shareholders will also be asked to approve the following resolutions relating to the issue of performance rights under a Performance Rights Plan detailed in the accompanying Shareholder Booklet:
- (a) the establishment and operation of a long term incentive plan to be called the Performance Rights Plan (**Plan**) for the provision of incentives to current and prospective executive and non-executive directors, full time, part time and casual employees and contractors of the Company and any related body corporate of the Company, who the Board determines are eligible to receive Performance Rights

(Participants); and the grant of Performance Rights, and the subsequent issue or transfer of Shares to Participants under the Plan upon the vesting of such Performance Rights.

- (b) the Company giving benefits under the Plan to a person in connection with that person ceasing to hold a managerial or executive office in the Company (or a related body corporate of the Company).
- (c) the issue of up to 24,000,000 Performance Rights (and the subsequent issue or transfer of Shares on the vesting of such Performance Rights) to the Directors and Proposed Directors (or their respective nominees), under the Plan as further detailed in the Explanatory Statement accompanying the Shareholder Booklet.

2.6 The following table shows the effect on the share capital of Basper after the Transaction and interdependent resolutions relating to the issue of shares in Basper:

| Effect on Ordinary Shares | Minimum Capital Raising | Maximum Capital Raising |
|---|-------------------------|-------------------------|
| Ordinary shares currently on issue | 10,000,443 | 10,000,443 |
| Shares issued to acquire DirectMoney | 195,800,000 | 195,800,000 |
| Shares issued in lieu of professional services | 3,809,932 | 3,809,932 |
| Capital Raising | <u>50,000,000</u> | <u>75,000,000</u> |
| Total shares on issue after Transaction ¹ | 259,610,375 | 284,610,375 |

¹ The table above does not include any shares that may be issued on vesting of any Performance Rights contemplated by the Plan detailed at section 2.5.

- 2.7 On completion of the Transaction DirectMoney shareholders will have a relative voting interest in Basper of up to 83.71%, inclusive of up to 17,500,000 shares to Adcock Private Equity Pty Limited, up to 100,000 shares to Amplitudo Pty Limited and up to 100,000 shares to Tatman Dustine Pang under the minimum Capital Raising, and inclusive of shares issued to Liberum Alternative Finance and its directors Simon Atkinson and Cormac Leech (who are also DirectMoney shareholders) in lieu of professional services, as referred to in section 2.3 above.
- 2.8 Following completion of the Transaction and associated share issues, Basper's existing Non-Associated Shareholders interest will decrease from 100% to as low as 3.51% prior to any existing shareholders subscribing for shares under the Capital Raising (and without taking into account the vesting of the Performance Rights).

STRUCTURE OF REPORT

Our report is set out under the following headings:

| | |
|----|---|
| 3 | PURPOSE OF REPORT |
| 4 | OPINION |
| 5 | BASIS OF EVALUATION |
| 6 | OVERVIEW OF DIRECTMONEY |
| 7 | OVERVIEW OF BASPER |
| 8 | VALUATION METHODOLOGIES |
| 9 | VALUE OF DIRECTMONEY |
| 10 | VALUE OF BASPER |
| 11 | ADVANTAGES AND DISADVANTAGES OF THE TRANSACTION |
| 12 | CONCLUSION AS TO FAIRNESS AND REASONABLENESS |

APPENDICES

| | |
|-----|---|
| I | SOURCES OF INFORMATION |
| II | STATEMENT OF DECLARATION & QUALIFICATIONS |
| III | FINANCIAL SERVICES GUIDE |

3 PURPOSE OF REPORT

- 3.1 The purpose of this report is to advise the Non-Associated Shareholders of Basper of the fairness and reasonableness of the Transaction.
- 3.2 This report provides an opinion on whether or not the terms and conditions in relation to the transaction are fair and reasonable to the Basper shareholders whose votes are not to be disregarded in respect of the transaction (that is, the Non-Associated Shareholders).
- 3.3 The ultimate decision whether to accept the terms of the Transaction should be based on each shareholders' assessment of their own circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt about the Transaction or matters dealt with in this report, shareholders should seek independent professional advice.
- 3.4 For the Transaction to be fair, the value of the DirectMoney shares being acquired must be equal to or greater than the value of the consideration, being Basper shares. To be reasonable the shareholders must obtain an overall benefit if the Transaction proceeds. In forming an opinion as to whether the Transaction is fair and reasonable, the following factors have been considered:
- the underlying value of Basper shares to be issued as consideration to DirectMoney;
 - the underlying value of DirectMoney shares to be acquired by Basper;
 - the likely market price and liquidity of Basper shares if the Transaction is not implemented;
 - the likelihood of an emergence of an alternative proposal that could realise better value for Basper Shareholders.
- 3.5 This report has been prepared to satisfy the requirements of the Corporations Act 2001 (Cth) ("Corporations Act") and the Australian Stock Exchange ("ASX") Listing Rules.

Corporations Act Requirements

- 3.6 On completion of the Transaction, DirectMoney Shareholders will have a relative voting interest in Basper of up to 83.71%, following completion of the minimum Capital Raising, inclusive of up to 17,500,000 shares to Adcock Private Equity Pty Limited, up to 100,000 shares to Amplitudo Pty Limited and up to 100,000 shares to Tatman Dustine Pang under the Capital Raising and inclusive of shares issued to Simon Atkinson and Cormac Leech (who are also DirectMoney shareholders) in lieu of professional services, as referred to in section 2.3 above.
- 3.7 Section 606(1) of the Corporations Act states that a person must not acquire an interest in issued voting shares in a listed company if that person's or any other person's voting power increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Section 606(1) prohibits DirectMoney shareholders or any associated entities from acquiring the issued ordinary shares in Basper under the Transaction, unless one of the exemptions set out in Section 611 of the Corporations Act applies.

- 3.8 Item 7 of Section 611 of the Corporations Act exempts an acquisition that is approved by a resolution of shareholders of Basper passed at a general meeting as per Section 611. This is the exception which is being relied upon by Basper.
- 3.9 ASIC Regulatory Guide 74 "Acquisitions Approved by Members" requires, amongst other things, that directors of a company need to provide shareholders with an analysis of whether a transaction is fair and reasonable, when considered in the context of the interests of the non-associated shareholders. Regulatory Guide 74 states that the directors may satisfy their obligation to provide this analysis by the independent directors commissioning an independent expert's report. The independent expert is required to state whether, in their opinion, the proposal is fair and reasonable having regard to the interests of non-associated shareholders and state the reasons for forming that opinion. This report provides such an opinion.

ASX Listing Rules

- 3.10 ASX Listing Rule 7.1 states that without the approval of holders of ordinary shares, an entity must not issue or agree to issue more equity securities than the number calculated according to the following formula:

$$(A \times B) - C$$
Where:
A = The number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue;
 - Plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2,
 - Plus the number of partly paid ordinary securities that became fully paid in the 12 months,
 - Plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4,
 - Less the number of fully paid ordinary securities cancelled in the 12 months.
B = 15%
C = The number of equity securities issued or agreed to be issued in the 12 months before the date of the issue or agreement to issue that are not issued under an exception in ASX Listing Rule 7.2, under rule 7.1A.2 or with approval under ASX Listing Rule 7.1 or 7.4.
- 3.11 The issue of ordinary securities under the Transaction will result in an issue of Basper ordinary securities greater than allowed under the above formula. However, Exception 16 of the ASX Listing Rule 7.2 provides an exception to shareholder approval under ASX Listing Rule 7.1, in relation to the issue of securities approved for the purposes of item 7 of Section 611 of the Corporations Act. Basper will also rely on this exception.
- 3.12 The Transaction constitutes a significant change in the nature and scale of the Company's activities. ASX Listing Rule 11.1 sets out the requirements an entity must adhere to when undergoing a change to the nature or scale of their activities. The entity must provide the ASX with information regarding the change and its effect on future potential earnings and must ensure approval is obtained from the shareholders to effect the change of activities. The Transaction is such a proposed change. ASX Listing Rule 11 does not specifically require the notice to include or be accompanied by a copy of an independent expert's report commenting on the issue.

4. OPINION

4.1 In our opinion, the proposed Transaction to acquire all of the issued shares of DirectMoney through the issue of Basper shares is fair and reasonable to the holders of Basper ordinary fully paid shares whose votes are not to be disregarded.

4.2 Our opinion is based solely on information available as at the date of this report. The principal factors that we have considered in forming our opinion are summarised below.

Fair

4.3 According to RG 111, for the Transaction to be fair, the value of the DirectMoney shares being acquired must be equal to or greater than the value of the consideration, being Basper shares.

4.3.1 Based on the analysis contained in section 9 of this report, the indicative value of DirectMoney shares is between \$29,370,000 and \$33,000,000, with a midpoint value of **\$31,185,000**. Consideration within or below that range would be fair.

4.3.2 Based on the analysis contained in section 10 of this report, the indicative value of the consideration being paid by Basper for the shares in DirectMoney is between \$9,641,160 and \$9,880,692, with a midpoint value of **\$9,760,926** as shown below:

| Basper Consideration | Basper Shares | Low (\$) | High (\$) | Midpoint (\$) |
|---|---------------|------------------|------------------|------------------|
| Basper shares value - controlling basis | | 0.0483 | 0.0495 | 0.0489 |
| Basper Shares to DirectMoney | 195,800,000 | 9,457,140 | 9,692,100 | 9,574,620 |
| Basper Shares for Professional Fees | 3,809,932 | 184,020 | 188,592 | 186,306 |
| Total Consideration | | 9,641,160 | 9,880,692 | 9,760,926 |

4.3.3 Based on the figures in the table above, the value range attributed to DirectMoney, with a midpoint of **\$31,185,000**, exceeds the value range of consideration being paid by Basper, with a midpoint of **\$9,760,926**.

4.3.4 The above analysis does not include the issue of any shares on vesting of any Performance Rights contemplated by the Plan detailed at section 2.5. The Plan is an interdependent resolution to the Transaction. In the event that the maximum 24,000,000 Performance Rights are issued, the value of all shares issued under the Transaction would increase to a midpoint of \$10,934,526 as shown in the table below, which is still below the value range attributed to DirectMoney.

| Basper Consideration | Basper Shares | Low (\$) | High (\$) | Midpoint (\$) |
|---|---------------|-------------------|-------------------|-------------------|
| Basper shares value - controlling basis | | 0.0483 | 0.0495 | 0.0489 |
| Total Consideration | | 9,641,160 | 9,880,692 | 9,760,926 |
| Performance Shares | 24,000,000 | 1,159,200 | 1,188,000 | 1,173,600 |
| Value of Maximum Shares issued under the Transaction | | 10,800,360 | 11,068,692 | 10,934,526 |

- 4.3.5 Our valuation of Basper shares prior to the Transaction is on a control basis. In order to assess whether the Transaction is fair, we also need to compare the pre-transaction value per share of Basper on a control basis with the post-transaction value per share of Basper on a minority basis. This is shown in the table below:

| Basper Value and Opinion | Low | High | Midpoint |
|--|-------------------|-------------------|-------------------|
| Control value per share | 0.0483 | 0.0495 | 0.0489 |
| Shares currently on issue | 10,000,443 | 10,000,443 | 10,000,443 |
| Control valuation, pre-Transaction | 483,021 | 495,022 | 489,022 |
| Valuation of DirectMoney | 29,370,000 | 33,000,000 | 31,185,000 |
| Minimum Proceeds from Capital Raising | 10,000,000 | 10,000,000 | 10,000,000 |
| Post-Transaction Value | 39,853,021 | 43,495,022 | 41,674,022 |
| Post-Transaction shares on issue | 259,610,375 | 259,610,375 | 259,610,375 |
| Value per share | 0.154 | 0.168 | 0.161 |
| Minority discount ^{refer section 8.3} | 9% | 9% | 9% |
| Post-Transaction Valuation per share | \$ 0.140 | \$ 0.152 | \$ 0.146 |

- 4.4 In our opinion the Transaction is **fair** based on the following:
- the value attributed to DirectMoney exceeds the consideration being paid by Basper;
 - the value of the Basper shares held by Non-Associated Shareholders increases as a result of the Transaction.

Reasonable

- 4.5 ASIC Regulatory Guide 111 states that a transaction is reasonable if:
- The Transaction is fair; or
 - Despite not being fair the expert believes that there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.
- 4.5.1 We have concluded that the Transaction is reasonable. In forming our opinion we have considered the following relevant factors:
- Basper currently has no income generating assets. The Transaction provides Basper Shareholders with an opportunity to invest in the marketplace lending industry, with future cash flow and dividend opportunities. The listed public company structure will also assist DirectMoney to establish market presence and attract, reward and retain high quality and experienced management.
 - The continuing viability of Basper as a going concern depends on identifying suitable opportunities that will sustain a viable business. The Transaction presents one such opportunity and, as such, will allow Basper to continue as a going concern.
 - Given the Company's lack of income producing assets it will have difficulty in creating long-term value for shareholders. The Directors of Basper have determined that DirectMoney has the potential to increase Basper shareholder value and provide the Company with a future business direction in the lending industry.

- Basper believes that the Transaction allows the Company to achieve its strategic objective of securing sustainable cash flows from a business with considerable growth potential. DirectMoney represents a sensible acquisition for Basper in the marketplace lending industry which enjoys strong market fundamentals and long term cash flow opportunities. The Company will have the benefit of the experience of experienced DirectMoney personnel who will be uniquely placed to set the strategy and direction of the Company in the lending industry.
- The Capital Raising is a condition of the Transaction and will provide capital to facilitate the ongoing development of the DirectMoney business in accordance with commitments that are consistent with its objectives.
- The Transaction may provide an opportunity for Basper shareholders to experience growth in the value of shares and significantly boost Basper's market capitalisation and liquidity in share trading, subject to the Company meeting the requirements of Chapters 1 and 2 of the ASX Listing Rules.
- The Basper Board are of the opinion that the Transaction with DirectMoney is in the best interests of the Company's Shareholders and in the absence of a superior alternative proposal is the best strategic opportunity for the Company.

4.6 *Accordingly, in our opinion, the Transaction is fair and reasonable to the Non-Associated Shareholders of Basper.*

5 BASIS OF EVALUATION

- 5.1 In our assessment of whether the Transaction is fair and reasonable to Basper Non-Associated Shareholders, we have given due consideration to the Regulatory Guides issued by the ASIC, in particular, Regulatory Guide 74 “Acquisitions Approved by Members”, Regulatory Guide 111 “Content of Expert Reports” and Regulatory Guide 112 “Independence of Experts”.
- 5.2 ASIC Regulatory Guide 74 requires, amongst other things, that shareholders are provided with sufficient information to make an effective, informed decision on whether the proposed Transaction is fair and reasonable. Under Regulatory Guide 111, a transaction is “fair” if the value of the asset being acquired (in this case 100% of the equity in DirectMoney) is equal to or greater than the value of the consideration being offered (in this case, Basper shares). Additionally, under Regulatory Guide 111 an offer is “reasonable” if it is fair. It is possible for an offer to be reasonable despite being unfair. This would be after the expert considers that, based on non-financial factors, the shareholders should still approve the Transaction in the absence of any alternative proposals.
- 5.3 Our report has compared the likely advantages and disadvantages to non-associated shareholders if the Transaction is agreed to, with the advantages and disadvantages to those shareholders if it is not. Comparing the value of the shares to be acquired under the Transaction and the value of the consideration to be paid is only one element of this assessment.
- 5.4 We have considered whether any shareholder will obtain a level of control in Basper as a result of the proposed Transaction. In the event that a change in control arises from the proposed transaction, proportionately greater benefits to non-associated shareholders must be demonstrated. In this case DirectMoney Shareholders will obtain control of Basper and this issue needs to be considered in comparing the value received by Non-Associated Shareholders in comparison to the value being paid.
- 5.5 Normal valuation practice is to determine the fair market value of an asset assuming a counter party transaction between a willing and not anxious buyer and a willing but not anxious seller clearly at arm’s length. We have adopted this approach in determining the market value of 100% of the equity of DirectMoney and Basper.
- 5.6 In evaluating the Transaction, we have considered the value of the DirectMoney shares being acquired and compared this to the amount of consideration to be paid through the issue of Basper shares for this acquisition. We consider that the Transaction will be fair and reasonable if, on balance, the Non-Associated Shareholders in Basper will be better off if the Transaction is approved. We will also consider the Non-Associated Shareholder’s interests should the Transaction not proceed.
- 5.7 In our assessment of the Transaction we have considered, in particular the following:
- The operational and financial position of DirectMoney and Basper;
 - The value of DirectMoney shares, under various methodologies;
 - The value of Basper shares, under various methodologies;
 - Any control premium associated with the Transaction;
 - The advantages and disadvantages associated with approving the Transaction;

- Share trading history of Basper shares;
 - The likely value and liquidity of Basper shares in the absence of the acquisition;
 - Other qualitative and strategic issues associated with the Transaction.
- 5.8 The documents and information relied on for the purpose of this valuation are set out in Appendix I. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Transaction is fair and reasonable. However, in assignments such as this, time is limited and we do not warrant that our enquiries have identified or verified all of the matters which an audit or more extensive examination might disclose. None of these additional tasks have been undertaken.
- 5.9 We understand the accounting and other financial information that was provided to us has been prepared in accordance with generally accepted accounting principles.
- 5.10 An important part of the information used in forming an opinion of the kind expressed in this report is the opinions and judgement of management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.
- 5.11 HCC are not the auditors of Basper or DirectMoney. We have analysed and reviewed information provided by the Directors and management of DirectMoney and Basper and made further enquiries where appropriate.
- 5.12 This report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this report which may impact upon this report or which may impact upon the assumptions referred to in the report. To the extent we become aware of a material change in circumstances since the date of our report, we will issue a supplementary report at the request of Basper if so required.

6 OVERVIEW OF DIRECTMONEY

6.1 Business and Market Overview

- 6.1.1 DirectMoney is an Australian private company incorporated on 2 May 2006. The company was founded by David Doust under the original name WealthX Pty Ltd to enter the marketplace lending industry. Following is a summary of the history of the business as provided by the company.
- 6.1.2 Although the company was ready to commence trading in September 2008 the market uncertainty surrounding the Global Financial Crisis (“GFC”) led the board of DirectMoney to defer the launch of the DirectMoney platform until market conditions improved. DirectMoney applied for and was granted a mortgage broking licence in early 2009 and launched a mortgage broking service as a member of the Plan Australia mortgage aggregation group.
- 6.1.3 DirectMoney continued in the mortgage broking industry until August 2010 when it raised \$600,000 used to pursue opportunities in the US residential mortgage market.
- 6.1.4 In February 2013 David Doust returned to Australia and around August 2013 commenced work on the re-launch in Australia of the original marketplace lending concept.
- 6.1.5 DirectMoney raised seed capital of \$500,000 in May 2014 for an IT upgrade and license applications for consumer lending and retail investment management. In October 2014 DirectMoney raised \$2,005,169 in secured convertible notes to fund a company owned loan warehouse. Further detail on shares issued is included at section 6.4.
- 6.1.6 The funds management industry in Australia is driven by an aging population and mandatory superannuation. Deposit rates are expected to stay low as central banks keep cash rates low in the continuing aftermath of the global credit crisis. As investor sentiment improves demand for income products will increase as increasing numbers of retirees seek to maximize income from savings levels that remain diminished by market falls during the crisis.
- 6.1.7 The personal loan market is highly profitable for banks and offers a significant opportunity to offer margins between deposit rates of 2-4% and personal loan rates of 14-15%. Similar post-GFC market conditions in the US are driving significant growth in marketplace lending. Marketplace lending is disrupting the banking industry by using internet technology and a low risk managed fund model to provide superior value to savers and borrowers. The reduction in numbers of mortgage trusts and the fall in deposit rates have provided an opportunity to enter the high income investment market with a new asset class that addresses the shortcomings of existing products. Australian personal loan rates have remained high and have attractive liquidity characteristics for investors.
- 6.1.8 There is currently only one domestic marketplace or peer-to-peer lender and two Europe based lenders competing with banks in Australia.

6.2 Business Activities

- 6.2.1 DirectMoney holds an Australian Financial Service Licence (AFSL 458572) and has been appointed as the investment manager of an in-house fund called the DirectMoney Personal Loan Fund (“DMPLF”). DMPLF is a registered managed investment scheme. Investors’ money is pooled and invested into personal loans acquired from DirectMoney. As a company offering personal loans funded by multiple retail and wholesale investors DirectMoney is categorised as a Marketplace Lender.
- 6.2.2 Since commencing lending in October 2014, DirectMoney has rapidly grown its presence and has now lent to over 350 borrowers, with a total loan book value of more than \$6 million. The loans are unsecured loans to personal borrowers who are resident in Australia. The minimum loan amount is \$5,000 and the maximum loan amount is \$35,000 (excluding any loan application fee that may be payable).
- 6.2.3 **Personal Loans:** Personal loan borrowers will be offered highly competitive rates and a fast, convenient, online or mobile same working day approval process. DirectMoney will offer risk based pricing where prime bank customers will enjoy up to 4% lower rates and other customers currently unserved by the banks will be considered for loans at rates commensurate with their credit profiles.
- 6.2.4 **Personal Loan Fund:** DMPLF will provide retail investors with exposure to a pooled portfolio of prime personal loans where they will earn a predictable, ungeared, diversified, low correlation return of 8-10%. DirectMoney will adopt a matched maturity model where monthly principal repayments are passed to investors as they are received. It is intended that the DMPLF will be listed on the ASX after this Transaction to provide Fund investors with daily liquidity. If this occurs, DirectMoney will be the manager of a listed personal loan fund, providing investors with a unique combination of high returns, low risk and daily liquidity.
- 6.2.5 DMPLF is a registered managed investment scheme. Investors’ money is pooled and invested into personal loans acquired from DirectMoney.
- 6.2.6 Over the last six years DirectMoney has developed intellectual property, systems and licences for its Market Lending Platform, which combines an online lending system with a retail funds management capability.
- 6.2.7 DirectMoney will provide a simple and fast online loan application process, providing a non-bank alternative for Australians to borrow money.
- 6.2.8 Products offered by DirectMoney include:
- | | |
|-----------------------------|--------------------------------|
| Debt Consolidation Loans | Same Working Day Loans |
| Unsecured Personal Loans | Unsecured Small Business Loans |
| Quick Loans | Fast Approval Loans |
| Low Interest Personal Loans | Online Loan Australia |

6.3 Board of Directors

The following is a summary of the qualifications of the proposed directors of DirectMoney following completion of the Transaction, as provided by the company.

Campbell McComb, Executive Director

Campbell is the Chief Investment Officer of Adcock Group, a family office and investor in DirectMoney. Prior to that he was the founding CEO of public listed investment manager Easton Investments. Campbell has 15 year experience in funds management and stock broking. He is a director of Newport Private Wealth and was formerly the Managing Director of Armytage Private Ltd and an investment manager with Greig Middleton funds management in the UK.

Stephen Porges, Executive Chairman

Stephen is the Executive Chairman of DirectMoney. Prior to joining DirectMoney, he was Chief Executive Officer of SAI Global. Prior to that, he was CEO of Aussie Home Loans from 2008 to 2013 where they were awarded Mortgage Broker of The Year for each year of his tenure. From 2007 until he joined Aussie, Stephen was CEO of Newcastle Permanent Building Society, Australia's largest Building Society. During his tenure the Society was recognised with two Building Society of the Year awards by Money Magazine. From 2004 till 2007, he was CEO of ASX listed biotechnology company Proteome Systems (PXL). From 2002 to 2007 Stephen was Chairman and then Executive Chairman of BMC Media Ltd. In 2002, Stephen was a founding partner in Cabonne Partners which specialised in advising on re-capitalisations and strategic turnarounds of public companies. Having spent the previous 20 years in international banking, stockbroking and investment banking, Stephen has experience in most significant global capital markets.

Craig Swanger, Non-Executive Director

Craig Swanger has 20 years' experience in financial services. He was Executive Director of Macquarie Global Investments, responsible for managing around \$10bn in client funds across Asia, North America and Australia. Craig has direct experience in structuring and raising funds from retail investors, including through managed funds, structured products and listed vehicles in several jurisdictions. He has extensive board experience, including Macquarie Bank's major funds management entity, Macquarie Investment Management Limited and a total of 15 internal and external boards since 2003. He was Chairman of 5 of the largest debt listed investment companies in Australia and New Zealand issued over the past decade, and more recently worked with Australia's largest corporate bond and securitization distribution specialists, FIIG Securities.

6.4 Share capital

- 6.4.1 As at 26 March 2015 DirectMoney had 334,047,874 shares on issue, fully diluted. This is inclusive of the equivalent number of ordinary shares from Convertible Notes which are convertible into ordinary shares at the time of the proposed public listing.

6.4.2 The following table shows the top five shareholders:

| Shareholder Name | Number of Shares | Percentage Held |
|---------------------------------|------------------|-----------------|
| Adcock Private Equity Pty Ltd | 71,658,432 | 21.45% |
| David Doust & Shirley Doust | 49,420,438 | 14.79% |
| Greig Holdings Pty Ltd | 39,415,096 | 11.80% |
| Bubblydays Pty Ltd | 34,161,651 | 10.23% |
| Janet Gambold & Bleddyn Gambold | 32,872,325 | 9.84% |

6.4.3 Following is a summary of the most recent equity issues conducted by the company:

| Date | Shares Issued | Value Per Share (\$) | Total Raised (\$) | Deemed 100% Equity Value (\$) |
|--------------|-------------------------|----------------------|-------------------|-------------------------------|
| Oct 2014 | 8,819,521 | 0.0283 | 250,000 | 6,500,000 |
| Oct-Nov 2014 | 57,512,212 ¹ | 0.0349 | 2,005,169 | 10,000,000 |
| Nov 2014 | 6,193,022 ² | 0.0807 | 500,000 | 25,000,000 |
| Nov-Dec 2014 | 13,138,324 | 0.0349 | 457,365 | 10,580,000 |
| Dec 2014 | 3,500,000 | 0.0001 | 350 | nm |
| Feb-Mar '15 | 24,396,755 ³ | 0.1066 | 2,600,000 | 35,600,000 |

¹ Convertible Notes convertible to ordinary shares at the time of public listing

² Issued to existing major shareholder, Adcock Private Equity Pty Ltd

³ Issued to existing shareholders (\$2,000,000) and two third party investors (\$600,000) at a pre-money equity valuation of \$33,000,000.

6.5 Financial Information

6.5.1 DirectMoney started earning loan establishment fees from July 2014. Prior to then the company was not actively trading or earning any revenue from marketplace lending and incurred a small amount of overheads and received government grants and tax offsets totalling \$255,514 during the 2012 and 2013 financial years. Following is a summary of the historical consolidated financial performance of DirectMoney for the six months to 31 December 2014 (HY2015):

| DIRECTMONEY PTY LTD | |
|---|----------------|
| HISTORICAL FINANCIAL PERFORMANCE | |
| | \$'000 |
| | HY2015 |
| Sales | 71 |
| Employee benefits expense | (300) |
| Marketing expenses | (212) |
| Legal expenses | (215) |
| Administrative expenses | (1,002) |
| EBITDA | (1,659) |
| Depreciation and amortisation expenses | - |
| EBIT | (1,659) |
| Finance costs | (25) |
| Net profit before tax | (1,684) |
| Taxation expense | - |
| Net profit after tax | (1,684) |

6.5.2 Set out below is the unaudited consolidated statement of financial position of DirectMoney as at 31 December 2014.

| DIRECTMONEY PTY LTD | |
|---|--------------------------------------|
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | |
| | \$'000 As at 31 December 2014 |
| <u>CURRENT ASSETS</u> | |
| Cash assets | 563 |
| Trade and other receivables | 55 |
| Loan assets ¹ | 757 |
| Prepayments | 19 |
| | <u>1,395</u> |
| <u>NON-CURRENT ASSETS</u> | |
| Plant and equipment | 4 |
| Loan Assets (net provisions) ¹ | 2,760 |
| | <u>2,764</u> |
| TOTAL ASSETS | <u>4,159</u> |
| <u>CURRENT LIABILITIES</u> | |
| Trade and other payables | 189 |
| Interest bearing liabilities ³ | 2,000 |
| Convertible notes ² | 2,005 |
| | <u>4,194</u> |
| TOTAL LIABILITIES | <u>4,194</u> |
| NET ASSETS | <u>(35)</u> |
| <u>EQUITY</u> | |
| Issued capital | 4,007 |
| Accumulated losses | (4,042) |
| | <u>(35)</u> |

¹ Loan Assets represents the outstanding principal amounts of current loans, referred to as Warehouse 1 and Warehouse 2, net of doubtful debts provision. Warehouse 1 holds the outstanding principals of loans that are secured under convertibles notes. Warehouse 2 holds the outstanding principals of loans secured under a secured loan note held by Greig Holdings Pty Ltd ("Greig Holdings"), discussed further at note 3 below.

² Convertible Notes are convertible to ordinary shares at the time of the proposed public listing. As per the terms agreed to between the Company and DirectMoney, DirectMoney must be debt free at completion. The valuation of DirectMoney assumes acquisition on a debt and cash free basis, and a positive working capital position consistent with normal working capital levels.

³ Following the conversion of Convertible Notes DirectMoney does not have any debt on its balance sheet other than a secured loan from an existing DirectMoney shareholder, Greig Holdings of \$2 million. We are advised that DirectMoney and Greig Holdings have agreed that the loan will be repaid in full on 15 June 2015. On repayment of the loan, the security will be released. DirectMoney intends to repay the secured loan from the proceeds of funds anticipated to be received from the sale of loans to DirectMoney Personal Loan Fund, DirectMoney Marketplace Limited, and other third party institutions if necessary prior to 15 June 2015. The effect of the above is that the Loan Warehouse and DirectMoney and its subsidiaries will not have any debt on their balance sheet following completion of the Transaction.

7. OVERVIEW OF BASPER

7.1 Company Overview

7.1.1 Basper is an Australian public company, officially listed on 16 March 1989. Its principal activities were the manufacture and distribution of automotive exhaust products. However the Company has since ceased business operations and is actively seeking new investment opportunities capable of bringing value to Basper shareholders.

7.1.2 The current Board of Directors of Basper comprises:
Mr Winton Willesee (Non-Executive Director and Chairman)
Mr Campbell McComb (Non-Executive Director)
Mr Andrew McKay (Non-Executive Director)
Mr Robert Parton (Non-Executive Director)

7.2 Financial Information

7.2.1 Basper has now discontinued all business operations and over the last 12 months has gone through a process of disposing of all business assets. Income statements have therefore not been disclosed for the purpose of this report. Losses from discontinued operations have been incurred for the last four financial years. A loss of \$193,162 has been incurred for the 6 month period to 31 December 2014.

7.2.2 Set out below is the unaudited Consolidated Statement of Financial Position of Basper as at 31 December 2014.

| BASPER LIMITED | |
|---|-------------------------------|
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | |
| | As at 31 December 2014 |
| <u>CURRENT ASSETS</u> | |
| Cash and cash equivalents | 68,309 |
| GST receivable | 30,524 |
| | <u>98,833</u> |
| TOTAL ASSETS | 98,833 |
| <u>CURRENT LIABILITIES</u> | |
| Trade and other payables | 115,946 |
| | <u>115,946</u> |
| TOTAL LIABILITIES | 115,946 |
| NET ASSETS | (17,113) |
| <u>EQUITY</u> | |
| Share capital | 3,599,774 |
| Accumulated losses | <u>(3,616,887)</u> |
| TOTAL EQUITY | (17,113) |

8. VALUATION METHODOLOGIES

8.1 Selection of Methodology

8.1.1 In order to assess the fairness of the Transaction a value needs to be attributed to Basper and DirectMoney shares.

8.1.2 In assessing the value of Basper and DirectMoney we have considered a range of valuation methods. ASIC Regulatory Guide 111 *Content of Expert Reports* states that in valuing a company the expert should consider the following commonly used valuation methodologies:

- Market Value of Shares: the quoted price for listed securities in a liquid and active market;
- Discounted Cash Flow: the net present value of future cash flows;
- Capitalisation of Future Maintainable Earnings: the value of trading operations based on the capitalisation of future maintainable earnings;
- Realisation of Assets: the amount that would be available for distribution to security holders on an orderly realisation of assets;
- Comparable Market Transactions: the identification of comparable sale or market transactions.

We consider each of these valuation methodologies below.

8.1.3 *Market Value of Shares*

This method involves the valuation of an entity based on its actively traded equities, which represent the market capitalisation of the share capital of the entity, in a liquid and knowledgeable market.

Any assessment of the market value of the quoted equities needs to consider the following:

- The liquidity of the quoted equity based on the volume and frequency of trading;
- The number of ‘unusual’ and/or ‘abnormal’ trades that occur; and
- The timing and level of dissemination of information to the market.

If a quoted ordinary equity is traded in an active, liquid and knowledgeable market, then the market price of the quoted ordinary equity should represent the ‘fair’ market value of the quoted ordinary equity.

A premium may also need to be applied to the value of the quoted ordinary equity to determine the value of the equity holding in the circumstances where a party is acquiring or increasing a controlling equity position.

Basper’s shares have been suspended from public trading since 6 January 2014. They have however recently conducted share transfers between substantial shareholders which we will consider as part of the comparable transactions method detailed at section 8.1.7.

This method is not appropriate for DirectMoney as its shares are not listed or publicly

traded. In valuing DirectMoney we have however considered the value and timing of its recent share issues. Refer to the comparable transactions method at section 8.1.7.

8.1.4 *Discounted Cash Flow – Net Present Value*

Discounted cash flow valuations involve calculating the value of a business on the basis of the net cash flows that will be generated from the business over its life. The cash flows are discounted to reflect the time value of money and the risk involved with achieving the forecast cash flows. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the valuation date to give an overall value of the business.

Although the discounted cash flow approach relies on the availability of long-term earnings and cash flow projections, it is particularly suited to situations where cash flows are not stable or where significant cash outflows will be incurred prior to cash inflows being earned. The forecast period should be of such a length to enable the business to achieve a stabilised level of earnings, or to be reflective of an entire operational cycle for more cyclical industries.

Basper has no current income producing assets therefore the discounted cash flow method has not been used for the valuation of Basper.

The use of the discounted cash flow method has not been used for DirectMoney. No forecasts have been released by DirectMoney as the business is relatively new and management advise there is not sufficient history on which to base forecast assumptions.

8.1.5 *Capitalisation of Future Maintainable Earnings*

Under the earnings based valuation method, the value of the business is determined by capitalising the estimated future maintainable earnings of the business at an appropriate capitalisation rate or multiplier of earnings. The multiple is a coefficient, representing the risk that the business may not achieve the estimated future maintainable earnings.

The capitalisation of earnings or future maintainable profits is the most frequently used method of valuing an ongoing and established business. This method of valuation is used in the majority of business valuations where there is a history of earnings in an established business. Under this methodology, a valuation is assessed by determining expected future earnings and capitalising the earnings at an appropriate earnings multiple, representing the required investor return.

Basper and DirectMoney have both incurred net losses in prior years and historical results are not reflective of the current or proposed future operations of the Company. Therefore the earnings based method is not appropriate for the valuation of Basper or DirectMoney.

8.1.6 *Realisation of Assets*

The net assets or cost based approach to value is based on the assumption that the value of all assets (tangible and intangible) less the value of all liabilities should equal the value of the entity. The net asset value is determined by marking every asset and liability on and off the company's balance sheet to current market values.

This approach is generally not appropriate where assets are employed productively and are earning more than the cost of capital. It is often used as a cross check to assess the relative riskiness of the business.

As Basper currently has no income generating assets, the notional realisation of assets has been adopted as an appropriate valuation method to assess the minimum net realisable value of Basper.

As DirectMoney is predominantly a revenue based business, the book value of its assets may not be representative of the inherent value of the business and accordingly this method is not appropriate for the valuation of DirectMoney.

8.1.7 *Comparable Market Transactions*

This methodology involves the identification of comparable sale or equity raising transactions for similar businesses to that being valued.

The Capital Raising by Basper is one of the conditions precedent to the Transaction. We consider the Capital Raising provides a basis for the valuation of DirectMoney as the issue of shares from the Capital Raising reflects a market value of the shares to be issued to the DirectMoney shareholders, being the price at which independent parties are willing to invest in a merged entity comprising Basper and DirectMoney.

We have also considered the value and timing of prior share issues and transfers by both Basper and DirectMoney in valuing both companies.

8.2 **Premium for Control**

8.2.1 When considering transactions involving a substantial equity holding of a company, it is appropriate to address whether a premium for control should attach to the Transaction. A premium for control is the difference between the price for each share that a buyer would be prepared to pay to obtain a controlling interest in a company and the price per share that would be required to purchase a share that does not carry with it a controlling interest. In most cases, the value of a controlling interest in the shares in a company significantly exceeds the listed market value of the shares. This reflects the fact that:

- a) the owner of a controlling interest in the shares in a company obtains access to all free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder;
- b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds;
- c) the controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company;
- d) the entity taking over the company is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

8.2.2 Empirical evidence indicates that the average premium for control (over and above the market price of the company's shares) in successful takeovers in Australia generally range between 20% and 35% above the listed market price of the target company's shares

three months prior to the announcement of the bid (assuming no speculation of the takeover is reflected in the pre-bid price). However, the appropriate premium for control depends on the specific circumstances and, in particular, the level of synergy benefits able to be extracted by potential acquirers and the degree of confidence about the level and achievability of potential synergies and their timing.

- 8.2.3 Caution must be exercised in assessing the value of a company or business based on the market rating of comparable companies or businesses. The premium for control is an outcome of the valuation process, not a determinant of value. Premiums are paid for reasons that vary from case to case and may be substantial due to synergy or other benefits available to the acquirer. In other situations premiums may be minimal or even zero. It is inappropriate to apply a premium of 20-35% without having regard to the circumstances of each case. In some situations there is no premium. There are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through a Capital Raising.
- 8.2.4 A shareholder or group of associated shareholders are deemed to influence a company when they have control of more than 20% of the issued shares in a company. At this time a premium for control should normally be considered.
- 8.2.5 When the Transaction is approved and completed, DirectMoney shareholders will have a relative voting interest in Basper of 83.71%. A premium for control is therefore relevant to the Transaction.
- 8.2.6 We have determined that the change in the level of ownership is sufficient to consider a premium for control. We have applied a premium for control of 10% to the value of Basper shares based on the following:
 - a) DirectMoney will obtain control of Basper however Basper does not have any material cash or other assets over which DirectMoney will obtain control;
 - b) Basper shares are currently suspended from trading. The premium for control is being applied to share transfers between substantial shareholders. We have considered the effect the low liquidity may have on the Basper share value;
 - c) Basper currently has negative operating cash flows; and
 - d) We believe that a premium for control above 10% may overstate the value that a potential investor is willing to pay to obtain a controlling interest in the Company.

8.3 Minority Interest Discount

- 8.3.1 The value of a minority shareholding is subject to a discount factor as the minority shareholder is not in a position to direct, and often not in a position to influence, the distribution of dividends, the investment of retained profits or the strategy or tactics of the company's operations.
- 8.3.2 The Transaction will result in the dilution of current Non-Associated Shareholders' ownership percentages from 100% to 3.51% based on no existing shareholders subscribing for shares under the Capital Raising (and without taking into account the vesting of the Performance Rights). Following from the assessed control premium of 10%, we have discounted the post-Transaction value per share on a control basis by 9%

to arrive at a post-Transaction value on a minority basis. We believe this discount is reasonable after considering the following factors:

- a) Basper is a listed public company where the shares held by Non-Associated shareholders are still able to be traded in an open market;
- b) The lack of income producing assets currently held by Basper that Non-Associated shareholders are losing control of; and
- c) The assessment of advantages and disadvantages associated with Basper entering into the Transaction as detailed at section 12.

9 VALUE OF DIRECTMONEY

9.1 Selected Methodology

9.1.1 We have selected the Comparable Transactions methodology to apply a value to DirectMoney as detailed at section 8.

9.1.2 In forming an opinion on the valuation of DirectMoney, and the selected methodology, HCC has considered the following:

- The historical operations of the business;
- The industry in which the business operates;
- The period of time for which the business has been operating;
- Information provided by management regarding future operations of the business.

9.1.3 *Financial information relied upon in applying selected valuation method*

We have reviewed the unaudited financial accounts of DirectMoney. Ultimately, the management of DirectMoney are responsible for the preparation and presentation of the financial information provided. The purpose of our review is to establish that the financial information used is not materially misstated. This review does not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

9.2 Comparable Transactions

9.2.1 Following is a summary of the most recent equity issues conducted by the company:

| Date | Shares Issued | Value Per Share (\$) | Total Raised (\$) | Post Money Equity Value (\$) |
|--------------|-------------------------|----------------------|-------------------|------------------------------|
| Oct 2014 | 8,819,521 | 0.0283 | 250,000 | 6,500,000 |
| Oct-Nov 2014 | 57,512,212 ¹ | 0.0349 | 2,005,169 | 10,000,000 |
| Nov 2014 | 6,193,022 ² | 0.0807 | 500,000 | 25,000,000 |
| Nov-Dec 2014 | 13,138,324 | 0.0349 | 457,365 | 10,580,000 |
| Dec 2014 | 3,500,000 | 0.0001 | 350 | nm |
| Feb-Mar '15 | 24,396,755 ³ | 0.1066 | 2,600,000 | 35,600,000 |

¹ Convertible Notes convertible to ordinary shares at the time of the public listing

² Issued to existing major shareholder, Adcock Private Equity Pty Ltd

³ Issued to existing shareholders (\$2,000,000) and two third party investors (\$600,000) at a pre-money equity valuation of \$33,000,000.

9.2.2 The largest and most recent raising undertaken by DirectMoney in February / March 2015 raised \$2,600,000, including \$600,000 from parties unrelated to the company at a **pre-money equity valuation of \$33,000,000**.

9.2.3 The Capital Raising by Basper, being a condition precedent of the Transaction, is being conducted at an issue price of \$0.20 per new share. We consider this Capital Raising provides a basis for the valuation of DirectMoney as the issue of shares from this raising reflects a market value of the shares to be issued to the DirectMoney shareholders, being

the price at which independent parties are willing to invest in a merged entity comprising Basper and DirectMoney. As a large part of Basper post-Transaction is the value of DirectMoney, it acts as a proxy to the share value. We have valued the Basper share in section 10 at \$0.05 per share. Therefore we have apportioned \$0.15 of the \$0.20 issue price to the value of DirectMoney. Applying a value of \$0.15 per share to the 195,800,000 Basper shares being issued for the acquisition of DirectMoney would value DirectMoney at **\$29,370,000**.

9.3 Comparable Companies

- 9.3.1 We've included below information regarding the main marketplace lending participants. Although we have not drawn a direct comparison of these companies to the valuation of DirectMoney due to its early stage of operations, it demonstrates the activity in this industry and the valuations being placed on participants.
- 9.3.2 LendingClub Corporation is based in the United States and is the world's largest online marketplace for connecting borrowers and investors. LendingClub has a market capitalisation of \$9.5 billion and as at 31 December 2014 had a revenue to market capitalisation multiple of 35.4 times and a price to tangible book value ratio of 8.6 times.
- 9.3.3 SocietyOne Australia Pty Ltd operates a peer-to-peer online lending platform in Australia. In December 2014 they received equity funding totalling \$20 million for 25% of the company from new investors, Australian Capital Equity Pty Ltd, Consolidated Press Holdings Limited, and News Corp Australia and existing investor, Reinventure Group Pty Ltd. The deal valued SocietyOne at \$80 million.
- 9.3.4 RateSetter Australia Pty Limited was established in September 2014 by the largest marketplace lender in the UK and offers an online application for peer to peer lending in Australia. In March 2015 Stratton Finance Pty Ltd and carsales.com Limited invested \$10 million for a 20% stake in the company. The deal valued RateSetter at \$50 million.

9.4 Resultant Valuation of DirectMoney

- 9.4.1 Based on the comparable transactions valuations detailed above, we have determined the valuation of DirectMoney as being between \$29,370,000 and \$33,000,000, with a midpoint value of **\$31,185,000** as at the date of this report.

10 VALUE OF BASPER

10.1 General

10.1.1 This section sets out our assessment of the underlying value of Basper shareholdings.

10.1.2 We have selected the comparable transactions and realisation of net assets as the valuation methodologies for Basper as detailed in section 8.

10.2 Comparable Transactions

10.2.1 On 2 October 2014 the following share transfers were effected:

| Share transfers to: | Shares | Consideration | Price/Share | Interest |
|-------------------------------------|-----------|---------------|-------------|----------|
| Bushwood Nominees P/L (Jeremy King) | 1,137,288 | 51,177.92 | \$ 0.0450 | 11.37% |
| TPG Australasia P/L | 1,137,287 | 51,177.92 | \$ 0.0450 | 11.37% |
| Azalea Family Holdings P/L | 1,137,288 | 51,177.92 | \$ 0.0450 | 11.37% |

10.2.2 Based on the price at which Basper shares have been transferred and inclusive of a 10% premium for control, the value of Basper shares on a controlling basis is **\$0.0495** each.

10.3 Realisation of Assets

10.3.1 Basper has no current income generating assets. Therefore the notional realisation of assets is an appropriate valuation method for Basper. As at 31 December 2014 the Company's net assets were in deficit by \$17,113, as shown at section 7.2.

10.3.2 The value of a listed company varies depending on the subsequent regulatory requirements, including necessary compliance with ASX listing requirements. The ASX Listing Rules will require Basper to reapply for listing following completion of the Transaction, which will require Basper to meet shareholder spread and other requirements. Considering the current situation of the Company and the relisting requirements should the Transaction proceed, we have allocated a value for the listed company shell of \$500,000, which represents a premium for control. The Company's shares are currently suspended which reduces the valuation slightly for the listed company shell. The net asset value of Basper on a controlling interest basis is as follows:

| | |
|----------------------------------|----------------|
| Net assets | (17,113) |
| Value of listing | <u>500,000</u> |
| Net realisation of assets | 482,887 |

10.3.3 Basper currently has 10,000,443 shares on issue, which equates to a net asset value per share of **\$0.0483** on a controlling interest basis.

10.4 Conclusion on the Value of Basper Shares

10.4.1 Based on the two valuation methods outlined above, we conclude that the value of Basper shares is between \$0.0483 and \$0.0495 each, with a midpoint of **\$0.0489 per share**, inclusive of a premium for control.

11 ADVANTAGES & DISADVANTAGES OF THE TRANSACTION

11.1 Approach to assessing Fairness and Reasonableness

HCC has followed the guidelines of ASIC Regulatory Guide 111 in assessing the fairness and reasonableness of the Transaction. In forming its conclusions in this report, HCC compared the advantages and disadvantages for Non-Associated Shareholders if the Transaction proceeds.

11.2 Advantages of the Transaction

- 11.2.1 Basper currently has no income generating assets. The Transaction provides Basper Shareholders with an opportunity to invest in the marketplace lending industry, with future cash flow and dividend opportunities. The listed public company structure will also assist DirectMoney to establish market presence and attract, reward and retain high quality and experienced management.
- 11.2.2 The continuing viability of Basper as a going concern depends on identifying suitable opportunities that will sustain a viable business. The Transaction presents one such opportunity and, as such, will allow Basper to continue as a going concern.
- 11.2.3 Given the Company's lack of income producing assets it will have difficulty in creating long-term value for shareholders. The Directors of Basper have determined that DirectMoney has the potential to increase Basper shareholder value and provide the Company with a future business direction in the lending industry.
- 11.2.4 Basper believes that the Transaction allows the Company to achieve its strategic objective of securing sustainable cash flows from a business with considerable growth potential. DirectMoney represents a sensible acquisition for Basper in the marketplace lending industry which enjoys strong market fundamentals and long term cash flow opportunities. The Company will have the benefit of the experience of experienced DirectMoney personnel who will be uniquely placed to set the strategy and direction of the Company in the lending industry.
- 11.2.5 The Capital Raising is a condition of the Transaction and will provide capital to facilitate the ongoing development of the DirectMoney business in accordance with commitments that are consistent with its objectives.
- 11.2.6 The Transaction may provide an opportunity for Basper shareholders to experience growth in the value of shares and significantly boost Basper's market capitalisation and liquidity in share trading, subject to the Company meeting the requirements of Chapters 1 and 2 of the ASX Listing Rules.
- 11.2.7 The Basper Board are of the opinion that the Transaction with DirectMoney is in the best interests of the Company's Shareholders and in the absence of a superior alternative proposal is the best strategic opportunity for the Company.

11.3 Disadvantages of the Transaction

- 11.3.1 There may be other opportunities Basper will not be able to undertake to realise the value of its listing if it accepts this Transaction due to the controlling interest being obtained by DirectMoney Shareholders.
- 11.3.2 The Company will be changing the nature of its activities to those of DirectMoney, which may not be consistent with the objectives of Shareholders and will reduce the possibility of an alternative direction for the Company.
- 11.3.3 Significant future outlays of funds from the Company may be required for the integration of DirectMoney and to meet the proposed new strategic direction and business objectives of the Company.
- 11.3.4 The Transaction will result in the significant dilution of current shareholders ownership percentages. Following completion of the Transaction, Basper's existing Non-Associated Shareholders interest will decrease from 100% to as low as 3.51% prior to any existing shareholders subscribing for shares under the Capital Raising (and without taking into account the vesting of the Performance Rights).

12 CONCLUSION AS TO FAIRNESS AND REASONABLENESS

12.1 Fairness

12.1.1 According to RG 111, for the Transaction to be fair, the value of the DirectMoney shares being acquired must be equal to or greater than the value of the consideration, being Basper shares.

12.1.2 Based on the analysis contained in section 9 of this report, the indicative value of DirectMoney shares is between \$29,370,000 and \$33,000,000, with a midpoint value of **\$31,185,000**. Consideration within or below that range would be fair.

12.1.3 Based on the analysis contained in section 10 of this report, the indicative value of the consideration being paid by Basper for the shares in DirectMoney is between \$9,641,160 and \$9,880,692, with a midpoint value of **\$9,760,926** as shown below:

| Basper Consideration | Basper Shares | Low (\$) | High (\$) | Midpoint (\$) |
|---|---------------|------------------|------------------|------------------|
| Basper shares value - controlling basis | | 0.0483 | 0.0495 | 0.0489 |
| Basper Shares to DirectMoney | 195,800,000 | 9,457,140 | 9,692,100 | 9,574,620 |
| Basper Shares for Professional Fees | 3,809,932 | 184,020 | 188,592 | 186,306 |
| Total Consideration | | 9,641,160 | 9,880,692 | 9,760,926 |

12.1.4 Based on the figures in the table above, the value range attributed to DirectMoney, with a midpoint of **\$31,185,000**, exceeds the value range of consideration being paid by Basper, with a midpoint of **\$9,760,926**.

12.1.5 The above analysis does not include the issue of any shares on vesting of any Performance Rights contemplated by the Plan detailed at section 2.5. The Plan is an interdependent resolution to the Transaction. In the event that the maximum 24,000,000 Performance Rights are issued, the value of all shares issued under the Transaction would increase to a midpoint of \$10,934,526 as shown in the table below, which is still below the value range attributed to DirectMoney.

| Basper Consideration | Basper Shares | Low (\$) | High (\$) | Midpoint (\$) |
|---|---------------|-------------------|-------------------|-------------------|
| Basper shares value - controlling basis | | 0.0483 | 0.0495 | 0.0489 |
| Total Consideration | | 9,641,160 | 9,880,692 | 9,760,926 |
| Performance Shares | 24,000,000 | 1,159,200 | 1,188,000 | 1,173,600 |
| Value of Maximum Shares issued under the Transaction | | 10,800,360 | 11,068,692 | 10,934,526 |

12.1.6 Our valuation of Basper shares prior to the Transaction is on a control basis. In order to assess whether the Transaction is fair, we also need to compare the pre-transaction value per share of Basper on a control basis with the post-transaction value per share of Basper on a minority basis. This is shown in the table below:

| Basper Value and Opinion | Low | High | Midpoint |
|--|-------------------|-------------------|-------------------|
| Control value per share | 0.0483 | 0.0495 | 0.0489 |
| Shares currently on issue | 10,000,443 | 10,000,443 | 10,000,443 |
| Control valuation, pre-Transaction | 483,021 | 495,022 | 489,022 |
| Valuation of DirectMoney | 29,370,000 | 33,000,000 | 31,185,000 |
| Minimum Proceeds from Capital Raising | 10,000,000 | 10,000,000 | 10,000,000 |
| Post-Transaction Value | 39,853,021 | 43,495,022 | 41,674,022 |
| Post-Transaction shares on issue | 259,610,375 | 259,610,375 | 259,610,375 |
| Value per share | 0.154 | 0.168 | 0.161 |
| Minority discount ^{refer section 8.3} | 9% | 9% | 9% |
| Post-Transaction Valuation per share | \$ 0.140 | \$ 0.152 | \$ 0.146 |

- 12.2 In our opinion the Transaction is **fair** based on the following:
- the value attributed to DirectMoney exceeds the consideration being paid by Basper; and
 - the value of the Basper shares held by Non-Associated Shareholders increases as a result of the Transaction.

12.3 Reasonableness

ASIC Regulatory Guide 111 states that a transaction is reasonable if:

- The Transaction is fair; or
- Despite not being fair the expert believes there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.

We have concluded that the Transaction is fair and therefore also reasonable. In forming our opinion we have also considered the following relevant factors.

- Basper currently has no income generating assets. The Transaction provides Basper Shareholders with an opportunity to invest in the marketplace lending industry, with future cash flow and dividend opportunities. The listed public company structure will also assist DirectMoney to establish market presence and attract, reward and retain high quality and experienced management.
- The continuing viability of Basper as a going concern depends on identifying suitable opportunities that will sustain a viable business. The Transaction presents one such opportunity and, as such, will allow Basper to continue as a going concern.
- Given the Company's lack of income producing assets it will have difficulty in creating long-term value for shareholders. The Directors of Basper have determined that DirectMoney has the potential to increase Basper shareholder value and provide the Company with a future business direction in the lending industry.

- Basper believes that the Transaction allows the Company to achieve its strategic objective of securing sustainable cash flows from a business with considerable growth potential. DirectMoney represents a sensible acquisition for Basper in the marketplace lending industry which enjoys strong market fundamentals and long term cash flow opportunities. The Company will have the benefit of the experience of experienced DirectMoney personnel who will be uniquely placed to set the strategy and direction of the Company in the lending industry.
- The Capital Raising is a condition of the Transaction and will provide capital to facilitate the ongoing development of the DirectMoney business in accordance with commitments that are consistent with its objectives.
- The Transaction may provide an opportunity for Basper shareholders to experience growth in the value of shares and significantly boost Basper's market capitalisation and liquidity in share trading, subject to the Company meeting the requirements of Chapters 1 and 2 of the ASX Listing Rules.
- The Basper Board are of the opinion that the Transaction with DirectMoney is in the best interests of the Company's Shareholders and in the absence of a superior alternative proposal is the best strategic opportunity for the Company.

Having considered the Transaction is fair, the potential of the DirectMoney business and alternatives of not proceeding with the Transaction, in our opinion the Non-Associated Shareholders of Basper should benefit if the Transaction proceeds and therefore the Transaction is reasonable.

Yours faithfully
Hall Chadwick Corporate (NSW) Limited



DREW TOWNSEND

APPENDIX I - SOURCES OF INFORMATION

- Basper Limited Audited Financial Reports for the financial years ended 30 June 2013 and 30 June 2014 and unaudited management accounts to 31 December 2014;
- DirectMoney Pty Ltd unaudited management accounts for the financial years ended 30 June 2013 and 30 June 2014;
- DirectMoney Information Memorandum, October 2014;
- DirectMoney Investor Presentation, January 2015;
- Draft Basper Limited Shareholder Booklet;
- Term Sheet between Basper and DirectMoney;
- Basper registry details;
- DirectMoney registry details;
- Publicly available information on Basper, DirectMoney and comparable companies, including media releases, ASX announcements and websites;
- S&P Capital IQ research;
- ASIC Regulatory Guide 74 'Acquisitions Approved by Members';
- ASIC Regulatory Guide 111 'Content of Expert Reports';
- ASIC Regulatory Guide 112 'Independence of Experts';
- APES 225 'Valuation Services'.

APPENDIX II - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement HCC determined its independence with respect to Basper, and DirectMoney with reference to ASIC Regulatory Guide 112 (RG 112) titled “Independence of Experts”. HCC considers that it meets the requirements of RG 112 and that it is independent of Basper and DirectMoney.

Also, in accordance with s648 (2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with Basper, its related parties or associates that would compromise our impartiality.

Mr Drew Townsend, director of Hall Chadwick Corporate (NSW) Limited, has prepared this report. Neither he nor any related entities of Hall Chadwick Corporate (NSW) Limited have any interest in the promotion of the Transaction nor will Hall Chadwick Corporate (NSW) Limited receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this report. Our fee is not contingent upon the success or failure of the proposed transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, HCC does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

HCC provided a draft copy of this report to the Directors and management of Basper for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of HCC alone. Changes made to this report, as a result of the review by the Directors and management of Basper have not changed the methodology or conclusions reached by HCC.

Reliance on Information

The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this report HCC has relied upon information provided on the basis it was reliable and accurate. HCC has no reason to believe that any information supplied to it was false or that any material information (that a reasonable person would expect to be disclosed) has been withheld from it. HCC evaluated the information provided to it by Basper and DirectMoney as well as other parties, through enquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base our report. Accordingly, we have taken no further steps to verify the accuracy, completeness or fairness of the data provided.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards (AUS). HCC does not imply and it should not be construed that it has audited or in anyway verified any of the information provided to it, or that its enquiries could have verified any matter which a more extensive examination might disclose.

The sources of information that we relied upon are outlined in Appendix I of this report.

Basper has provided an indemnity to HCC for any claims arising out of any mis-statement or omission in any material or information provided by Basper to HCC in preparation of this report.

Qualifications

Hall Chadwick Corporate (NSW) Limited ("HCC") carries on business at Level 40, 2 Park Street, Sydney NSW 2000. HCC holds Australian Financial Services Licence No. 227902 authorising it to provide financial product advice on securities to retail clients. HCC's representatives are therefore qualified to provide this report.

Consent and Disclaimers

The preparation of this report has been undertaken at the request of the Directors of Basper. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the report should be used for any other purpose than to accompany the Notice of General Meeting to be sent to Basper shareholders. In particular, it is not intended that this report should be used for any purpose other than as an expression of HCC's opinion as to whether or not the proposed Transaction is fair and reasonable.

HCC consent to the issue of this report in the form and context in which it is included in the Notice of General Meeting to be sent to Basper shareholders.

Shareholders should read all documents issued by Basper that consider the proposed Transaction in its entirety, prior to proceeding with a decision. HCC had no involvement in the preparation of these documents, with the exception of our report.

This report has been prepared specifically for the Non-Associated Shareholders of Basper. Neither HCC, nor any member or employee thereof undertakes responsibility to any person, other than a Non-Associated Shareholder of Basper, in respect of this report, including any errors or omissions howsoever caused. This report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards (AUS).

Our opinions are based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. Furthermore, financial markets have been particularly volatile in recent times. Accordingly, if circumstances change significantly, subsequent to the issue of the report, our conclusions and opinions may differ from those stated herein. There is no requirement for HCC to update this report for information that may become available subsequent to this date.

APPENDIX III - FINANCIAL SERVICES GUIDE

Dated 19 May 2015

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Hall Chadwick Corporate (NSW) Limited ABN 28 080 462 488, Australian Financial Services Licence Number 227902 (HCC).

This FSG includes information about:

- HCC and how they can be contacted
- the services HCC is authorised to provide
- how HCC are paid
- any relevant associations or relationships of HCC
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that HCC has in place.

This FSG forms part of an Independent Expert's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that HCC is authorised to provide

HCC holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

HCC's responsibility to you

HCC has been engaged by the independent directors of Basper Limited ("Basper" or the "Client") to provide general financial product advice in the form of a Report to be included in the Notice of Meeting ("Document") prepared by Basper in relation to the proposed transaction to acquire all of the issued shares in DirectMoney Pty Ltd ("DirectMoney") (the "Transaction").

You have not engaged HCC directly but have received a copy of the Report because you have been provided with a copy of the Document. HCC nor the employees of HCC are acting for any person other than the Client.

HCC is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As HCC has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees HCC may receive

HCC charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay HCC \$20,000 (excluding GST and out of pocket expenses) for preparing the Report. HCC and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

HCC officers and representatives receive a salary or a partnership distribution from Hall Chadwick Sydney professional advisory and accounting practice (the Hall Chadwick Sydney Partnership). Remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

HCC does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures HCC is controlled by and operates as part of the Hall Chadwick Sydney Partnership. HCC's directors may be partners in the Hall Chadwick Sydney Partnership. Mr Drew Townsend, director of HCC and partner in the Hall Chadwick Sydney Partnership, has prepared this report. The financial product advice in the Report is provided by HCC and not by the Hall Chadwick Sydney Partnership.

From time to time HCC, the Hall Chadwick Sydney Partnership and related entities (HC entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Transaction.

Complaints resolution

If you have a complaint, please let HCC know. Formal complaints should be sent in writing to:
The Complaints Officer

Hall Chadwick Corporate (NSW) Limited

GPO Box 3555

Sydney NSW 2001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Drew Townsend, on 02 9263 2600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If HCC cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne Victoria 3001
Telephone: 1300 78 08 06
Facsimile (03) 9613 6399
Email: info@fos.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

HCC has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact HCC at:
Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001
Telephone: 02 9263 2600
Facsimile: 02 9263 2800

Basper Limited (to be renamed DirectMoney Limited)

ABN 80 004 661 205

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 BER
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 10:00am (AEST) Wednesday, 17 June 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Basper Limited (to be renamed "DirectMoney Limited") hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Basper Limited (to be renamed "DirectMoney Limited") to be held at BDO, Level 14, 140 William Street, Melbourne, VIC 3000 on Friday, 19 June 2015 at 10:00am (AEST) and at any adjournment or postponement of that Meeting.

The Chairman is authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 13, 14 and 15 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 13, 14 and 15 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 13, 14 and 15 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

| | | For | Against | Abstain | | | For | Against | Abstain |
|--------------|---|--------------------------|--------------------------|--------------------------|---------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 9 | Capital Raising | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Winton Willesee | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 10 | Change of company name | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Campbell McComb | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 11 | Election of Stephen Porges | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Re-election of Andrew McKay | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 12 | Election of Craig Swanger | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Re-election of Robert Parton | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 13 | Approval of issue of Performance Rights under the Performance Rights Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Appointment of Auditor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 14 | Approval of potential termination benefits under the Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Change to nature and scale of activities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 15 | Grant of Performance Rights to Directors and proposed Directors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 | Issue of shares - Vendor consideration shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____