

ASX Release

5 February 2015

Company Announcements
Australian Securities Exchange Limited
20 Bridge Street
Sydney, NSW 2000

CEO Contract Terms

The Board of Firstfolio Limited (ASX: FFF) today announced the summary of the terms of employment for Chief Executive Officer (CEO), Mr Peter Andronicos. These terms are outlined in the attachment to this announcement.

Dustine Pang
Company Secretary

About Firstfolio Limited

Firstfolio Limited (ASX: FFF) is a mortgages and financial services distribution business which offers a diversified range of mortgage solutions through its two key businesses; eChoice and Folio Mortgage & Finance. Firstfolio also offers its customers an alternative funding option through Firstfolio Capital.

eChoice is one of Australia's most recognised online mortgage brands, using industry leading technology to provide customers with mortgage and financial product options through convenient online portals. Folio Mortgage & Finance provides mortgage products, mortgage processing and management services, personal loan products, commercial loans, as well as equipment finance and leasing. Products are provided via a national network of mortgage brokers, affiliates and industry partners.

Loans under management (LUM) were \$18.2 billion at 30 June 2014 – making it one of Australia's largest independent platforms for the delivery of financial products and services.

**Summary of terms of employment Mr Peter Andronicos
Chief Executive Officer – Firstfolio Limited**

1. Term

Mr Andronicos will be employed under a single contract of service with Firstfolio Limited with a three year fixed term. The contract is effective from 23 October 2014; the date of Mr Andronicos' appointment as Chief Executive Officer.

2. Fixed Salary and superannuation benefits

Mr Andronicos will be paid a base salary of \$400,000 per annum plus the minimum required superannuation contribution payable on that salary.

3. Incentive arrangements

Mr Andronicos will be eligible Short Term Incentive (STI) payments and Long Term Incentive (LTI) payments, as follows:

- STI – cash bonus of up to 50% of Base Salary
- LTI – a total of 35 million Options over the term of the contract, with a 1.0 cent strike price and 5 year expiry, which vest in three equal instalments annually. Vesting of the Options is subject to Mr Andronicos' continued employment at the time of vesting and meeting certain key performance measures determined by the Board for the second and third tranches of Options vested.

In determining any incentive payments, the Board will consider factors such as the annual performance of the consolidated entity and the performance of the CEO for any STI payment; and long term financial and operating performance measures of the consolidated entity for any LTI payment.

4. Termination of Contract

The Company retains the right to terminate the contract by giving 6 months notice. Upon termination Mr Andronicos would receive a termination payment of 6 months base salary. Mr Andronicos would also be entitled to any accrued entitlements such as earned but untaken leave.