

23 November 2015

ASX/MEDIA RELEASE

PERFORMANCE RIGHTS

DirectMoney Limited (ASX: DM1) (DirectMoney, the Company) advises that 5,000,000 Performance Rights have lapsed as a result of the retirement of Mr Campbell McComb as a director of the Company.

In addition, following shareholder approval at the Annual General Meeting on 18 November 2015, 1,500,000 Performance Rights have been issued to a nominee of Mr Chris Whitehead.

The attached Appendix 3B reflects these two changes to the unlisted securities.

-ENDS-

For further information please contact:

Peter Beaumont
CEO, DirectMoney Pty Ltd
+61 9241 2213
pbeaumont@directmoney.com.au

Leanne Ralph
Company Secretary
+61 8263 0515
leanne.ralph@boardworx.net.au

About DirectMoney

DirectMoney is Australia's only listed Marketplace Lender (ASX: DM1) and a pioneer in the rapidly growing marketplace lending industry. DirectMoney brings together personal loan borrowers and investors through web-based technology to offer a more attractive interest rate than banks and to deliver Australians better financial choice and improved investment outcomes.

Our mission is to connect investors with borrowers offering superior returns for investors and great rates for our borrowers. We provide a simple and fast loan application process online. We take the hassle out of applying for a personal loan providing a new option for Australians to borrow money.

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

DirectMoney Limited

ACN

004 661 205

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 | Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,500,000 Performance Rights |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Performance Rights granted under the DirectMoney Limited Performance Rights Plan (Plan) to a director of the company following approval by shareholders at the Annual General Meeting held on 18 November 2015.</p> <p>Each Performance Right entitles the holder to one fully paid ordinary share for nil consideration, subject to the satisfaction of applicable Performance Conditions and compliance with the rules of the Plan.</p> <p>Further details of the principal terms of the Performance Rights granted, including their specific Performance Conditions and expiry date are set out in the Annexure to this announcement.</p>
<p>4 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"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No. Performance Rights are not quoted securities and do not rank equally with ordinary shares or any other class of quoted securities. Performance Rights do not confer a right to vote, a right to receive dividends or any other rights of a shareholder. Further, Performance Rights do not confer a right to participate in new issues of securities, including by way of bonus issue, rights issue or otherwise.</p> <p>Any ordinary share issued or transferred to the holder upon vesting of a Performance Right will rank equally with other ordinary shares from the date of allotment.</p>
<p>5 Issue price or consideration</p>	<p>The Performance Rights were granted for nil consideration.</p> <p>Further, no consideration is payable by the holder of Performance Rights for the issue or transfer of ordinary shares upon the vesting of any of the Performance Rights.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Performance Rights were granted under the Plan as part of the Company's strategy to reward, retain and motivate employees and directors in support of its long term business objectives and goals.</p>

6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	18 November 2015
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Nil
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Nil
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of ⁺ securities issued under an exception in rule 7.2	1,500,000
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.	Not applicable
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	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1: 39,914,906 7.1A: 26,609,937

+ See chapter 19 for defined terms.

7	<p>*Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	18 November 2015										
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>118,671,036</td><td>Fully paid ordinary shares</td></tr></table>	Number	+Class	118,671,036	Fully paid ordinary shares						
Number	+Class											
118,671,036	Fully paid ordinary shares											
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>147,428,339</td><td>Fully paid ordinary shares subject to escrow conditions.</td></tr><tr><td>19,000,000</td><td>Performance Rights issued with effect from 19 June 2015.</td></tr><tr><td>11,675,000</td><td>Performance Rights issued on 4 September 2015.</td></tr><tr><td>1,500,000</td><td>Performance Rights issued on 18 November 2015.</td></tr></table>	Number	+Class	147,428,339	Fully paid ordinary shares subject to escrow conditions.	19,000,000	Performance Rights issued with effect from 19 June 2015.	11,675,000	Performance Rights issued on 4 September 2015.	1,500,000	Performance Rights issued on 18 November 2015.
Number	+Class											
147,428,339	Fully paid ordinary shares subject to escrow conditions.											
19,000,000	Performance Rights issued with effect from 19 June 2015.											
11,675,000	Performance Rights issued on 4 September 2015.											
1,500,000	Performance Rights issued on 18 November 2015.											
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Performance Rights do not confer a right to receive dividends.										

Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the *securities will be offered	Not applicable
14	*Class of *securities to which the offer relates	Not applicable
15	*Record date to determine entitlements	Not applicable

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable
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	Not applicable

+ See chapter 19 for defined terms.

28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	*Issue date	Not applicable

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 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

Not applicable.

39 +Class of +securities for which quotation is sought

Not applicable.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable.

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

Not applicable.

42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		118,671,036	Fully paid ordinary shares

+ 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: 23 November 2015

Print name: Leanne Ralph

== == == == ==

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	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	266,099,375
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	266,099,375

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	39,914,906
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of *equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	39,914,906
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
Total [“A” x 0.15] – “C”	<p>39,914,906</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	266,099,375
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	26,609,937
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • 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 • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	26,609,937
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	26,609,937 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

Annexure – Performance Conditions of Performance Rights

These Performance Rights will vest in tranches if, the volume weighted average price (**VWAP**) of the Company's ordinary shares is at least the prices specified in the table below, for a period of 10 consecutive trading days, and the director remains in this position for at least the period specified:

Volume Weighted Average Price	25 cents	35 cents	50 cents
No. of Performance Rights that will vest	500,000	500,000	500,000
Minimum period to remain a Director after 13 July 2015	None	12 months from 13 July 2015	24 months from 13 July 2015

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

Upon vesting of the relevant tranche or tranches of Performance Rights, the equivalent number of ordinary DM1 shares will be automatically issued, subject to the Plan Rules.

Example vesting Scenarios

Scenario 1: If at any time following the 13 July 2015 (and prior to the lapsing date), the VWAP is 25 cents for 10 consecutive trading days, 500,000 Rights will vest and Mr Whitehead automatically be issued 500,000 Shares subject to the Plan Rules.

Scenario 2: Similarly, if the VWAP is at 35 cents for 10 consecutive trading days, 500,000 Rights will vest on 13 July 2016 but only if Mr Whitehead is still a Director by that date. This is in addition to the 500,000 Rights issued under Scenario 1.

Scenario 3: If at any time following the 13 July 2015 (and prior to the lapsing date), the VWAP is at 50 cents for 10 consecutive trading days, 500,000 Rights will vest immediately after the 10th trading day, a further 500,000 Rights will vest on the 13 July 2016, but only if Mr Whitehead is still a Director by that date and a further 500,000 will vest on 13 July 2017 but only if Mr Whitehead is still a Director by that date.

+ See chapter 19 for defined terms.