

Lodged by ASX Online

30 July 2015

The Manager  
Company Announcements Office  
ASX Limited  
Level 4  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**YELLOW BRICK ROAD HOLDINGS TRANSITIONS FORMER RESI FRANCHISEES AND ISSUES PERFORMANCE  
SHARE RIGHTS**

Yellow Brick Road Holdings Limited (ASX Code: **YBR**) is pleased to announce that 19 RESI Mortgage Corporation franchisees have completed their formal entry into all agreements to now operate as Yellow Brick Road branded branches.

“RESI” was a privately-owned mortgage manager acquired by YBR in August last year and began transitioning the retail shopfronts to the Yellow Brick Road brand in June 2015. The rebrand rollout has included RESI offices displaying Yellow Brick Road branding alongside their existing RESI branding with the view they will be fully Yellow Brick Road branded in the coming months.

The 19 RESI franchises will include 13 new Yellow Brick Road locations and six that are replacing or merging with existing branches, as set out in the following table:

<b>New Yellow Brick Road branch locations</b>	<b>Merged or replacement Yellow Brick Road branch locations</b>
Kenmore, QLD	Sutherland, NSW
Carindale, QLD	Rockdale, NSW
Spring Hill, QLD	Beverly Hills, NSW
Belmore, NSW	Toongabbie, NSW
Glenfield, NSW	West Melbourne, VIC
Curtin, ACT	Werribee, VIC
Lilydale, VIC	
Mount Waverley, VIC	
Mordialloc, VIC	
South Morang, VIC	
Midland, WA	
Morley, WA	
Mount Barker, SA	

Yellow Brick Road Holdings Limited | ABN 44 119 436 083

With the addition of these franchises, Yellow Brick Road now has over 250 branch agreements in place across Australia.

The mortgage product manufacturing arm included in the original RESI acquisition will continue operate, but with an expanded distribution and product range.

“RESI’s strength as a national wholesaler of mortgage products is a real asset. RESI will continue to play a critical role as a mortgage product manufacturer for the Group with the products now being available to the transitioned RESI franchisees as well as the Vow and Yellow Brick Road networks”, Mr Bouris said.

As part of some of these transition agreements, YBR has agreed to issue 963,454 unquoted performance share rights valued at \$674,417.80, representing an implied value of 70 cents per performance share right. The performance share rights issue was optional for the key franchisees involved, all of whom chose this option. The performance share rights vest in tranches if the respective holder remains a Yellow Brick Road branch for the duration of the terms of their current agreement and/or the option to renew that agreement. In addition, all these holders have entered into voluntary escrow deeds with Yellow Brick Road in relation to their respective performance share rights for those terms.

Full details of the terms of the performance share rights are set out in the Appendix 3B attached.

Yellow Brick Road executive chairman Mark Bouris said: “These arrangements provide a clear long-term incentive for these RESI franchisees to grow their business and to benefit from that as a Yellow Brick Road shareholder based on the success of the Group.”

“The RESI business owners share our vision and are underpinned by the same desire to provide a genuine non-bank alternative to the everyday Australian. Making them an integral part of our business as branch owners and/or shareholders will help drive growth in what is expected to be our biggest year yet,” Mr Bouris said.

## **ENDS**

For more information, contact:

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## **About Yellow Brick Road Group**

Yellow Brick Road is a group of wealth management and financial services companies headed by Executive Chairman Mark Bouris. Yellow Brick Road offers tailored advice and services to Australians wanting to build financial security for the future. With its extensive neighbourhood based branch network, Yellow Brick Road Group is committed to delivering accessibility, quality financial advice and competition in the market. For more information visit [www.ybr.com.au](http://www.ybr.com.au)

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Yellow Brick Road Holdings Limited

ABN

44 119 436 083

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | Unquoted performance share rights         |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 963,454 unquoted performance share rights |

<p>3 Principal terms of the <sup>+</sup>securities (e.g. if options, exercise price and expiry date; if partly paid <sup>+</sup>securities, the amount outstanding and due dates for payment; if <sup>+</sup>convertible securities, the conversion price and dates for conversion)</p>	<p>The performance share rights are zero exercise price options to acquire ordinary shares. The principal terms of the rights are:</p> <ol style="list-style-type: none"> <li>1. Each right entitles the holder to receive one ordinary share without payment, if the relevant vesting conditions are satisfied.</li> <li>2. Rights vest if the respective holder remains a franchisee of the YBR group by the agreed dates referred to below and there has been no change of control in the holder before that date.</li> <li>3. If the vesting conditions are satisfied on the following respective dates, the rights will vest in the following respective numbers: <ul style="list-style-type: none"> <li>- 38,461 on 8 January 2018 and will expire on 7 February 2018 if not then exercised.</li> <li>- 38,461 on 8 January 2021 and will expire on 7 February 2021 if not then exercised.</li> <li>- 168,268 on 28 August 2017 and will expire on 27 September 2017 if not then exercised.</li> <li>- 168,268 on 28 August 2020 and will expire on 27 September 2020 if not then exercised.</li> <li>- 38,461 on 1 March 2018 and will expire on 31 March 2018 if not then exercised.</li> <li>- 38,461 on 1 March 2021 and will expire on 31 March 2021 if not then exercised.</li> <li>- 144,230 on 1 October 2017 and will expire on 31 October 2017 if not then exercised.</li> <li>- 144,230 on 1 October 2020 and will expire on 31 October 2020 if not then exercised.</li> <li>- 92,307 on 1 November 2019 and will expire on 30 November 2019 if not then exercised.</li> <li>- 92,307 on 1 November 2022 and will expire on 30 November 2022 if not then exercised.</li> </ul> </li> </ol>
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<sup>+</sup> See chapter 19 for defined terms.

4	<p>Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No. The performance share rights do not carry the right to vote, receive dividends or generally to participate in other corporate actions.</p>
5	Issue price or consideration	<p>Nil issue price for the performance share rights. The consideration is the Resi Mortgage Corporation franchisees agreeing to extend the terms of their respective franchise agreements. YBR agreed to provide \$674,417.80 in value to these Resi Mortgage Corporation franchisees, which is satisfied by the issue of the 963,454 performance share rights, which in effect represents 70 cents per Performance Share Rights.</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Performance share rights issued as long term incentive plan for certain existing Resi Mortgage Corporation franchisees.</p>
6a	<p>Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b ó 6h <i>in relation to the <sup>+</sup>securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>No.</p>
6b	The date the security holder resolution under rule 7.1A was passed	
6c	Number of <sup>+</sup> securities issued without security holder approval under rule 7.1	
6d	Number of <sup>+</sup> securities issued with security holder approval under rule 7.1A	

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)					
6f	Number of +securities issued under an exception in rule 7.2					
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.					
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements					
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A 6 complete Annexure 1 and release to ASX Market Announcements					
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	30 July 2015				
8	Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>278,161,332</td> <td>Ordinary shares</td> </tr> </tbody> </table>	Number	+Class	278,161,332	Ordinary shares
Number	+Class					
278,161,332	Ordinary shares					

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	8,564,930	Options expiring 30 September 2017, exercise price at the greater of \$0.40 and \$0.75 of Average Yearly VWAP
		10,000,000	Performance rights (zero exercise price options to acquire 10,000,000 ordinary shares)
		963,454	Performance share rights described in 3 above
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged.	

## Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A

18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A

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+ See chapter 19 for defined terms.



31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a) ☐ +Securities described in (a) of Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

#### Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"> <tr> <th>Number</th> <th>+Class</th> </tr> <tr> <td></td> <td></td> </tr> </table>	Number	+Class		
Number	+Class					

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+ See chapter 19 for defined terms.

## Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
(Company secretary)

Date: 30 July 2015

Print name: .....Richard Shaw.....

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<b>Add</b> the following: <ul style="list-style-type: none"> <li>“ Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>“ Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>“ Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply %A+ by 0.15</b>	
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <p>“ Under an exception in rule 7.2</p> <p>“ Under rule 7.1A</p> <p>“ With security holder approval under rule 7.1 or rule 7.4</p> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>“C”</b>	
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>%A+ x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p><b>Subtract %C+</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<b>Total [%A+ x 0.15] . %C+</b>	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	
<b>“E”</b>	

+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
$\frac{A}{D} \times 0.10$  <i>Note: number must be same as shown in Step 2</i>	
<b>Subtract</b> $\frac{E}{D}$  <i>Note: number must be same as shown in Step 3</i>	
<b>Total</b> $[\frac{A}{D} \times 0.10] - \frac{E}{D}$	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.