Prospectus

ChimpChange Limited
ABN 34 150 762 351



ChimpChange

Fully underwritten Offer
of 18.75 million Shares
at A$0.80 each

Underwriters and Joint Lead Managers

MOELIS & COMPANY

CCZ Statton Equities
Stockbrokers



Important Notices

OFFER

The offer (the **Offer**) contained in this prospectus (this **Prospectus**) is an invitation to acquire 18.75 million ordinary shares (**Shares**) in ChimpChange Limited (ABN 34 150 762 351) (**ChimpChange**, the **Company**, **we** or **us**). This Prospectus is issued by the Company for the purpose of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**).

LODGEMENT AND LISTING

This Prospectus is dated Monday, 30 May 2016 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to the Australian Securities Exchange (**ASX**) for admission of the Company to the official list of the ASX (the **Official List**) within seven days after the date of this Prospectus. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Shares, the Offer or the Company.

ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merit of the investment to which this Prospectus relates.

EXPIRY DATE

No Shares will be allotted or issued on the basis of this Prospectus after Friday, 30 June 2017, which is 13 months from the date of this Prospectus.

NOTICE TO APPLICANTS

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and you should read it in its entirety, along with each of the documents incorporated by reference, prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Shares, and you must regard the Shares offered under this Prospectus as a speculative investment. Some of the risks that you should consider are set out in Section 6 (Risk Factors). You should carefully consider these risks in light of your personal circumstances including financial and taxation issues. There may also be additional risks that you should consider in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to analyse or interpret it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional advisor before deciding whether to invest in the Shares.

No person named in this Prospectus guarantees the Company's performance or any return on investment or any return of capital made pursuant to this Prospectus.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

This Prospectus does not constitute a public offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

There may be legal restrictions related to the distribution of this Prospectus (including in electronic form) outside Australia, New Zealand, the United Kingdom, Hong Kong and Singapore and therefore any person who resides outside Australia, New Zealand, the United Kingdom, Hong Kong and Singapore and who receives this Prospectus outside Australia, New Zealand, the United Kingdom, Hong Kong and Singapore should seek advice on, and observe, any such restrictions. Any person who has a registered address in any country outside of Australia, New Zealand, the United Kingdom, Hong Kong and Singapore and who receives this Prospectus may only apply for Shares if that person is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have such registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may be unlawful. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

IMPORTANT INFORMATION FOR NEW ZEALAND INVESTORS – PUBLIC OFFER

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This Offer and the content of this offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Regulations set out how the Offer must be made. There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

Neither the Company nor its Shares will be listed or quoted on the New Zealand Stock Exchange.

PUBLIC OFFER IN HONG KONG

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus

Important Notices

or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

By submitting an Application Form, each Applicant represents and warrants that if they (or any person for whom you are acquiring the New Shares) are in Hong Kong, they (and any such person) are a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

PUBLIC OFFER IN SINGAPORE

This Prospectus and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

By submitting an Application Form, each Applicant represents and warrants that if they (or any person for whom they are acquiring the New Shares) are in Singapore, they (and any such person) are:

- are an "institutional investor" or a "relevant person" (as such terms are defined in the Securities and Futures Act of Singapore ("SFA"));
- will acquire the New Shares in accordance with applicable provisions of the SFA; and
- acknowledge that the offer of the New Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

OFFER IN THE UNITED KINGDOM

Neither the information in this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares. This Prospectus is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

By submitting an Application Form, each Applicant represents and warrants that if they (or any person for whom they are acquiring the New Shares) are in the United Kingdom, they (and any such person) are:

- a "qualified investor" within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000; and
- within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

NOTICE TO UNITED STATES RESIDENTS

The Shares being offered pursuant to this Prospectus have not been registered under the United States Securities Act of 1933, as amended (**US Securities Act**) and may not be offered or sold in the United States (**US**) absent registration or an applicable exemption from registration under the US Securities Act and applicable US securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful.

FINANCIAL INFORMATION AND AMOUNTS

All financial amounts contained in this Prospectus are expressed in Australian dollars (**Australian Dollars** or **A$**), unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding.

Section 4 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in Sections 4.1 and 11.

Important Notices

Where an amount is expressed in this Prospectus in Australian Dollars and US Dollars (**US Dollars** or **US$**), the conversion is based on the Indicative Exchange Rate (being A$1.00 = US$0.75). The amount when expressed in Australian Dollars or US Dollars may change as a result of fluctuations in the exchange rate between those currencies.

INCORPORATION BY REFERENCE

The Company's Corporate Governance Charter is not contained in this Prospectus, but has been lodged with ASIC and is taken by law to be included in this Prospectus (see Section 8.1). If you are unsure whether you require the information contained in the Corporate Governance Charter to decide whether or not to invest in the Company, it is recommended that you obtain a copy of the Corporate Governance Charter. A copy of the Corporate Governance Charter can be obtained during the application period free of charge from the Company's website at www.chimpchange.me/#/corporate-governance or by contacting the Company on +61 7 3212 6255 or by email at investors@chimpchange.me.

DISCLAIMER

No person should rely on any information that is not contained in this Prospectus for making a decision as to whether to acquire Shares under the Offer. No person is authorised by the Company or the Joint Lead Managers to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus may contain forward-looking statements concerning the Company's business, operations, financial performance and condition, as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and Management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences between forward-looking statements and actual performance include, but are not limited to, the risks described in Section 6 (Risk Factors) of this Prospectus.

You are urged to consider the risk factors carefully for evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the information and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains industry data and forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state or imply that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy or completeness of such information. In addition, where a source has been identified in this Prospectus as the source for providing specific information included in the Prospectus, the author of that information has not given their consent to this information being included in the Prospectus and has not authorised or caused the issue of the Prospectus.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

EXPOSURE PERIOD

The Corporations Act prohibits the Company from processing applications to subscribe for Shares under the Offer (**Application**) during the seven day period after the date of lodgement of this Prospectus (the **Exposure Period**). This period may be extended by ASIC for a further seven days. This period is an Exposure Period to enable market participants to examine this Prospectus prior to the raising of funds under the Offer. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

ELECTRONIC PROSPECTUS

This Prospectus, with an accompanying Application Form, may be viewed online at www.chimpchange.me/#/prospectus. The Offers constituted by this Prospectus in electronic form are only available to Australian and New Zealand residents accessing an electronic version of this Prospectus in Australia or New Zealand. It is not available to persons in other jurisdictions. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

PRIVACY

By completing an Application Form, you consent to the collection, use and disclosure of your personal information as summarised below.

We collect personal information about you so that we can administer our dealings with you, provide you with Company information, products and services, service your needs as a Shareholder (if you become one), carry out appropriate administration of your Application and deal with any requests that you may have. The Company maintains the register of members of the Company through the Share Registry. The Company's register is required by law to contain certain personal information about members such as their name and address and number of Shares held. In addition the Company collects personal information from members including contact details, bank accounts, membership details and tax file numbers.

If we do not collect your personal information, we may be unable to deal with your request or provide you with services and benefits, and we may not be able to process your Application.

We may disclose your personal information to third parties, such as our Share Registry, the Joint Lead Managers, , auditors, Management, legal and other professional advisors, service providers, suppliers, insurers, IT providers who run our IT services, payment processors who process payments, marketing providers who provide marketing and public relations services, and if we are required to by law.

Access to and correction of information – Shareholders have the right to access, update and correct their personal information held by the Company and the Share Registry except in limited circumstances. If you wish to access, update or correct your personal information held by the Company or the Share Registry please contact the respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

CHIMPCHANGE WEBSITE

Any documents included on www.chimpchange.me (**ChimpChange Website**) (and any reference to them) are provided for convenience only and none of the documents or other information on the ChimpChange Website are incorporated by reference into this Prospectus. Any references to documents included on the ChimpChange Website are provided for convenience only, and none of the documents or other information on the website is incorporated in this Prospectus by reference unless specified in this Prospectus.

DEFINITIONS AND ABBREVIATIONS

Defined terms and abbreviations used in this Prospectus and not otherwise defined herein are defined and explained in the Glossary in Section 12 (**Glossary**).

REFERENCES TO TIME

All references to time in this Prospectus refer to the time in Sydney, Australia (**AEST**), unless stated otherwise.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus that do not have any description are for illustration or design purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the Company owns the assets shown. Similarly, any assets depicted in the photographs such as equipment, buildings or other property are not necessarily assets that are owned or used by the Company and have been included for presentation and illustrative purposes unless stated otherwise. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at Monday, 30 May 2016.

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Letter from the Chairman

Monday, 30 May 2016

Dear Investors

On behalf of the Company's Directors it is my pleasure to invite you to become a shareholder of ChimpChange.

ChimpChange is an Australian incorporated company founded to respond to the rapidly changing landscape of banking, driven by technological advancement, smartphone adoption and evolving consumer expectations and demographics.

We believe that current trends in the global banking sector point to an increasing adoption of alternative banking solutions. With the ongoing evolution of technology, and the flow-on effect of increasing consumer acceptance and integration into daily life, a digital disruption of the retail banking and financial services landscape has begun to take shape in recent years. Such macro trends pose a challenge to traditional banks and their legacy practices, as companies such as ChimpChange will begin to capture valuable market share as a result of their customer centric innovation and revamped product offerings.

ChimpChange's vision is to change the way people bank by offering an innovative, feature-rich, digital banking alternative that includes both the existing functionality expected of traditional banks with the addition of new features at for free or for a low cost. The ChimpChange product has been developed to appeal to all banking customers, however most features have been created with a particular focus on the Millennial and broader Underbanked demographic in the fragmented US banking market.

Through the ChimpChange Platform, Customers can establish a transactional bank account and immediately make instant peer-to-peer (P2P) transfers. The Platform uses mobile phone numbers as a unique identifier, replacing the need for lengthy bank account details. A ChimpChange branded debit card is also provided to Customers that can be used to make purchases, withdraw funds from ATMs and deposit cash through a network of retail and convenience stores across the US.

ChimpChange currently generates revenue through three main categories: interchange fees; out-of-network ATM fees; and other platform fees. These revenue streams will evolve and diversify as new product initiatives are rolled out.

ChimpChange is seeking to raise A$15.0 million (US$11.25 million) through the issuance of 18.75 million Shares at a price of A$0.80 per Share pursuant to the Offer. The Offer and ASX Listing is an important step for the Company, enabling us to fund; the continued development of the ChimpChange Platform, marketing and customer acquisition, operating costs, costs of the Offer and working capital.

The Offer will also provide a liquid market for ChimpChange's Shares, provide access to capital markets, broaden the Company's Shareholder base and provide ChimpChange with the benefits of an increased profile as a listed entity. The main reasons for raising capital and seeking a listing on the ASX are as follows:

- we have deep ties to Australia through our existing investors, advisors and Board members;
- we have consistently received strong investor demand and the public markets enable a broader investor base; and
- our long-term vision is to remain an independent company listed on one or more public markets.

The Offer will close at 5:00pm AEST on Friday, 24 June 2016, unless varied by the Company.

It is anticipated that the Company will be listed on ASX on or about Thursday, 30 June 2016 on a deferred settlement basis.

This Prospectus contains detailed information about the Offer and the financial position and performance, operations, Management team and future plans of ChimpChange. Section 6 includes a description of the key risks associated with an investment in ChimpChange and you should review this section in detail.

I encourage you to read this Prospectus carefully and in its entirety before making your investment decision and, if required, consult with your stockbroker, solicitor, accountant or other independent professional adviser.

On behalf of the Directors, I invite you to consider this opportunity to invest in the Company, and look forward to welcoming you as an investor.

Yours Sincerely,



Peter Clare
Non-Executive Chairman
ChimpChange Limited

Key Offer Information

KEY OFFER DATES	
Lodgement of Prospectus with ASIC	Monday, 30 May 2016
Opening Date of Offer	Tuesday, 7 June 2016
Closing Date of Offer	Friday, 24 June 2016
Settlement Date of Offer	Wednesday, 29 June 2016
Allotment Date of Shares	Thursday, 30 June 2016
Expected commencement of trading on ASX (deferred settlement)	Thursday, 30 June 2016
Expected date for dispatch of holding statements	Friday, 1 July 2016
Expected commencement of trading on ASX (normal trading)	Monday, 4 July 2016

Notes: This timetable is indicative only. Unless otherwise indicated, all times given are AEST. The Company, in consultation with the Joint Lead Managers, reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Completion of the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before Completion of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

KEY OFFER STATISTICS	
Offer Price per Share	A$0.80
Shares available under the Offer	18,750,000
Gross proceeds from the Offer	A$15.0 million, before Costs of the Offer[1]
Shares on issue prior to the Offer	44,731,383[2]
Total number of Shares on issue following the Offer (on an undiluted basis)	63,481,383[3]
Indicative market capitalisation of the Company at the Offer Price on Completion of the Offer (on an undiluted basis)	A$50,785,106[4]
Options on issue at Completion of the Offer	14,267,731[5]
Total number of Shares on issue at Completion of the Offer (on a fully diluted basis)	77,749,114[6]
Indicative market capitalisation of the Company at the Offer Price (on a fully diluted basis)	A$62,199,291[7]

Notes:

1. Costs of the Offer of A$1,386,336 are described in Section 10.9.
2. Includes 5,008,303 Shares to be issued to Ashley Shilkin upon Completion of the Offer under the LFSP. See Section 7.5 for details.
3. Assumes that no Shares are issued from the exercise of Options.
4. Based on the Offer Price and total number of Shares on issue after the Offer (assuming that no Options are exercised).
5. Includes 1,500,000 Avatar Options which may be issued by the Company in the future. See Section 10.4 for details of all Options.
6. Assumes that all Options referred to in this Prospectus are exercised.
7. Based on the Offer Price and total number of Shares on issue on Completion of the Offer (assuming that all Options have been exercised).

PROPOSED USE OF FUNDS

Pursuant to the Offer, ChimpChange will raise A$15.0 million. The funds raised under the Offer are expected to be allocated as follows:

USES OF FUNDS	A$ MILLION	US$ MILLION[1]	%
Marketing and customer acquisition[2]	5.25	3.94	35.0
App and web development[3]	2.61	1.96	17.4
Operating expenses[4]	3.59	2.69	23.9
Payroll expenses[5]	1.75	1.31	11.7
Working capital	0.41	0.31	2.7
Costs of the Offer	1.39	1.04	9.3
Total uses of funds	**15.00**	**11.25**	**100.0**

Notes:

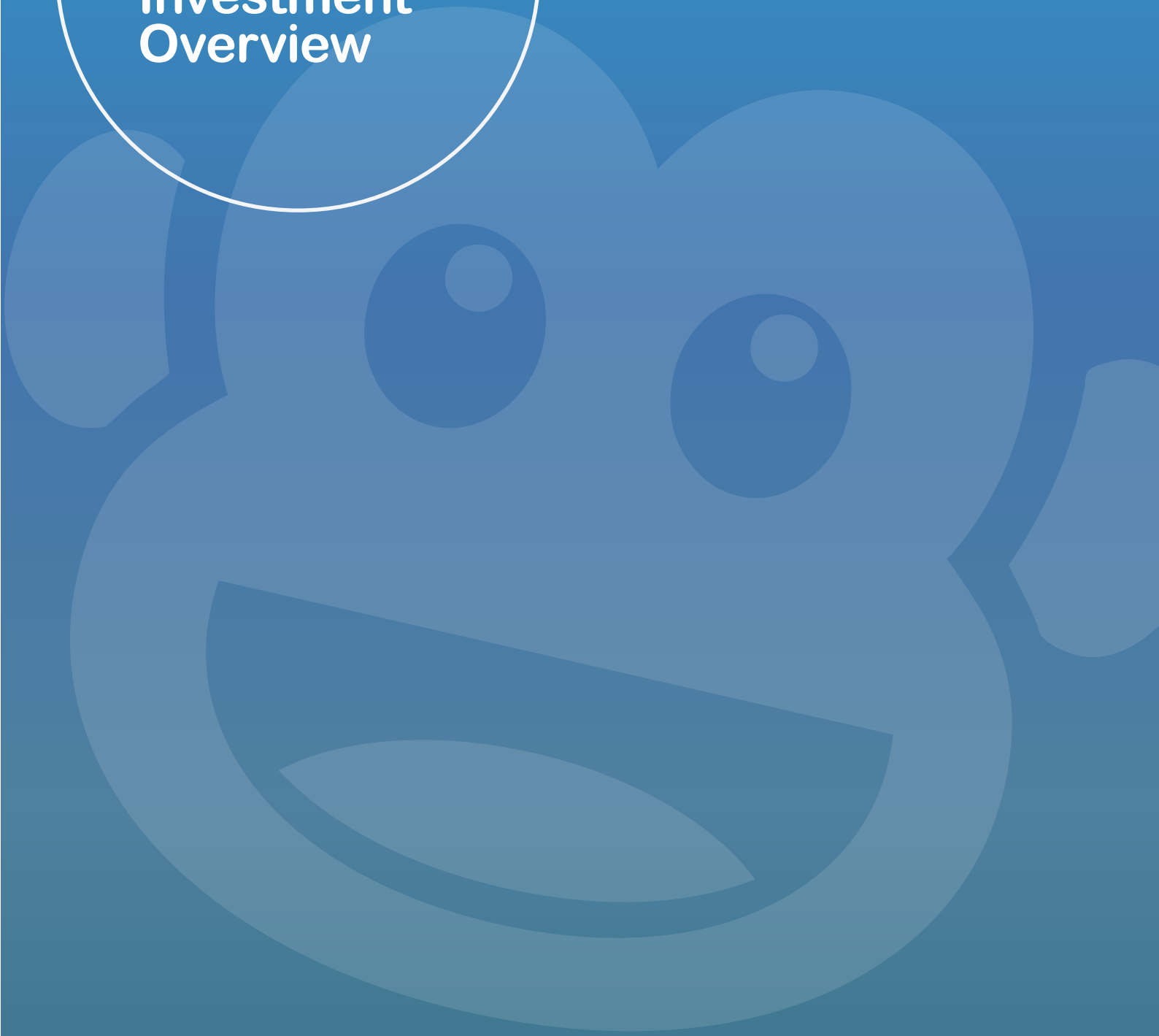
1. Based on A$:US$ Indicative Exchange Rate of A$1.00:US$0.75.
2. Includes costs related to marketing (e.g. creative, paid media, etc.), Customer acquisition, Customer activation and marketing team.
3. Includes costs related to Platform development including product development, product and development team wages, consulting/vendor fees and licensing fees.
4. Includes costs related to Processor and Sponsor Bank partnerships and ChimpChange's customer support team.
5. Includes costs related to payroll excluding marketing, product, development and customer support staff.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales success, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied. In addition, as the Proceeds of the Offer will be received in Australian dollars and the majority of the expenditures will be in US Dollars, the actual amount of the proceeds used for each of the items above will depend on the A$:US$ exchange rate at the time that the funds are converted to US$.

HOW TO INVEST

Application for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 9.7 and on the Application Form.

01. Investment Overview



01. Investment Overview

The information in this Section 1 is a summary only. It should be read in conjunction with the information set out in the remainder of this Prospectus.

1.1. BACKGROUND

<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FOR MORE INFORMATION</th></tr>
<tr><td>What is ChimpChange?</td><td>ChimpChange Limited is an Australian incorporated company that has developed a digital banking platform primarily targeted at the Millennial demographic.

The Company currently operates in the US banking and financial services market as a digital alternative to high cost and rigid traditional retail bank offerings.</td><td>Section 3.1</td></tr>
<tr><td>Why is the offer being conducted?</td><td>The Offer is being conducted by the Company to:
fund ChimpChange App and web development activities;
fund marketing and customer acquisition activities;
fund the operating costs of the Company;
provide a liquid market for the Company's Shares;
provide ChimpChange with the benefits of an increased profile that arises from being listed; and
provide ChimpChange with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.</td><td>Section 9.2</td></tr>
<tr><td>What is the historical financial performance and pro-forma financial position of the Company?</td><td>Like many early stage companies, ChimpChange has incurred operating losses to date to build its Platform and to gain market share.

As at 31 December 2015, ChimpChange had incurred accumulated losses of approximately US$5.9 million.

ChimpChange's statutory historical income statements are summarised below.

<table>
<tr><th>PERIOD ENDING (US$'000)</th><th>30-JUN-2014</th><th>30-JUN-2015</th><th>31-DEC- 2015</th></tr>
<tr><td>Revenue</td><td>–</td><td>–</td><td>41</td></tr>
<tr><td>Costs</td><td>(601)</td><td>(2,166)</td><td>(2,989)</td></tr>
<tr><td>Net profit/(loss) after tax</td><td>(601)</td><td>(2,166)</td><td>(2,948)</td></tr>
</table>
On a pro-forma basis, following the Offer, ChimpChange's financial position is:

<table>
<tr><th>PERIOD ENDING (US$'000)</th><th>31-DEC-2015</th></tr>
<tr><td>Total assets</td><td>14,523</td></tr>
<tr><td>Total liabilities</td><td>(461)</td></tr>
<tr><td>Net assets</td><td>14,062</td></tr>
</table>
</td><td>Section 4</td></tr>
</table>

1.2. KEY FEATURES OF CHIMPCHANGE'S BUSINESS MODEL

TOPIC	SUMMARY	FOR MORE INFORMATION
Who is the Company's target market?	The ChimpChange Platform has been specifically developed to appeal to the Millennial and broader Underbanked demographics in the US. ChimpChange provides a simple and user friendly product which removes many of the frustrations that both demographics have with traditional retail banking processes, services and product offerings. The ChimpChange Platform is currently only available to US residents who have a Social Security Number or Individual Taxpayer Identification Number.	**Sections 2.4 & 3.5(a)**
How does the Company generate revenue and what are its key expenses?	In the short-term, and to date, ChimpChange is focused on growth in key metrics such as deposit volumes and customer acquisition which set the foundation for the Company's business model. The Company will generate revenue from a scalable model that sources revenue from three main categories: • receipt of interchange fees, a portion of merchant services fees associated with Customers using their ChimpChange Debit Card; • out-of-network ATM fees; and • other platform fees. These revenue streams will evolve and diversify as new product initiatives are rolled-out. ChimpChange's key expenses include Processor, Sponsor Bank and transaction fees, marketing expenses, Customer support and staff expenses and costs relating to technology development.	**Sections 3.6 & 3.9(b)**
What is the Company's growth strategy?	The Company currently is pursuing the following growth strategies: • growing its Customer base and transaction volumes; • technology build-out to diversify into additional business verticals beyond a transactional bank account; and • potential international expansion.	**Section 3.9**
How does the Company expect to fund its operations?	The Board believes that the net Proceeds of the Offer, together with current cash reserves, will be sufficient to fund the Company's operational requirements, and also position ChimpChange to achieve its short-term growth strategy and business objectives. The Board will consider the use of further funding initiatives where appropriate to further accelerate growth or fund a specific project, transaction or expansion.	**Key Offer Information and Sections 9.2 & 10.13**

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the material contracts that will affect the Company's operations?	The contracts entered into by ChimpChange which are material to its operations are as follows: • Retail Sales Organisation Agreement with TransCard LLC (**TransCard**) – TransCard provides the infrastructure and services required for the issue, processing, settlement and reconciliation of the ChimpChange Debit Card; • Memorandum of Understanding with Eagle Bank and Trust Company of Missouri (**Eagle Bank**) – Eagle Bank and Trust Company of Missouri is one of the Sponsor Banks providing the banking infrastructure and services in support of the operation of the ChimpChange Platform; • Service Provider Agreement with Central Bank of Kansas City (**CBKC**) – CBKC is one of the Sponsor Banks providing the banking infrastructure and services in support of the operation of the ChimpChange Platform; and • Employment/Consultancy Agreements with Ashley Shilkin (Managing Director), Ian Leijer (Director and Chief Financial Officer), Clayton Fossett (Chief Operating Officer) and Nick Roberts (Chief Marketing Officer).	**Section 10.5**
What is the Company's competitive position?	ChimpChange's strong competitive position is due to the Company's: • quick and easy registration process; • instantaneous P2P transfers to US residents anywhere in the world; • low cost or fee-free financial products; • mobile banking functionality; and • agnostic digital banking platform.	**Section 3.5(g)**
What are the Company's essential assets?	The Company has a number of intangible interests that are important to the ongoing operations and growth of the Company, however are without assigned value. These include: • brand value – domain names • intellectual property rights – patents – trademarks • software that has been developed to operate the ChimpChange platform • key personnel • agreements with key banking and processing partners	**Sections 3.10 & 4.4**

1.3. KEY INVESTMENT HIGHLIGHTS

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the Company's key strengths?	**Rapidly growing and large addressable market** ChimpChange operates in the retail banking sector in the US, focusing on the Millennial and broader Underbanked demographic. Key drivers for growth in the retail banking sector include: • ongoing regulatory support for and focus on extending access to banking products across the Unbanked and Underbanked; • increasing smartphone adoption; • innovation and technological development enabling the conversion to mobile banking; • evolving consumer awareness and expectations; and • growing prominence of social media. **Product usability and interface** ChimpChange's App has a user-friendly interface and promotes a simple user experience. **Scalability** The Company's Platform and internal business operations are built to handle significant increases in Customer growth and transaction volume. **Strong partnerships and relationships with key businesses** The Company has partnerships and relationships with a number of businesses to enable it to meet its objectives and provide its ChimpChange Platform to Customers. The Company's key partnerships are its contractual relationships with its Processor and Sponsor Bank(s). The Company has also formed working relationships with a number of social media and marketing firms to assist with the delivery of its marketing strategy. **Strong growth prospects** In the short-term, the Company aims to grow its Customer base and build out its technology to diversify into additional business verticals (beyond a transactional bank account), as well as possible international expansion. **High, quality experienced team** ChimpChange has an experienced Management team led by founder and Managing Director Ashley Shilkin who drives the vision and execution of the Company's business plan. **Strong competitive position** ChimpChange has a quick and easy registration process, provides seamless, instant P2P money transfers to US residents anywhere in the world, offers low cost or fee-free products, adopts mobile banking functionality and is an Agnostic digital banking platform. As with many other technology businesses, there is a risk that another company may try to emulate the success that ChimpChange is enjoying by offering a similar product and service. Please see Key Strengths in Section 3.5 for the characteristics that create a defensible position difficult for potential new entrants and competitors to challenge.	Section 3.5

1.4. SUMMARY OF KEY INVESTMENT RISKS

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the key risks for the Company?	There are a number of risks associated with an investment in the Company that may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price. Further details about those listed below and other risks associated with an investment in ChimpChange are set out in Section 6. Potential investors should consider an investment in the Company as speculative and should consult their professional advisors before deciding whether to apply for Shares under the Offer. **Rate of Customer adoption and use of the ChimpChange App** Future revenue is heavily contingent upon growth rates in both Customer adoption and spending levels by Customers on the ChimpChange Debit Card. The Company predominately sources revenue from transaction fees generated from ChimpChange Debit Card usage. Failure to achieve growth in these areas will significantly impact revenue growth. **Loss of Customers** As well as attracting new customers, the Company must also retain the support of existing Customers and achieve growth in transaction volume from those Customers. **Contractual risk** The operations of ChimpChange are underpinned by material agreements with its Processor and Sponsor Bank(s) which provide the infrastructure to facilitate the issue and functions of the ChimpChange Debit Card. The Processor also holds contracts with other network providers (such as ATM network providers) which facilitate the use of the ChimpChange Debit Card. The success of the Company is largely reliant upon the Processor and Sponsor Bank(s) continuing to fulfil their obligations and the Processor continuing to perform and maintain the contracts with the necessary third parties. **Transition between Sponsor Banks** In support of the growth of the Company, ChimpChange is presently undertaking a change of Sponsor Bank from Eagle Bank to CBKC. This requires the transition of existing Customer Accounts from Eagle Bank to CBKC as the new Sponsor Bank. The retention of existing Customers, future revenue streams and continued rate of use of the ChimpChange App are significantly dependent upon a successful changeover. Some Customers may be lost if they do not consent to the transition of their Customer Account to the new Sponsor Bank or if they are ineligible to establish a Customer Account with the new Sponsor Bank.	Section 6

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the key risks for the Company?	**Reliance on key personnel** The emergence and development of the Company's business has been largely due to the talent, effort, experience and leadership of its Management team. The Company is substantially dependent on the continued service of its founder and Managing Director, Ashley Shilkin, as well as other existing sales, support, marketing, product, and engineering personnel because of the complexity of its services and technologies. **Protection of intellectual property rights** The ChimpChange Platform is developed with input from third party software developers and whilst the Company takes every step to obtain and protect intellectual property developed for the Company, there is a risk of claims against intellectual property ownership by third parties. **Limited trading history** The Company is essentially a start-up company with limited trading history. There is no guarantee that the proposed marketing strategy or Customer adoption strategies will be successful. **Defects with the Platform** As the Company's Platform is complex, it may have errors or defects that users identify and experience, which could harm the Company's reputation and business. Web- and App-based products frequently contain undetected errors when first introduced or when new versions or enhancements are released. This may affect the retention of Customers and attraction of new Customers and impact the financial performance of the Company. **Improving technology** The ChimpChange business is predominantly based upon the success of the ChimpChange Platform. If the Platform is superceded by more efficient and user friendly products this may impact the financial performance of the Company. **Competition and new technologies** The industry in which the Company operates is subject to increasing competition and the rapid advancement of technology. The Company will have no influence or control over the activities or actions of its competitors and other industry participants, whose activities or actions, including more advanced technology, may positively or negatively affect the operating and financial performance of the Company. **Technology Risks** The ChimpChange Platform is reliant on a number of IT systems and service providers and the availability of or disruption to those systems and services, including by malicious attack or other security threats, may have a negative impact on the performance of the Company. **Delivery of new products** The Company will seek to develop new features for the ChimpChange Platform. The development and implementation of these features could be delayed and there is no guarantee that new features will be successful in driving increases in Customers or Customer spending.	Section 6

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the key risks for the Company? continued	**Regulatory risk** The banking infrastructure to facilitate the transactions undertaken on the ChimpChange Platform, are provided by the Processor and the Sponsor Bank, therefore the activities of the Company do not require compliance with banking-specific regulatory requirements. The Company may become subject to regulatory requirements as a result of changes in the law, expansion of the range of services and products available via the ChimpChange Platform (if the Company itself is providing banking services) or expansion into other markets throughout the world. Any increase in costs and resources associated with regulatory compliance could impact upon the Company's financial performance. **Foreign currency risk** The Company's functional currency is US Dollars, therefore, the Company may be exposed adversely to exchange rate fluctuation that may cause the price of the Company's securities to fluctuate for reasons unrelated to the Company's financial condition or performance. In addition, if there is a material depreciation in the Australian Dollar during the Offer or during the period following the Offer, it may be that the proceeds of the Offer will not be sufficient to meet all of the proposed use of funds set out in the Key Offer Information and Section 9.2. **Other** There are also other specific risks as set out in Section 6.2 in relation to: • Security breaches; • Management of future growth; • Partner and customer support risk; • Reputational risk • Domain name risk; • Data privacy risk; and • Failure of identification checks.	Section 6

1.5. DIRECTORS AND KEY EMPLOYEES

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the Directors of the Company?	The Board of Directors comprises: • Peter Clare (Non-Executive Chairman); • Ashley Shilkin (Founder and Managing Director); • Ian Leijer (Executive Director); and • Benjamin Harrison (Non-Executive Director).	Section 7.1(a)
Who are the key members of Management?	Management comprises: • Ashley Shilkin (Founder and Managing Director); • Ian Leijer (Chief Financial Officer and Director); • Clayton Fossett (Chief Operating Officer); • Nick Roberts (Chief Marketing Officer); • Tom Russell (VP Product & Operations); • Muhammad Tahir (VP Engineering); • Young Lee (VP Finance); and • Aryan Liaghat (Customer Support Manager).	Section 7.1(b)

1.6. KEY PEOPLE, INTERESTS AND BENEFITS

TOPIC	SUMMARY	FOR MORE INFORMATION
Who are the significant Existing Shareholders of the Company and what will their interests be after Completion of the Offer?	The current significant Shareholders of the Company and their interests on Completion of the Offer (assuming that no Options are exercised and the Shareholders do not apply for New Shares under the Offer) are set out below:	Section 9.3

SHAREHOLDER	NUMBER OF SHARES	% HOLDING BEFORE OFFER	% HOLDING AFTER OFFER
Ashley Shilkin atf Ashley Shilkin Family Trust[1]	11,901,965	26.61%	18.75%
Avatar Industries Pty Ltd	10,762,463	24.06%	16.95%
Bart Properties Pty Ltd aft Scott Flynn Family Trust	2,777,143	6.21%	4.37%
Nareenen Pty Ltd	2,672,529	5.97%	4.21%
Altor Private Equity Pty Ltd	1,928,571	4.31%	3.04%

1. The number of shares for Ashley Shilkin includes 5,008,303 Shares to be issued under the LFSP (as detailed in Section 7.4) upon Completion of the Offer.

<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FOR MORE INFORMATION</th></tr>
<tr><td>What are the Director shareholdings?</td><td>The Directors are expected to hold a direct or indirect interest in the following Shares on Completion of the Offer (assuming that no Options are exercised and the Directors do not apply for New Shares under the Offer):
<table><tr><th>DIRECTOR</th><th>SHARES</th><th>% HOLDING</th></tr><tr><td>Peter Clare</td><td>136,364</td><td>0.21%</td></tr><tr><td>Ashley Shilkin[1]</td><td>11,901,965</td><td>18.75%</td></tr><tr><td>Ian Leijer</td><td>2,872,529</td><td>4.52%</td></tr><tr><td>Benjamin Harrison</td><td>43,668</td><td>0.07%</td></tr></table>1. The number of shares for Ashley Shilkin includes 5,008,303 Shares to be issued under the LFSP (as detailed in Section 7.4) upon Completion of the Offer.</td><td>Section 7.3(c)</td></tr>
<tr><td>What significant benefits are payable to the Directors?</td><td>The Directors are entitled to the following remuneration and fees:
<table><tr><th>DIRECTOR</th><th>REMUNERATION/FEES</th><th>OTHER</th></tr><tr><td>Peter Clare (Shared Runway Pty Ltd)</td><td>A$70,000 pa</td><td>750,000 Options</td></tr><tr><td>Ashley Shilkin</td><td>US$180,000 pa</td><td>US$20,000 for specified expenses plus reimbursement of other reasonable expenses.
Bonus[1] entitlement of A$1,359,000
3,500,000 Options</td></tr><tr><td>Ian Leijer (Unimain Pty Ltd)</td><td>A$2,000 per day
(approximately A$72,000 pa[2])</td><td>Bonus[3] of A$340,000
250,000 Options</td></tr><tr><td>Benjamin Harrison (Riverfire Capital Ventures Pty Ltd)</td><td>A$1,500 per day
(approximately A$54,000 pa[4])</td><td>950,000 Options</td></tr></table>1. This bonus is for past performance of the Company and is payable on the terms specified in Sections 7.3(a) and 10.5(g).
2. Based on Mr Leijer consulting three days per month.
3. This bonus payable to Unimain Pty Ltd is for past performance of the Company and is payable on the terms specified in Section 7.3(a) and 10.5(g).
4. Based on Mr Harrison consulting three days per month.
The terms of the Options are set in Sections 7.3(c) and 10.4.</td><td>Sections 7.2 & 7.3</td></tr>
</table>

TOPIC	SUMMARY	FOR MORE INFORMATION
What escrow arrangements will be in place as at Completion of the Offer?	Shares and Options held by certain Directors and Existing Shareholders immediately prior to Completion of the Offer may be subject to escrow arrangements in the period immediately following Completion of the Offer as required by the ASX Listing Rules. The Company anticipates that Shares held by Directors representing a minimum of 17.8% of the Share upon Completion of the Offer will be subject to restrictions for 24 months from quotation together with all Options held by the Directors.	**Section 10.3**
What Corporate Governance Policies does the Company have in place?	A summary of the Corporate Governance policies adopted by the Company are set out in Section 8.	**Section 8**
Are there any significant related party transactions?	Since incorporation, the Company has entered into a number of transactions with related parties which have been entered into before the Company became a public company or have proceeded on either an "arm's length" basis or been approved by Shareholders in general meeting. These transactions encompass: • the issue of shares and Options to the Directors of the Company, Ashley Shilkin, Ian Leijer, Ben Harrison and Peter Clare or their associated entities; • a services agreement for financial management and other services with Unimain Pty Ltd (a company associated with Ian Leijer); • a services agreement for services with Riverfire Venture Capital Pty Ltd (a company associated with Benjamin Harrison); • a service agreement for services as Director and chairman with Shared Runway Pty Ltd, a company associated with Peter Clare; • an executive employment agreement with Ashley Shilkin; and • the implementation of a loan funded share plan with regards to the exercise of Options by Ashley Shilkin and Ian Leijer.	**Section 7.7**

1.7. SUMMARY OF THE OFFER AND THE PROPOSED USE OF FUNDS RAISED

<table>
<tr><th>TOPIC</th><th>SUMMARY</th><th>FOR MORE INFORMATION</th></tr>
<tr><td>Who is the issuer of this Prospectus?</td><td>ChimpChange Limited</td><td>Section 3.13</td></tr>
<tr><td>What is the Offer?</td><td>This Prospectus provides investors with the opportunity to participate in the initial public offering of Shares in the Company.

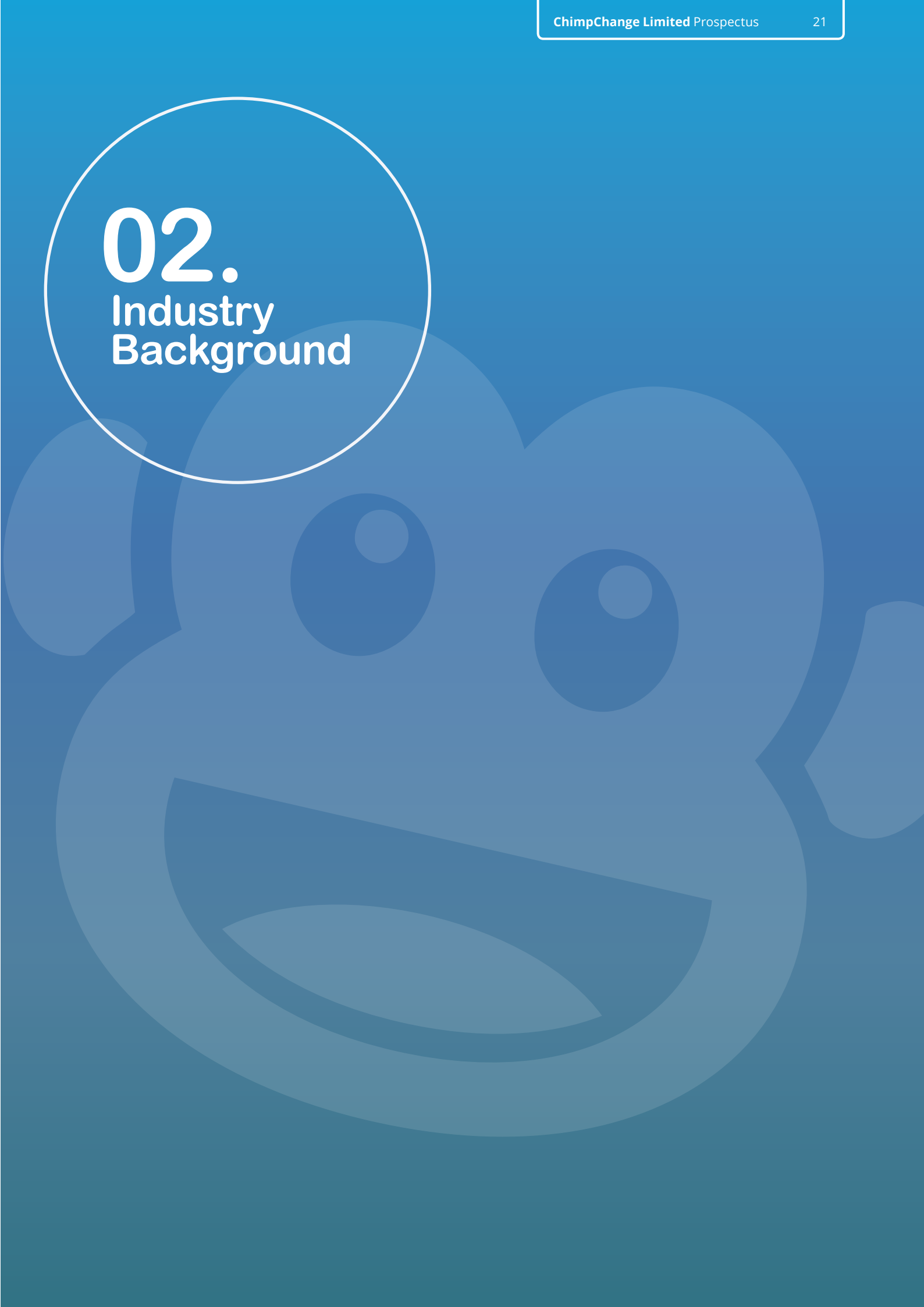
The Company is undertaking a public offer of 18.75 million shares at A$0.80 per Share.</td><td>Section 9</td></tr>
<tr><td>What will the market capitalisation of the Company be upon Listing on the ASX?</td><td>The undiluted market capitalisation of the Company on Listing is expected to be approximately A$50.8 million.</td><td>Key Offer Information</td></tr>
<tr><td>How is the Offer structured?</td><td>The Offer will consist of:
• the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for Shares;
• the Retail Offer comprising:
– the Broker Firm Offer, which is open to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their broker; and
– the Chairman’s List Offer, which is open to persons who have received a Chairman’s List Invitation.</td><td>Section 9.4</td></tr>
<tr><td>What is the proposed use of funds raised under the Offer?</td><td>The Offer is expected to raise A$15.0 million. The funds raised under the Offer are expected to be allocated as follows:
<table><tr><th>USE OF FUNDS</th><th>A$ MILLION</th></tr><tr><td>Marketing and customer acquisition</td><td>5.25</td></tr><tr><td>App and web development</td><td>2.61</td></tr><tr><td>Operating expenses</td><td>3.59</td></tr><tr><td>Payroll expenses</td><td>1.75</td></tr><tr><td>Working capital</td><td>0.41</td></tr><tr><td>Costs of the Offer</td><td>1.39</td></tr><tr><td>Total use of funds</td><td>15.00</td></tr></table></td><td>Key Offer Information and Section 9.2</td></tr>
<tr><td>Will the Company be adequately funded after Completion of the Offer?</td><td>The Board believes that the Company’s current cash reserves plus the net Proceeds of the Offer will be sufficient to fund the Company’s short-term growth strategy and business objectives.

The Board will consider the use of additional funding if appropriate to further accelerate growth or fund a specific project, transaction or expansion.</td><td>Sections 9.2 & 10.13</td></tr>
</table>

TOPIC	SUMMARY	FOR MORE INFORMATION
Will the Shares be quoted on the ASX?	The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation of all Shares on the ASX under the ticker CCA.	**Section 9.10**
Is the Offer underwritten?	Yes, the Offer is fully underwritten by the Underwriters on the terms set out in Section 10.5(a).	**Section 10.5(a)**
What is the allocation policy applicable to the Offer?	The allocation of Shares between the Institutional Offer and the Broker Firm Offer will be determined by the Company in consultation with the Joint Lead Managers, having regard to the allocation policy outlined in Section 9.6. With respect to the Broker Firm Offer, it will be a matter for the broker to determine how they allocate Shares amongst their eligible clients. The final allocation of Shares under the Chairman's List Offer will be determined by the Joint Lead Managers and the Company in their discretion. The Company has absolute discretion regarding the level of scale-back and the allocation of Shares under the Offer (if any).	**Section 9.6**
What is the minimum Application under the Offer?	Applications must be for a minimum of 2,500 Shares (A$2,000), and thereafter in multiples of 625 Shares (A$500).	**See "Application Form"**
When will I receive confirmation that my Application has been successful?	Holding statements, confirming Applicants' allocations under the Offer, are expected to be dispatched to Shareholders on Friday, 1 July 2016.	**Key Offer Information and Section 9.5**
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of Shares under the Offer.	**Sections 9.5 & 9.8**
What are the tax implications of investing in the Company?	The taxation implications of investing in Shares will depend on an investor's individual circumstances. Applicants should obtain their own tax advice or financial planning advice prior to investing. Investors should also refer to the following questions in relation to the unavailability of franking credits until the Company can issue dividends on revenue derived in Australia.	**Section 10.7**
What is the Company's dividend policy?	The Company does not intend to declare a dividend in the coming financial year. The Company may distribute dividends in the future based on future growth prospects and capital requirements. Shareholders should note that as the current business operations of ChimpChange are located in the US, the majority of income is currently sourced outside Australia and will not be taxable in Australia. In those circumstances, any dividends distributed by the Company will be in the form of unfranked dividends until the Company can issue dividends from revenue derived in Australia.	**Section 4.5**

TOPIC	SUMMARY	FOR MORE INFORMATION
How can I apply for Shares?	Eligible investors may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.	**Section 9.7**
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue and transfer of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.	**Section 9.14**
Where can I find more information about this Prospectus or the Offer?	All enquiries in relation to the Broker Firm Offer should be directed to your broker. All other enquiries in the first instance should be directed to your broker or you can contact the Company directly on +61 7 3212 6255 between 9:00am and 5:00pm AEST, Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether ChimpChange is a suitable investment for you, you should seek professional guidance from your accountant, financial advisor, tax advisor, stock broker, lawyer or other professional advisor before deciding whether to invest in the Shares.	**Section 9.15**

02. Industry Background



02. Industry Background

2.1 INTRODUCTION

ChimpChange currently operates in the US banking and financial services market. Unlike the Australian banking landscape, which centres around a small number of financial institutions with readily adopted online payment methods, the US market is highly fragmented, expensive and remains heavily reliant on cheque-based transactions.

Electronic payment methods, facilitated by smartphones and other wireless technologies, are gaining global market acceptance. This is largely driven by advancements in technology coupled with changes in demographic and social behaviours.

The Board of ChimpChange anticipates that digital disruption in the banking and financial services market within the US and across the world will evolve as digital banking products become commonplace and supersede traditional banking products and service offerings from incumbent retail institutions.

While the Company's current geographic footprint only encompasses the US market, the ChimpChange Platform has potential application to other global jurisdictions, particularly those markets which are supportive of digital disruption, for example the Millennial demographic, or have a substantial Unbanked and/or Underbanked population (see Section 3.9(d)).

2.2 KEY INDUSTRY DYNAMICS

(a) Retail Banking & Financial Services Landscape

ChimpChange competes across the retail banking and financial services landscape in the US which is characterised by three main segments:

1. Traditional "brick and mortar" banks, based on a localised branch network model;
2. Online banking, generally provided as an ancillary service offering by the traditional banks and aimed at customers who prefer the convenience of transacting online; and
3. Mobile and digital banking, being the newest segment aimed at Millennials and other demographics who complete the majority of their banking via mobile devices.

ChimpChange operates in the third segment servicing 'tech-savvy' customers as its key addressable market, with customers having the added ability to physically load and withdraw funds from their mobile bank accounts at a number of locations across the US (see Section 3.4).

Although mobile and digital banking is still in its early development phase, there is the potential for significant growth by way of the untapped market of Unbanked and Underbanked households in the US (see Section 2.4(c)).

(b) Overview of Key Market Drivers

Growth in the US mobile banking segment[1] is being supported by a number of key drivers including those which are outlined in the table below:

Figure 1: Key Market Drivers

DRIVER	INFLUENCE
Adoption of smart-phones	During the three months ending in August 2015, 191.1 million people in the US owned smartphones (77.1% mobile market penetration).[2] As consumers continue to make the transition to smartphones, the Company believes that access to, and uptake of, non-traditional banking solutions will increase and can become the primary banking mechanism of many US banking customers.
Evolution in technology leading to increased adoption of mobile banking	Increased innovation and technological development is becoming a powerful enabler of improved customer service and user experience as well as providing lower cost solutions across the banking and financial services markets. While there is currently greater awareness of the mobile banking opportunity in the US, there is relatively low conversion due to the perceived restrictions of payment and transfer facilitation networks (see Section 2.5(c)). As consumer awareness and education develops, platforms enabling unrestricted transactions can yield significant growth.
Unbanked and Underbanked households	Extending access to banking products across the Unbanked and Underbanked has become a policy objective for some US Regulators and Governments. For example, the Consumer Financial Protection Bureau (**CFPB**) has launched a number of enquiries into the challenges and opportunities faced by the Underbanked and Unbanked, including the use of mobile financial services.[3] In addition, in sponsoring a two yearly survey of the Unbanked and Underbanked since 2009, the federal Deposit Insurance Corporation (**FDIC**) has expressed its commitment to increasing participation by these cohorts in the financial mainstream. This is supported by another initiative of the FDIC in establishing the Alliance for Economic Inclusion in 2011 to focus on expanding basic banking services to underserved populations. [4] Unbanked households are defined as households who do not have an account at a FDIC-member financial institution, whereas Underbanked households are characterised by those that have a cheque and/or savings account but rely on alternative financial services such as non-bank money orders, non-bank cheque-cashing services, non-bank remittances, payday loans, rent-to-own services and short-term loans from non-bank providers.[5] In 2013, 7.7% of households in the US were Unbanked which equated to 9.6 million households comprised of approximately 16.7 million adults and 8.7 million children.[6] In the same year, 20.0% of US households (24.8 million) were Underbanked, representing 50.9 million adults and 16.6 million children.[7]
Changing consumer views	In general, consumers are becoming increasingly 'tech-savvy' and accustomed to digital and mobile-centric solutions, while reservations around the security of such platforms are subsiding. Enabled by emerging technology, consumers in the US are changing their banking behaviours: defecting from the high-cost fee models of traditional retail banks to low-cost (or in some cases fee-free) digital offerings of new market entrants (see Section 2.4).

1. Federal Reserve, "Consumers and Mobile Financial Services 2015, March 2015", http://www.federalreserve.gov/econresdata/consumers-and-mobile-financial-services-report-201503.pdf
2. comScore, "comScore Reports August 2015 U.S. Smartphone Subscriber Market Share" (August 2015) https://www.comscore.com/Insights/Market-Rankings/comScore-Reports-August-2015-US-Smartphone-Subscriber-Market-Share
3. CFPB, http://www.consumerfinance.gov/newsroom/cfpb-launches-inquiry-into-mobile-financial-services/
4. FDIC, Reaching the Unbanked and Underserved Across America, https://www.fdic.gov/consumers/community/AEI/
5. FDIC, https://www.economicinclusion.gov/glossary.html
6. FDIC National Survey of Unbanked and Underbanked Households, (October 2014), https://www.fdic.gov/householdsurvey/2013report.pdf
7. FDIC National Survey of Unbanked and Underbanked Households (October 2014), https://www.fdic.gov/householdsurvey/2013report.pdf

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

Social media	Social media is evolving into an important medium to connect, engage, inform and understand customers. The Company believes that the inclusion of social media within a business model will need to be a core competency of banking and financial services providers in communicating with and influencing their target customer base.

This combination of increasing smartphone penetration, evolving consumer attitudes and broader demographic change in driving digital disruption in the US banking and financial services market with a number of new entrants (see Section 2.5(d)), including ChimpChange, developing digital banking platforms. The driving forces are further examined in Sections 2.3 and 2.4.

(c) Fee Environment in the US

Traditional retail banking providers typically generate income from a combination of transactional and account management fees.

US customers with everyday transaction accounts are typically charged a variety of fees, including monthly maintenance charges, overdraft fees, bounced cheque charges, ATM fees and closing account charges. Typically, more than half of these account fees come from overdraft and bounced-cheque charges.[8]

In the US, monthly account keeping fees can range from ~US$10-US$25 (see *Figure 2* below), while the average cost to a customer for using an out-of-network ATM is US$4.35.[9] Similarly, US banking customers pay an estimated US$260 per year in overdraft and insufficient funds fees alone[10], with the average overdraft fee across the ten largest banks in the US being ~US$35.20.[11]

Figure 2: Comparison of Monthly Maintenance Fees

FINANCIAL INSTITUTION	MONTHLY ACCOUNT KEEPING FEE[1]
ChimpChange	Free[2]
Bank of America (Core Checking Account)	US$12[3]
Wells Fargo (Everyday Checking Account)	US$10[4]
Chase (Premier Plus)	US$25[5]
Citibank (Basic Checking Account)	US$10[6]
HSBC (Choice Checking)	US$15[7]

Notes:

1. Fees taken from third-party sources and current as at the date of this Prospectus.
2. ChimpChange does not charge a monthly account keeping fee however after 2 months of inactivity a fee of US$4.95 is charged on accounts with a positive balance.
3. Fee waived when the account holder maintains a minimum daily balance of US$1,500 or makes a qualifying direct deposit.
4. Fee waived when the account holder maintains a minimum daily balance of US$1,500 or more or makes qualified direct deposit or purchase transactions.
5. Fee waived when the account holder maintains a minimum daily balance of US$15,000 or more.
6. Fee waived when a qualifying direct deposit and a qualifying bill payment during the statement period are completed or the account holder maintains a minimum daily balance of US$1,500 or more.
7. Fee waived when direct deposit is maintained or account holder maintains a minimum balance of US$1,500 in total combined personal deposit and investment balances.

8. CFPB, "Data Point report: Checking Account Overdrafts", http://files.consumerfinance.gov/f/201407_cfpb_report_data-point_overdrafts.pdf
9. MyBankTracker, "10 Smart Ways to Avoid Checking Account Fees for Good" http://www.huffingtonpost.com/mybanktracker/10-smart-ways-to-avoid-ch_b_6219730.html
10. CFPB, http://www.consumerfinance.gov/newsroom/cfpb-finds-small-debit-purchases-lead-to-expensive-overdraft-charges/
11. MyBankTracker, "Overdraft Fee Comparison at Top 10 U.S. Banks", http://www.mybanktracker.com/news/overdraft-fees-comparison-at-top-10-us-banks

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

After peaking in 2009, the annual account fees collected at US commercial banks have declined, even as the volume of bank deposits has increased. Total amount of fees have reduced by nearly 21% to US$32.5 billion in 2013 from US$41.1 billion in 2009.[12]

In response to the high-fee environment, a number of digital banking providers (including ChimpChange) have entered the market to provide consumers with alternative low cost or fee-free offerings (see Section 2.5 for an overview of the digital banking competitive landscape).

ChimpChange expects that overall fees charged across the US banking and financial services industry will continue to decrease as consumer acceptance of alternative banking platforms increases.

(d) US Regulatory Environment

Banking regulation in the US is highly fragmented compared with other developed economies. Since 1863, banks in the US have been able to choose whether they are regulated under either a charter issued by a state government "state banks" or a federal charter "national banks". The choice of charter determines which agency will supervise the financial institution, the powers accorded to a bank, capital requirements and lending limits. However, over time the differences between state and federal banks have mostly diminished, if not converged. Two of the differences that remain are the lower supervisory costs enjoyed by state banks and the pre-emption of certain state laws enjoyed by national banks.[13]

Banks that choose to operate under a federal charter are likely to do so for greater access to capital, but are also subjected to heightened supervision by three government agencies as detailed below:

FEDERAL REGULATOR	REGULATORY OVERSIGHT PROVIDED
Office of the Comptroller of the Currency (OCC)[14]	• The OCC is an independent bureau of the US Treasury Department • The agency charters, regulates and supervises both national banks and branches of foreign banks • The OCC has the power to take supervisory action against national banks that do not comply with laws and regulations or that engage in unsound practices • The Comptroller of the OCC is a director of the Federal Deposit Insurance Corporation
Federal Deposit Insurance Corporation (FDIC)[15]	• The FDIC is an independent agency of the US Government that insures deposits at member institutions up to US$250,000 per deposit account in the event of bank failure • The FDIC acts as a back-up supervisor for banks in the Federal Reserve System and is the primary Federal regulator for state chartered banks that are not members of the Federal Reserve System. It examines and supervises banks for operational safety and soundness, as well as for compliance with consumer protection laws • As of April 2016, the FDIC had over 6,127 insured institutions, with aggregate assets of US$16.0 trillion and deposits of US$12.2 trillion (both as of December 2015)
Federal Reserve System (Fed)[16]	• The Fed is the central bank of the US • The Fed undertakes both supervision and regulation of banks and other important financial institutions to ensure the safety and soundness of the US banking and financial system • Responsibilities also include conducting the US's monetary policy and maintaining stability of the financial system. State charted banks can elect to join the Federal Reserve System

12. Wall Street Journal, "Banks' Fee Bonanza Dries Up" http://www.wsj.com/articles/banks-fee-bonanza-dries-up-1409699980
13. FDIC Bank Review, "Challenges to the Dual Banking System: The Funding of Bank Supervision", https://www.fdic.gov/bank/analytical/banking/2006mar/article1/article1.pdf
14. Office of the Comptroller of the Currency, www.occ.gov
15. Federal Deposit Insurance Corporation, www.fdic.gov
16. Federal Reserve, http://www.federalreserve.gov/

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

A state bank is jointly regulated by an agency of the state in which they operate and either the FDIC or the Federal Reserve.[17] At state level, regulators can establish rules on permitted practices and restrict interest rates (or interest rate charges) for loans. State regulators are also responsible for auditing and inspecting banks in respect of their compliance with regulations and financial performance.

2.3 DIGITAL DISRUPTION

(a) Banking – Prime for Disruption

The adoption of digital technology – including mobile, social media, web and wearables – is generally increasing across society. In the last few years technology has rapidly evolved, with big data, cloud computing, smartphones and high bandwidth all now commonplace. As a consequence of these rapid developments, the retail banking and financial services landscape is going through a transformation in the form of a digital disruption whereby low-cost digital entrants are taking market share by responding to customer needs and banking behaviours.

Technological advances have enabled banking to be largely conducted online, and customers' expectations are evolving in tandem. Customers generally want to transact at their convenience, with information and advice at their fingertips.

This trend is posing a significant challenge to lagging banking practices, as disruptive new technology companies are altering the traditional value chain to provide customer-centric innovation and revamped alternative product offerings.

(b) Customers Transitioning to Digital Banking

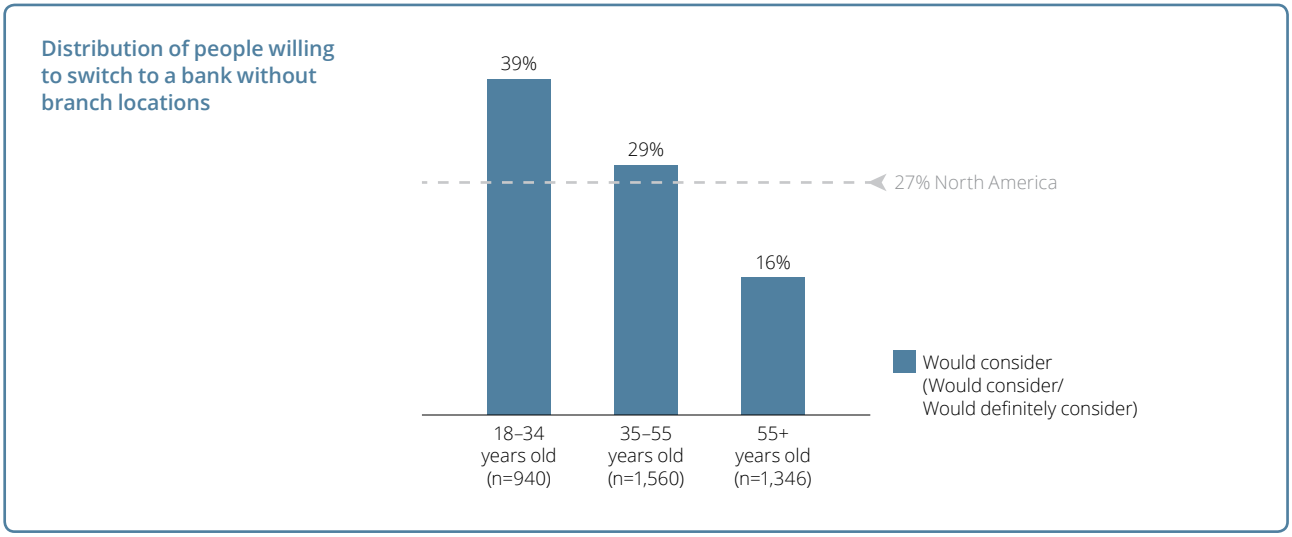
As technology enables every aspect of banking to go mobile, and as cash as a payment mechanism declines, high fixed cost traditional banking models are coming under increasing pressure from independent online offerings. As illustrated in this Section and Section 2.4, banking's long-standing barriers to entry (including personal relationships with customers, location scale economies and a reputation for security) are increasingly losing their value. Increasing smartphone adoption means competitive reach is no longer determined solely by 'brick and mortar' branch networks.

One recent survey found that more than one in four customers would likely consider a branchless digital bank if they were to switch from their current bank (see *Figure 3* below).[18] This is particularly true among younger customers, who are typically less interested in convenient branch locations and more interested in accessing digital services at the time and place of their choosing. It has been estimated that mobile-only users make up about 15% of a typical financial institutions' mobile banking user base.[19] In addition, a further survey found that over 70% of Millennials surveyed would likely bank with a company that they currently do business with but do not currently offer banking services, with examples being trusted digital brands.[20]

17. FDIC Bank Review, "Challenges to the Dual Banking System: The Funding of Bank Supervision", https://www.fdic.gov/bank/analytical/banking/2006mar/article1/article1.pdf
18. Accenture,"2014 North America Consumer Digital Banking Survey by Accenture, 'The Digital Disruption in Banking'" https://www.accenture.com/us-en/~/media/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Industries_5/Accenture-2014-NA-Consumer-Digital-Banking-Survey.pdf
19. Fiserv White Paper, "The Rise of the Mobivore: Serving the Mobile-Only User" https://www.fiserv.com/resources/Rise-Mobivore-Serving-Mobile-Only-User-White-Paper-March-2015.pdf
20. Accenture,"2014 North America Consumer Digital Banking Survey by Accenture, 'The Digital Disruption in Banking'" https://www.accenture.com/us-en/~/media/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Industries_5/Accenture-2014-NA-Consumer-Digital-Banking-Survey.pdf

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

Figure 3: Branchless banking is gaining acceptance



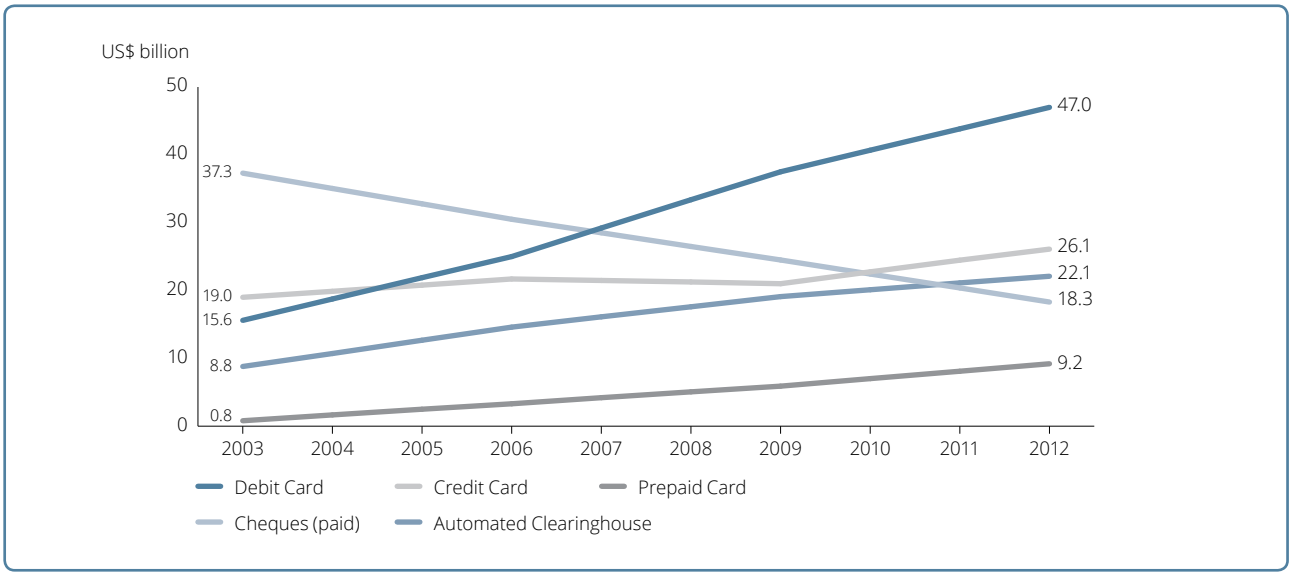
Source: Accenture , The Digital Disruption in Banking, 2014

There is additional evidence that digital usage (via smart mobile apps, tablet apps or online tools) for affluent[21] customers in the US correlates closely with customer loyalty.[22]

Digital and self-service channels – including mobile banking – have accordingly risen in popularity for consumers looking to conduct routine financial transactions on their smartphone, such as checking their account balances, paying bills or finding a convenient location to withdraw cash (see Section 2.4(b)). For these transactions, speed, convenience and ease of use are the primary consumer considerations.

Following that trend, recent years have been characterised by the rise of contactless payments, the consequent decline in cash and cheques, growth in debit card usage, and the emergence of mobile and digital payments (see *Figure 4*).

Figure 4: US Non-Cash Payments



Source: 2013 Federal Reserve Triennial Payments Study

21. "Affluent" in this case is defined as a household with >US$100,000 in investable assets (excluding mortgage and home equity).
22. Bain & Company, "Building the retail bank of the future" (June 2014) http://www.bain.com/Images/BAIN_BRIEF_Building_the_retail_bank_of_the_future.pdf

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

ChimpChange anticipates that a transition from incumbent banks and traditional payment methods will continue in the US as disruptive new entrants in the form of digital start-ups (less encumbered by legacy systems) seek to redefine the banking experience by offering seamless, more efficient, engaging and simpler solutions.[23]

2.4 ADDRESSABLE MARKET

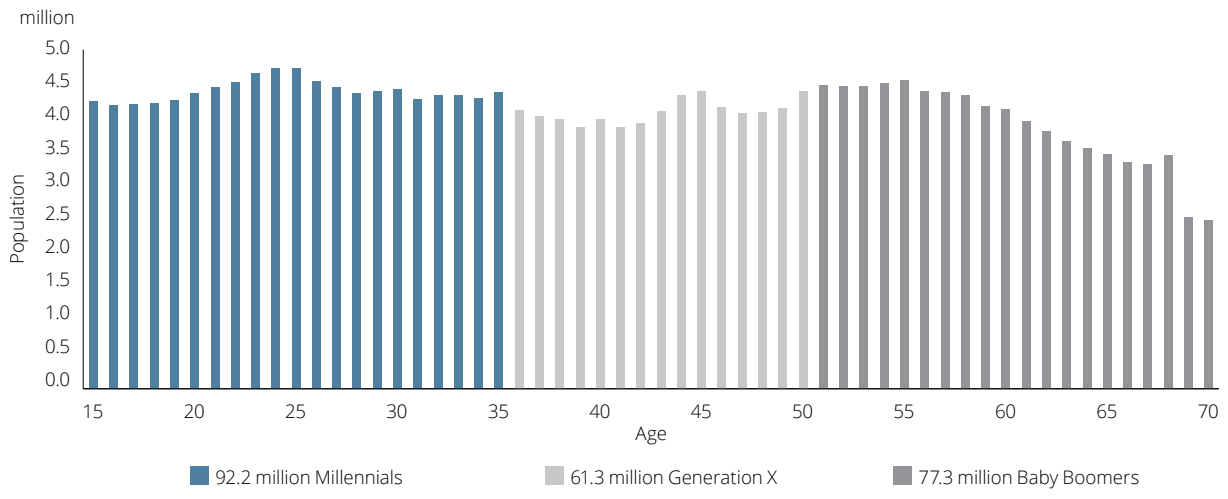
ChimpChange primarily targets the Millennial and broader Underbanked demographic in the US. Millennials are typically 'tech-savvy' and not only embrace but demand digital disruption across all facets of their lives, including in the banking and financial services sector as illustrated below.

While ChimpChange recognises that Millennials are the most likely demographic to embrace its mobile banking Platform, ChimpChange's solution would suit any customer who similarly embraces greater flexibility and convenience for their day-to-day banking or desires lower or no transaction and account management fees.

(a) Millennials Overview

The Company defines Millennials as all individuals aged between 15 and 35 (born between 1980 and 2000). Millennials are the largest demographic in the US with 92.2 million people, followed by the Baby Boomers (aged between 51 and 70) with 77.3 million people and Generation X (aged between 36 and 50) with 61.3 million people (see *Figure 5*).[24]

Figure 5: 2015 US Population by Generation



Source: Goldman Sachs "Millennials Coming of Age"

(b) Unmet Need of the Millennial

It is anticipated that Millennials are about to move into their prime spending years thereby reshaping the landscape of the global economy. As consumers who intensively use the internet, mobile technologies and social media to conduct transactions and share their opinions and experiences,[25] the Company considers that Millennials will change the way that banking services are traditionally provided.

Due to the structure, regulation and size of many traditional financial institutions, the vast majority of banks are considered to be technology adopters rather than creators[26]. This puts them in a natural disadvantage relative to new market entrants who are capital light and able to respond quickly to changes in attitudes and consumer preferences of Millennials.

23. Bain & Company, Inc, "Customer loyalty in retail banking: Global edition" (2014), http://www.bain.com/Images/DIGEST_Customer_loyalty_in_retail_banking_2014_.pdf
24. Goldman Sachs, http://www.goldmansachs.com/our-thinking/pages/millennials/
25. Goldman Sachs, "Millennials – Coming Of Age" http://www.goldmansachs.com/our-thinking/pages/millennials/
26. BBVA, https://www.bbvaresearch.com/wp-content/uploads/2014/12/141216_US_BW_BankMillennials.pdf

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

02. Industry Background

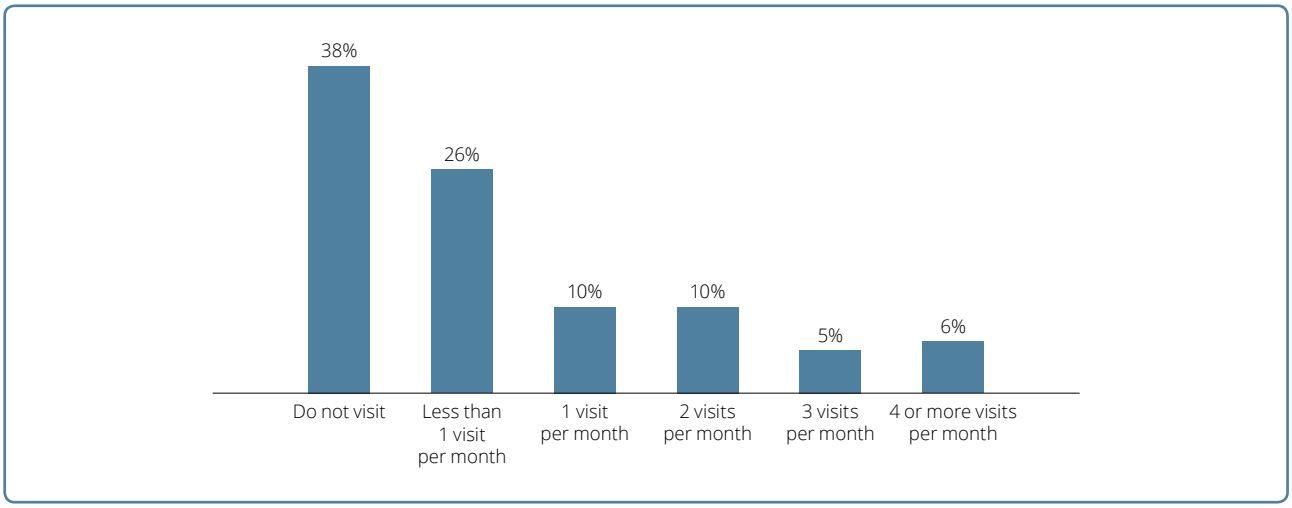
Following a three-year study of Millennials, Viacom Media Network created the Millennial Disruption Index which highlighted that the banking and financial services industry was identified as the industry most likely to experience change in the US as a result of the increasing power of this generation[27]. According to this research:

- all four of the leading banks in the US are among the ten least loved brands by Millennials;
- 33% of respondents believed that they did not require the services of a bank;
- nearly half of Millennials are relying on start-ups to overhaul the operations of banks and service offerings; and
- the majority of respondents believed that banking innovations will come from outside the banking industry, with ~70% of Millennials anticipating the way we access our money and pay for items will be totally different in 5 years' time.

The Millennial Disruption Index provides evidence that this generation welcomes disruption from non-traditional banks.

A separate survey found that 38% of Millennials surveyed do not use traditional bank branch networks and more than a quarter visit a branch less than once per month (see *Figure 6*).[28]

Figure 6: Frequency of Bank Visits Among US Millennials Who Use Bank Branches



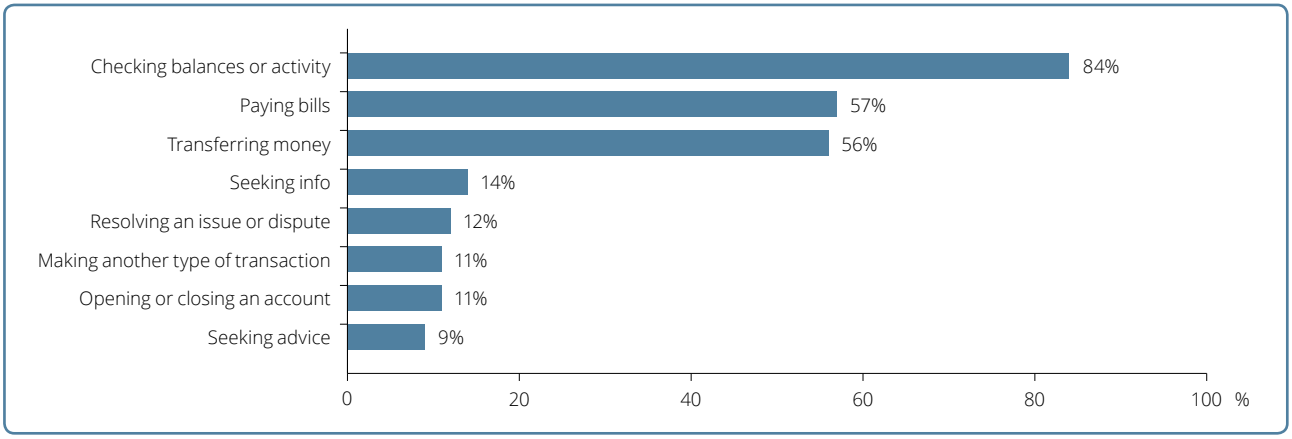
Source: BI Intelligence Digital Banking Survey Q3 2015.

Another survey found that 90% of US Millennials surveyed use digital banking methods for executing day-to-day transactions, including online banking and banking on mobile devices.[29] An analysis of those Millennials' top digital banking activities is set out below in *Figure 7*.[30]

27. Viacom, http://www.millennialdisruptionindex.com/. Millennials defined here as those people born between 1981 to 2000.
28. Business Insider, "The future of the bank branch is in trouble – here's why", http://www.businessinsider.com.au/digital-disruption-of-retail-banks-2015-10
29. TD Bank, "The Millennial | Financial Behaviors & Needs" https://mediaroom.tdbank.com/surveys?item=34208
30. TD Bank, "The Millennial | Financial Behaviors & Needs" https://mediaroom.tdbank.com/surveys?item=34208

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

Figure 7: Top Digital Banking Activities Among US Millennials



Source: TD Bank, The Millennial

As the US retail banking and financial services industry is yet to sufficiently address the changes necessary to meet the shift brought about by the influence of Millennials, the Company believes that the mobile banking market for new market entrants has the potential for significant growth.

(c) Underbanked Households

Alongside the key Millennial target market, ChimpChange also seeks to capture a share of the Underbanked market. A study by the FDIC into the characteristics of the Underbanked demographic has provided strong evidence of correlations with the Millennial consumer; that is the Underbanked market provides a high growth opportunity for new market entrants compounded by their desire for technology.

In the US, 20.0% of households were Underbanked as of 2013, representing 24.8 million households with 50.9 million adults. As a group, 31.7% of Underbanked households do not have a savings account; this is in contrast to about two-thirds of all US households that have both checking and savings accounts.[31]

However, relative to fully banked households (86.8%), Underbanked households were somewhat more likely to have had access to mobile phones (90.5%) and smartphones (64.5% compared with 59.0% of fully banked households). Underbanked households were also considerably more likely (32.4%) than the fully banked (21.6%) to use mobile banking as their main banking method.[32]

Given the significant proportion of the US population within the Underbanked category, ChimpChange believes that traditional retail banks will continue to be displaced by new market entrants who can target the Underbanked appetite for mobile banking by offering them lower cost alternative digital offerings.

2.5 COMPETITIVE LANDSCAPE

(a) Fintech Overview

The Company has identified six key sub-segments of the financial technology (**Fintech**) sector:

- independent digital banking platforms;
- payment and transfer facilitators;
- lending and financing;
- financial management;
- insurance; and
- marketing and exchange.

31. FDIC National Survey of Unbanked and Underbanked Households (October 2014), https://www.fdic.gov/householdsurvey/2013report.pdf
32. FDIC National Survey of Unbanked and Underbanked Households (October 2014), https://www.fdic.gov/householdsurvey/2013report.pdf

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

ChimpChange operates in the independent digital banking segment, a segment that is in its infancy and remains relatively uncrowded when compared with other segments. The uniqueness of a digital banking platform, like ChimpChange, is its ability to encompass the functionality of many other segments within the one platform.

(b) Independent Digital Banking Platforms

ChimpChange differentiates itself amongst others in the independent digital banking space by providing quick and easy instant P2P transfers, using just a mobile phone number. The Company's closest competitors in this space carry a number of limiting process conditions, such as requiring a person's user name, a minimum transfer amount, or a minimum deposit to open an account.

Key competitors in the independent digital banking segment include GoBank, Moven and Simple (see Section 2.5(d)).

(c) Other Financial Technology Segments

ChimpChange can also distinguish itself against the more crowded payment and transfer facilitation space, as these companies generally require the customer to have an existing external bank account in order to use their products.

Payment and transfer facilitation companies perform services as described: they simply facilitate payments (such as P2P payments) to and from existing bank accounts. Key competitors in this space include: Venmo, Square Cash, Apple Pay, Google Wallet, PayPal, and Snapcash.

A ChimpChange account is differentiated as it does not demand Customers have an existing bank account. Instead, ChimpChange is intended to be used as a complete banking solution, independent of any other financial institution. Additionally, to further diversify itself beyond payment and transfer facilitator competitors, ChimpChange is planning to offer a number of other features including mobile cheque clearing and savings accounts (see Section 3.9(b)).

(d) Competitive Landscape

Below is a list of certain key competitors in the independent digital banking platforms market operating in the US market.

KEY FEATURES	GOBANK	MOVEN	SIMPLE
Product	Digital chequing account	Digital chequing account	Digital chequing account
Key Markets	USA only	USA only	USA only
Debit card	MasterCard	MasterCard	Visa
Minimum opening deposit	US$20	–	No
Ongoing minimum balance	No	–	No
Transfers made to	Instantaneous transfers to other GoBank users, otherwise funds sent to PayPal account	Instantaneous transfers to other Moven users, 2-3 business days for other recipients	Instantaneous transfers to other Simple users, 2-3 business days for other recipients
Transfer notification methods	Email or text message	Email or text message	Email or text message
Sends cheques	Yes (fee-free)	Yes (fee-free)	Yes (fee-free)
ATM network	More than 42,000 free ATMs	More than 42,000 free ATMs	More than 55,000 free ATMs (including BBVA network)
Savings account	No	No	Yes
Budgeting tool	No	Yes	Yes

KEY FEATURES	GOBANK	MOVEN	SIMPLE
Other features	–	Real-time Spending Meter; Notifications for every purchase made; Part of the "pay pass" network	Notifications for every purchase made; "Goals" tool tracks safe to spend balance
Free deposit methods	Free direct deposits or cash deposits at any Walmart	Free direct deposit	Free direct deposits or transfers between Simple and participating US financial institutions
Photo cheque clearing enabled	Yes	No	Yes
Other deposit methods	Deposit funds at a 7-Eleven, Rite Aid, CVS and others for a fee of up to US$4.95	Deposits via MasterCard rePower network; Deposit cheques using Ingo Money	Via money order at USPS, or local grocery or convenience stores
Membership fees	Monthly membership fee of US$8.95; waived if at least US$500 direct deposits are made	No	No
Out-of-network ATM fees	US$2.50	No (fee may be charged by ATM operator)	No (fee may be charged by ATM operator)
Foreign transaction fees	3% foreign transaction fee	1% interchange fee	Up to 1% foreign transaction fee
Overdraft fees	No	–	No
Other fees	No	No	–
Partner Bank	Owned by Green Dot Bank	Partnered with CBW Bank	Partnered with Bancorp Bank; Acquired by BBVA

Notes:

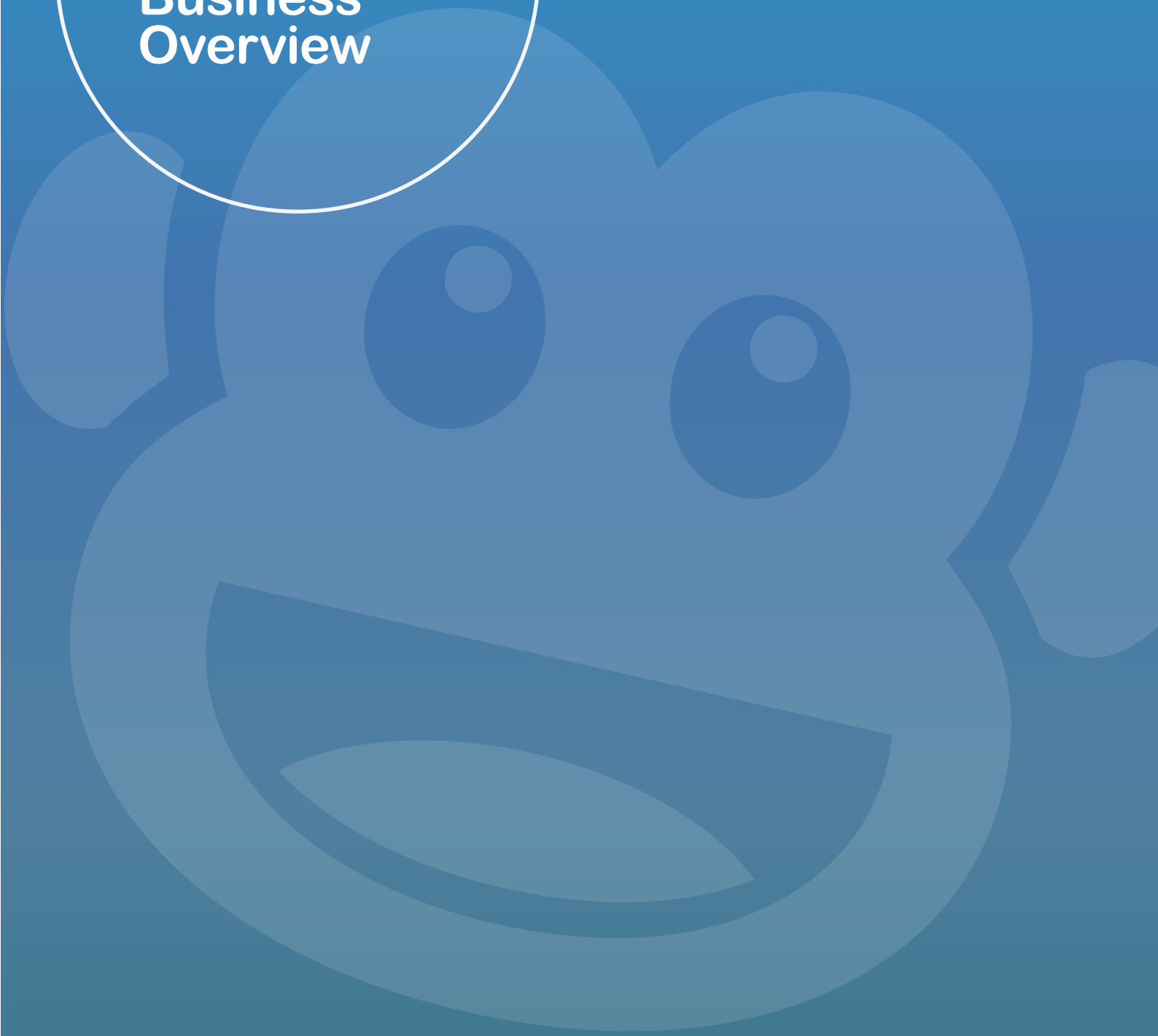
1. Data taken from third-party sources and current as at the date of this Prospectus.

(e) Barriers to Entry

ChimpChange, like many other technology businesses, faces the risk that other companies may try to offer similar products and services to emulate its success. The ChimpChange business model has allowed the Company to experience considerable growth since its launch and the Board expects the Company to benefit substantially from that model as the business develops. As a result of the following characteristics, when considered collectively, ChimpChange may have a defensible position difficult for potential new entrants and competitors to challenge:

- Sponsor Bank and Processor relationships: ChimpChange's operations are reliant on the services and infrastructure provided by key partners such as the Sponsor Bank and Processor. The Company has spent significant time and money developing these relationships.
- Technology and Platform: The ChimpChange App and associated technology is proprietary and the Company has invested significant resources into its development. The Company continues to invest heavily in the ChimpChange Platform's development and innovation based on Customer feedback.
- Key staff and personnel: ChimpChange has been able to achieve the success it has to date due to the talent, effort, experience and leadership of its Management team. The experience and industry knowledge of ChimpChange staff is key to the development and continual innovation of the ChimpChange Platform.

03.
Business Overview



03. Business Overview

3.1 WHAT IS CHIMPCHANGE?

ChimpChange is an Australian incorporated company that has developed a digital banking platform primarily targeted at the Millennial and Underbanked demographics in the US.

ChimpChange was created to respond to the rapid changing face of banking that is being driven by technological advancement, smartphone adoption and an expectation from newer customers, in particular Millennials and Underbanked, to deliver a banking product that provides them with an online focused banking experience at a low or no cost and assists them in improving their understanding of personal finance and managing their financial affairs.

The ChimpChange Platform is a simple and user-friendly product which removes many of the frustrations that Customers have with traditional banking processes, services and product offerings.

TRADITIONAL BANKING PROCESSES/PRODUCT OFFERINGS[1]	CHIMPCHANGE PLATFORM
✗ Branch-only account application processes	✓ Simple, quick and branchless account set-up within a few minutes
✗ Physical identification required	✓ Electronic verification
✗ Processing delay in transferring funds to third parties	✓ Instant free P2P transfers
✗ Limited online and smartphone banking capability	✓ Banking transactions completed simply on smartphone or smartwatch
✗ Account maintenance fees	✓ No maintenance fees as long as the account is actively used

Notes:

1. Table is indicative of the traditional banking process and not reflective of every US bank.

ChimpChange currently operates exclusively in the fragmented US banking and financial services market and offers its Customers, via its Sponsor Bank, a free, FDIC-insured transactional bank account (**Customer Account**) that Customers can operate via the Company's smartphone banking application (**ChimpChange App**).

The ChimpChange Customer Account provides Customers (aged 18 years and older) with a number of day-to-day banking tools including:

- a ChimpChange branded debit card linked to the Customer's bank account (**ChimpChange Debit Card**) to facilitate in-store and online purchases, payment of bills and the ability to withdraw funds from ATMs;
- free access to a network of over 24,000 ATMs across the US, as well as access to any ATM worldwide where MasterCard is accepted;
- an instant, P2P money transfer platform using mobile phone numbers instead of bank account details;
- the ability to deposit and withdraw funds at retail and convenience stores;
- the ability to check account balance and transaction history, receive account activity notifications and manage security settings; and
- social media features such as photo and video transaction memos.

The ChimpChange Platform provides its Customers with an alternative to traditional retail bank offerings in the US which typically charge month-to-month account keeping fees, do not provide free instant money transfers and are rigid in their service offering and approach to Customers.

ChimpChange is currently in the process of developing a number of additional features which are proposed to be operational in the next 12 months including:

- mobile cheque clearing;
- personal budgeting tools;
- savings accounts; and
- bill payments.

The Company bundles the services and products of many providers to offer a full service offering for its Customers' banking needs. See Section 3.9(b) for further details.

3.2 CHIMPCHANGE VISION

ChimpChange's vision is to change the way people bank by offering a feature-rich digital and simple-to-use product to its Customers. ChimpChange aims to change the traditional banking approach by offering a product that includes standard functionality that people expect from their current bank, plus a range of new features for free or for a low cost. ChimpChange aims to add value to its Customers lives rather than just treating them as revenue streams.

ChimpChange seeks to achieve this vision by focusing on three key areas, namely:

1. **Knowing its Customers.** Using data and cohort segmentation to understand Customers better, ChimpChange is able to tailor solutions and products which are cost effective and directly suit a Customer's requirements. By also providing proactive customer support and regularly engaging with Customers, ChimpChange is able to deliver a better service and product. The Company has identified that the Millennial generation do not want to stop what they are doing or change their location to perform a banking activity such as opening an account, sending money to friends, pay their bills or deposit their cheques and ChimpChange enables them to perform these tasks from wherever they are.
2. **Improving the banking experience.** ChimpChange aims to provide a feature-rich and full service financial product for Customers. It does this by providing a one-stop shop for traditional banking services with other value add features such as budgeting tools to help with saving and setting spending goals. By offering the "best in breed" features and products from multiple disruptive financial service providers ChimpChange can be a truly bank Agnostic platform.
3. **Low cost or fee-free.** By forming strategic partnerships with Processors and Sponsor Banks, the Company is able to provide low cost or fee-free services and features making banking affordable. This increases ChimpChange's market appeal, which may increase its potential customer base.

By achieving and focusing on the key points above, ChimpChange aims to improve Customer loyalty and drive an increase in usage of the Platform, which in turn is expected to grow revenues generated from Customers.

3.3 CHIMPCHANGE HISTORY AND BACKGROUND

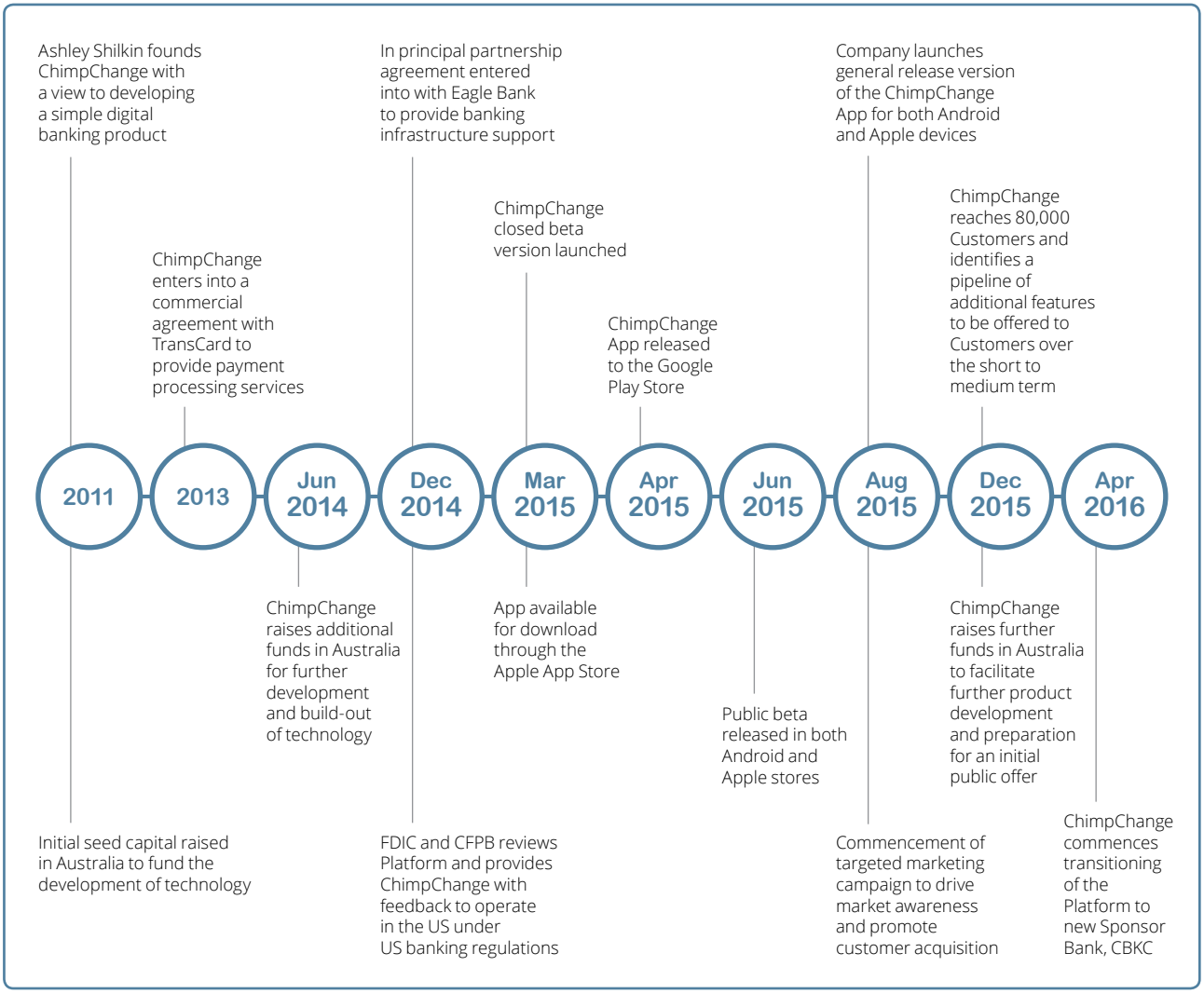
ChimpChange is an Australian public company incorporated on 6 May 2011. The Company was founded by Ashley Shilkin, who has had the support of external investors and software developers. Given the Company is focussed on commercialising the Platform in the US, ChimpChange's head office is now located in Los Angeles.

In March 2015, a closed beta version of the ChimpChange Platform was launched in the US market after two years of development.

The ChimpChange Platform was released to the general public in August 2015. As at 31 March 2016, ChimpChange had approximately 87,000 Customers.

The Company's growth since inception, to the date of this Prospectus, has been funded privately by Australian investors. Capital invested to date totals approximately A$11 million.

Figure 8: Company Timeline



3.4 THE CHIMPCHANGE PLATFORM

(a) Overview

The ChimpChange digital banking platform has been developed primarily to meet the needs of the Millennial demographic. Through the ChimpChange App, Customers can establish a Customer Account as a fully functional transactional bank account online and can make instant P2P transfers immediately after a Customer Account is opened.

A ChimpChange Customer Account is typically established within a few minutes and requires the Customer to complete a full Know Your Customer (**KYC**) check pursuant to the requirements of the USA Patriot Act 2001.

A ChimpChange-branded Debit Card is sent out to Customers within 48 hours of successful registration. The ChimpChange Debit Card can be used to make online or in-store purchases, facilitate the payment of bills, withdraw funds from ATMs or deposit cash into the Customer Account at a network of retail and convenience stores across the US.

The Platform uses mobile phone numbers as a unique identifier, replacing the need to know bank account numbers in order to transfer funds.

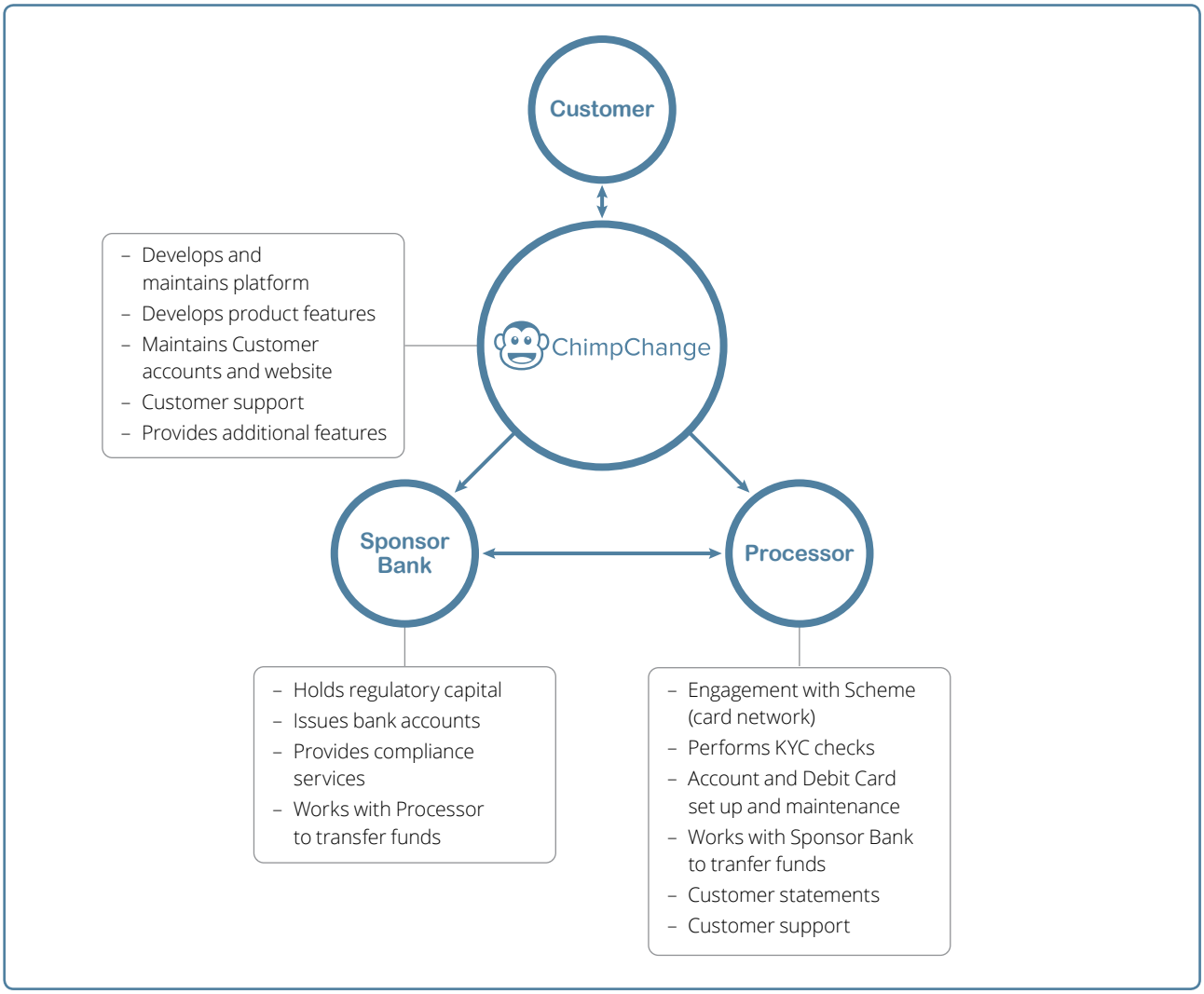
The Company has also implemented functionality that allows Customers to seamlessly load and unload funds from linked third-party bank accounts.

(b) How Does the ChimpChange Platform Work?

The Company has developed the ChimpChange Platform so that it utilises existing third-party banking and non-banking infrastructure to provide a full functioning banking experience without the capital expenditure required to set up branches, directly hold regulatory capital and other set-up costs.

Figure 9 and *Figure 10* below show how the ChimpChange Platform leverages existing networks and infrastructure to offer "best in breed" banking products and services.

Figure 9: ChimpChange and partner relationships



Source: Company Materials

Figure 10: ChimpChange leverages its partner relationships



ChimpChange Customer

ChimpChange actively markets its platform to potential customers.

ChimpChange Platform

The ChimpChange Platform includes the ChimpChange App, Customer Account, ChimpChange Debit Card and ChimpChange Website, providing Customers with a simple, branchless and frictionless digital banking experience by leveraging the best available financial service providers.

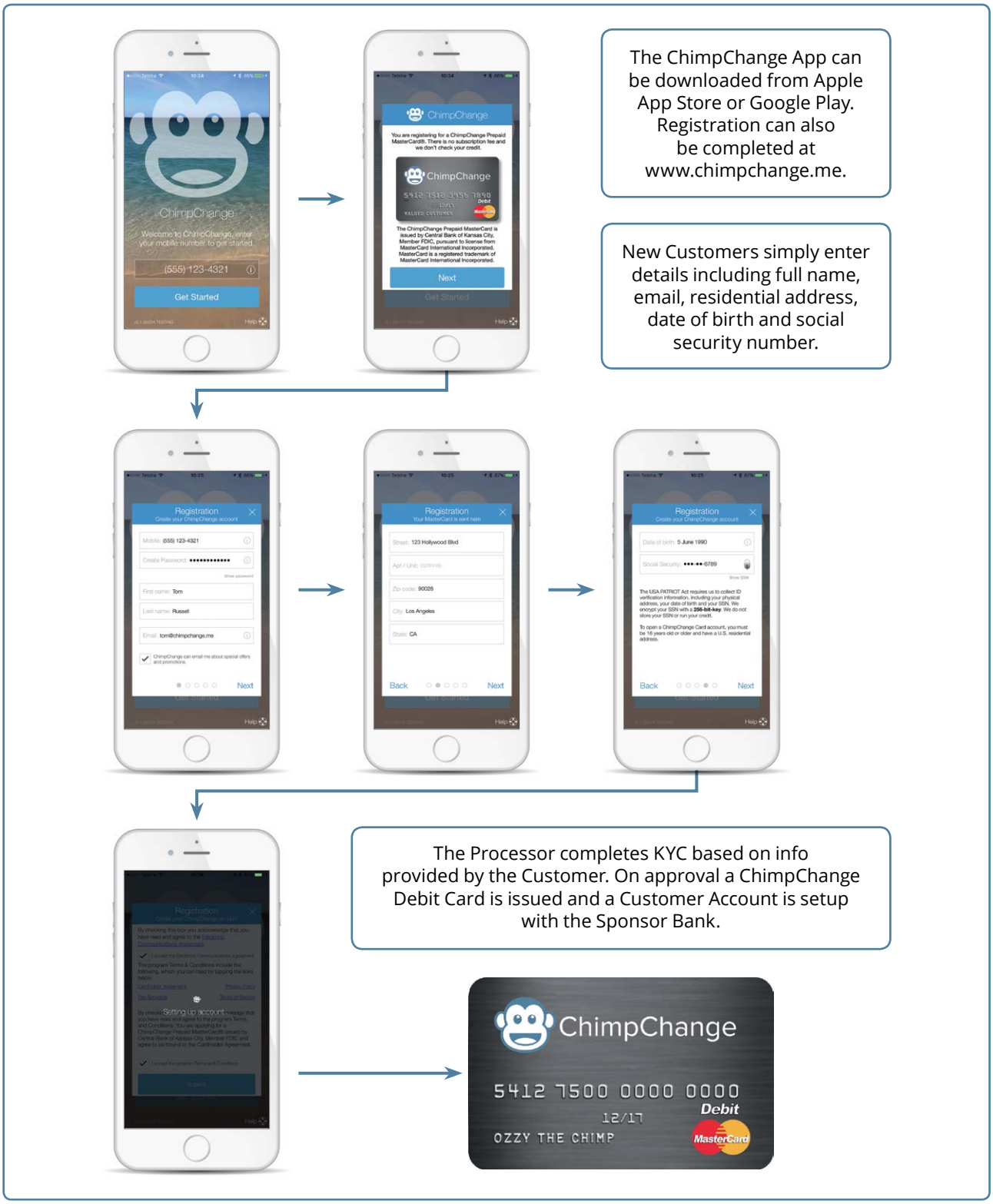
Third Party Service Providers

Processor	ChimpChange's Processor provides the following; basic KYC checks, Account and Debit Card set up and maintenance, debit and crediting accounts, fraud and chargeback, compliance, customer statements, card and account based customer support and other relevant functions.
Load Network	Customers can load cash directly into their Account at 60,000 retail locations in the US – including 7-Eleven, CVS, K-Mart, Rite Aid, Walgreens and Walmart
ACH Loading and Unloading	Through instant account verification ChimpChange is able to load money in real time from third party bank accounts. ChimpChange Customers can send money to a wide range of third-party banks in the US.
Customer Service	ChimpChange aims to provide best-in-space customer service building on a core team and leveraging support provided by third parties.
Additional Features and Functionality	As ChimpChange develops additional features it will leverage best-in-class third parties. Details of upcoming new features are described in Section 3.9(b).
Sponsor Bank	The Sponsor Bank issues ChimpChange Accounts, holds regulatory capital, provides compliance services, allows issue of the Debit Card and other regulatory requirements.
Scheme	The ChimpChange Debit Card is accepted around the world anywhere MasterCard is accepted.
ATM Network	ChimpChange Platform leverages the MoneyPass ATM network of over 24,000 ATMs across the US and the ChimpChange Debit Card can be used worldwide at any ATM where MasterCard is accepted.
Cashback Network	ChimpChange leverages retail locations and convenience stores to allow Customers to withdraw cash.
Fraud Monitoring	ChimpChange utilises fraud monitoring and detection software to overlay and extend the capabilities provided by other partners.
ID Checking	ChimpChange leverages a multi-layered verification solution that helps streamline customer acquisition, prevent fraud and meet compliance regulations.

(c) How Does the ChimpChange App Work

Figure 11 below illustrates the process for establishing a ChimpChange Customer Account.

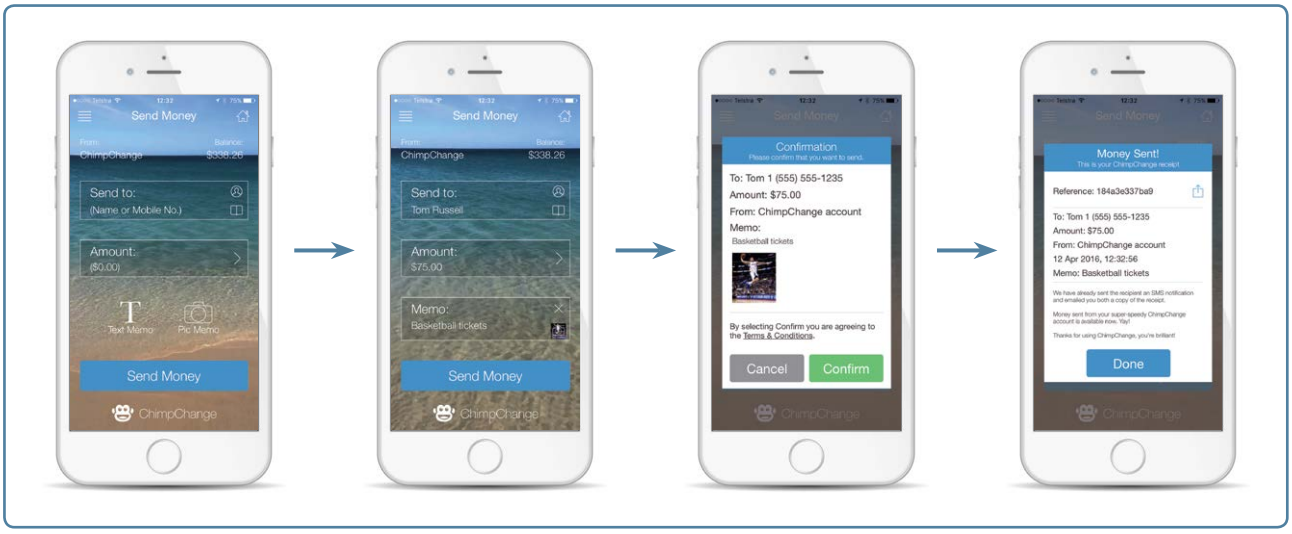
Figure 11: ChimpChange registration



Source: Company Materials

Figure 12 shows how funds can be transferred using the ChimpChange App. The Customer enters the receiving party's phone number or searches from their phone contacts, enters an amount and can include an optional text and/or picture memo. Funds sent via the ChimpChange Platform are cleared into the Customer's Account within seconds.

Figure 12: ChimpChange sending money



Source: Company Materials

Where the receiving party does not have a ChimpChange Account, the Company sends the receiving party a SMS notifying them of the transfer and that they are able to set up an account with ChimpChange within minutes (as detailed in *Figure 11*) and use the cleared funds immediately. If the receiving party does not set up a ChimpChange Account, the funds are returned to the remitter within 14 days. This helps drive adoption of the Platform as it encourages the receiving party to register for a ChimpChange Account to receive the funds.

(d) Key Features and Functionality

The table below provides a summary of the key features of the ChimpChange Platform.

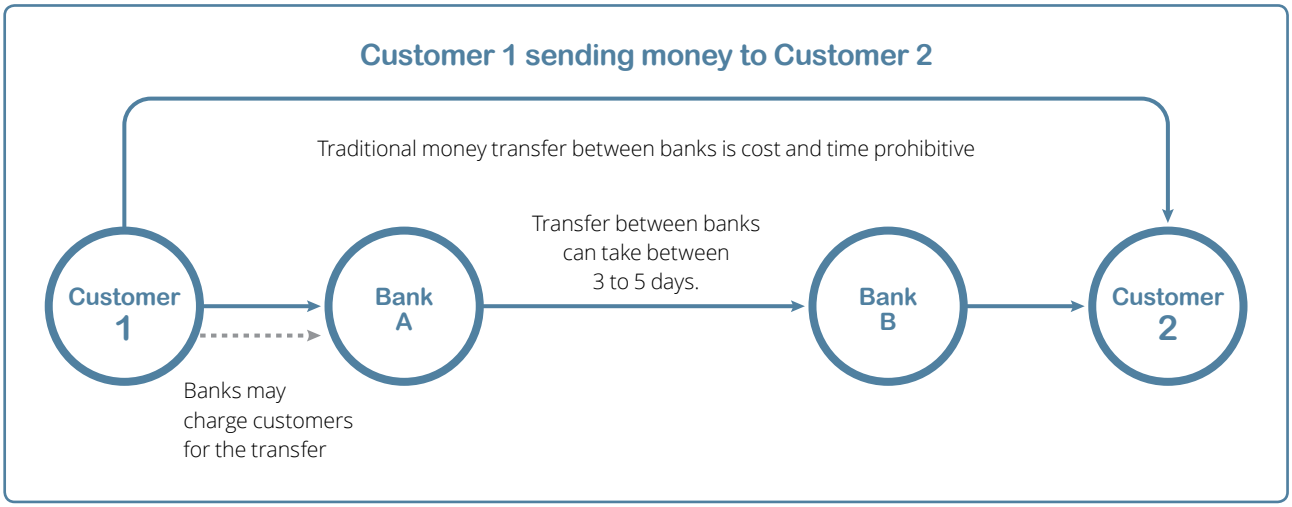
KEY FEATURE	DESCRIPTION
Full bank functionality	The ChimpChange Platform includes the ChimpChange App, Customer Account, ChimpChange Debit Card and ChimpChange Website, providing Customers with a simple, branchless and user-friendly digital banking experience.
Free, instantaneous money transfer	Customers can send and receive money to/from US residents anywhere in the world using the ChimpChange App and a mobile phone number as a unique identifier.
Bank Agnostic	Customers are able to link their ChimpChange Customer Account with an existing third-party bank account to facilitate both the transfer of funds into and out of their ChimpChange account. The ChimpChange Platform allows the ability for linked transfers into the ChimpChange Account to be cleared in real time, thus providing a bank Agnostic digital banking platform.

KEY FEATURE	DESCRIPTION
Ability to physically load and withdraw funds across the US	Customers may also deposit cash into their Customer Account using the linked ChimpChange Debit Card at any of the following retail and convenience stores across the US: • 7-Eleven • CVS Pharmacy • Kmart • RiteAid • Wallgreens • Walmart Customers are able to withdraw funds from over 24,000 ATMs across the US without incurring an ATM withdrawal fee. The ChimpChange Debit Card can also be used worldwide at any ATM where MasterCard is accepted.
Cashback locater functionality	The ChimpChange App has a convenient cashback locator which allows Customers to easily locate their closest available cashback location where funds can be withdrawn without a fee with a point of sale purchase.
Safe and secure banking environment	The ChimpChange App incorporates 2-factor authentication and biometric verification. ChimpChange has partnered with the Sponsor Bank to provide banking infrastructure to support the ChimpChange Platform. Customers funds are held by a FDIC insured Sponsor Bank and all transactions are being processed by a US based PCI-Compliant payments Processor. The Processor is responsible for facilitating the KYC checks when a ChimpChange Customer Account is opened and assumes the fraud and charge back risk associated with the provision of ChimpChange Debit Cards.
Social messaging	The ChimpChange Platform allows Customers to attach messages, photos and videos to any P2P money transfer which forms part of the permanent transaction record. Filters and photo editing capabilities are also available to further encourage Millennial adoption and continuous use of the ChimpChange App.

(e) How Does ChimpChange Transfer Money?

The traditional method for moving money in the US is both time consuming and can be expensive for the customer. *Figure 13* below shows how customers from two different banks would go about transferring money using the legacy banking system in the US. Pricing can range up to US$25 for an overnight transfer.

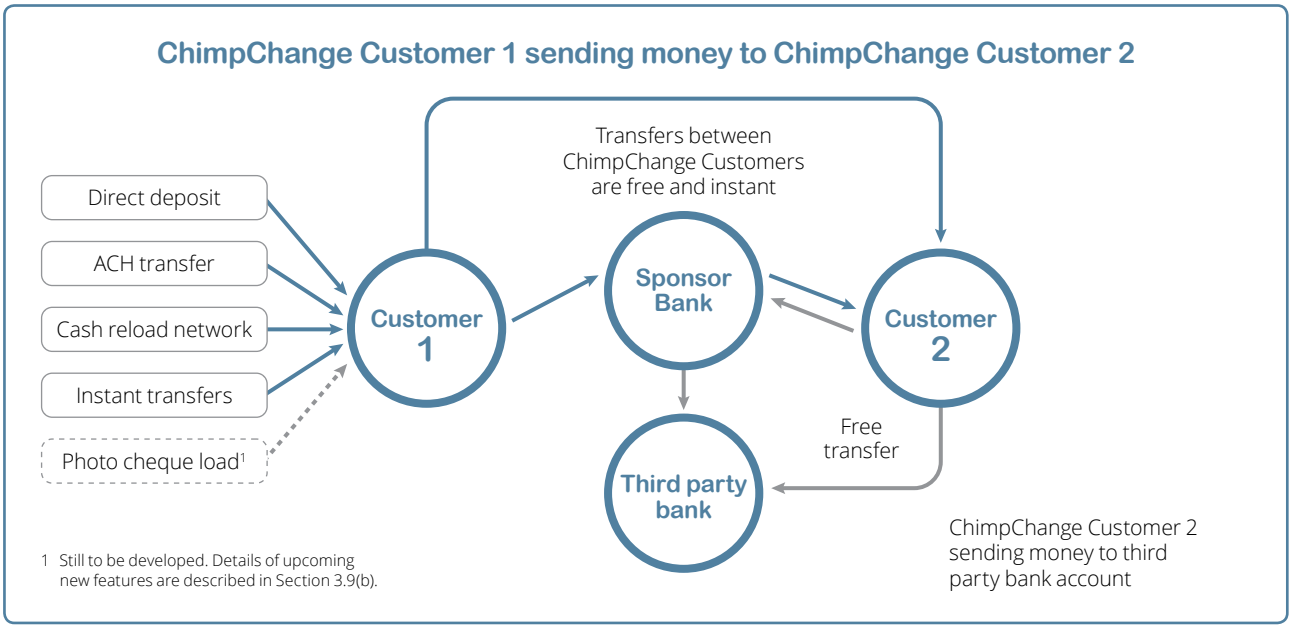
Figure 13: Traditional banking model for transferring funds



Source: Company Materials

The ChimpChange Platform has been built to provide a cost effective user friendly experience and was originally founded on the idea of providing a solution to the problems people have transferring money in the US. *Figure 14* below shows how the ChimpChange Platform allows Customers to transfer money instantly and for free to any US resident 18 years or older and who passes KYC with the Processor.

Figure 14: ChimpChange model



Source: Company Materials

3.5 KEY COMPANY STRENGTHS

(a) Rapidly Growing and Large Addressable Market

ChimpChange operates in the retail banking sector in the US, focusing on the Millennial demographic. The Millennial generation is the biggest in US history at 92.2 million people as of 2015, surpassing the 77.3 million who comprise the Baby Boomer generation (see Section 2.4(a)). The global mobile payment industry value reached US$256 billion in 2012, and was estimated to grow to US$796 billion in 2014.[33]

(b) Product Usability and Interface

The ChimpChange App has a user friendly interface and the Platform provides bank functionality and instant transfers. Account details are not required, with only mobile numbers used to send and receive money.

(c) Scalability

The Company's Platform and internal business operations are built to handle significant increases in customer growth and transaction volume.

(d) Strong Partnerships with Key Businesses

ChimpChange has partnerships with businesses to enable it to meet its objectives and provide its Platform to Customers. The Company's key partnerships are with its Processor and Sponsor Bank(s) and it also engages with a number of specialist social media and marketing firms (see further Section 3.11).

33. Capgemini and RBS, World Payments Report 2013, https://www.au.capgemini.com/thought-leadership/world-payments-report-2013

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

(e) Strong Growth Prospects

As the global mobile payments market continues to grow in terms of reach, volume and value (as described in Section 2.3), there is an array of opportunities to enhance and improve the ChimpChange Platform, including through the roll out of additional business verticals and the potential for international expansion. Current growth strategies are set out in further detail in Section 3.9.

(f) High Quality and Experienced Team

The Company has an experienced Management team led by Founder and Managing Director Ashley Shilkin who continues to drive the vision and execution of the Company's business plan. Mr Shilkin is also supported by an executive team that boasts experience in management, technology, banking, marketing, financial services, customer experience, accounting and general operations.

The Board and senior Management have extensive experience in financial services and high growth businesses, having a combination of specialisation across security, payments, marketing and operations.

(g) Strong Competitive Position

ChimpChange operates in the independent digital banking segment which is in its infancy and remains relatively uncrowded when compared with other banking and payments segments. The uniqueness of the independent digital banking segment is its ability to encompass many of the other segments on one platform. Companies in other segments tend to focus on a limited range and single channel of product offering.

Even in the independent digital banking space, ChimpChange differentiates itself by providing instant P2P transfers, using just a mobile phone number. Other competitors in this space require knowing a recipient's user name, a minimum transfer amount, a minimum deposit to open an account, or waiting times for transfers to complete, or a combination of these limiting conditions.

As with many other technology businesses, there is a risk that another company may try to emulate the success that ChimpChange is enjoying by offering a similar product and service. Management expects ChimpChange to benefit substantially from its advantage of being able to rapidly innovate. The key strengths set out above provide the characteristics that create a defensible position difficult for potential new entrants and competitors to challenge.

3.6 REVENUE STREAMS

In the short-term, and to date, ChimpChange is focused on growth in key metrics such as deposit volumes and Customer acquisition which underpin the Company's business model. The Company will generate revenue from a scalable model that sources revenue from three main categories:

- receipt of interchange fees, a portion of merchant services fees, associated with Customers using their ChimpChange Debit Card;
- out-of-network ATM fees; and
- other platform fees.

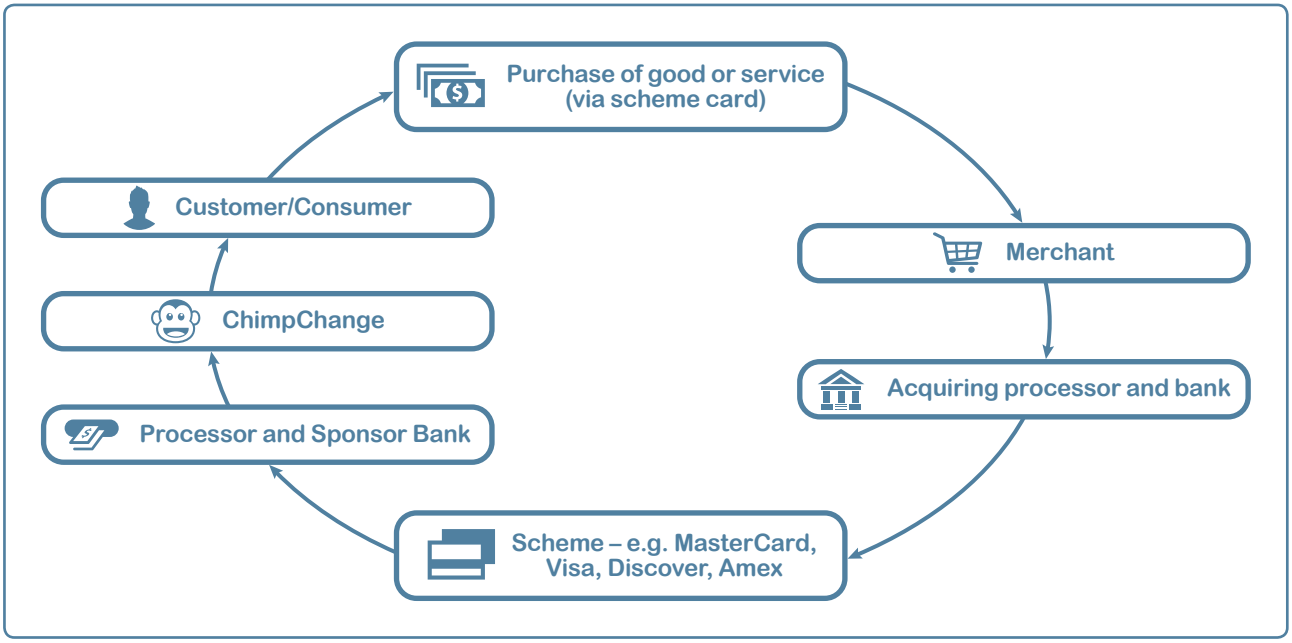
These revenue streams will evolve and diversify as new product initiatives are rolled-out (see Section 3.9(b)).

(a) Merchant Services Fees

Merchant services, better known as card (debt or credit) processing, are the handling of electronic payment transactions for merchants. Merchant service fees cover the cost of processing the payment including: obtaining sales information from the merchant; receiving authorisation for the transaction; collecting funds from the bank that issued the card; and sending payment to the merchant.

Debit cards are issued to Customers by the Sponsor Bank on ChimpChange's behalf. The acquiring bank represents the merchant in the transaction as shown in *Figure 15* below.

Figure 15: ChimpChange Interaction with Merchants



Source: Company Materials

Each time a Customer uses their ChimpChange Debit Card, the merchant is charged a percentage of each transaction, usually called a merchant service fee. This fee is charged to a merchant because the issuing and acquiring banks assume all the risks on every transaction yet fund the merchant for the sale. A portion of the merchant services fee is the interchange fee. The interchange fee is determined by the card association (Visa, MasterCard, etc.). In order for the merchant to receive their funds, the acquiring bank must pay this fee to the issuing bank who is responsible for releasing the funds from the cardholder's account.

ChimpChange receives a percentage of the interchange fees on each transaction. The interchange fee received by ChimpChange varies depending on conditions such as, but not limited to, the type of merchant or whether the purchase was made online or in-store. ChimpChange receives average interchange fees in the range of 1% to 2% of the value of each point of sale transaction completed by a ChimpChange Customer.

(b) Out-of-Network ATM Fees

Banks typically charge a fee for withdrawing money from an ATM. In some cases, there may also be a charge levied by the owner of the ATM.

ChimpChange does not charge a fee to its Customers who withdraw money from its network of over 24,000 ATMs. Those Customers who withdraw money from ATMs outside of its network are charged a fixed fee of US$1.95 per withdrawal. The Customer may also be charged a fee from the owner of the ATM in addition to the ChimpChange fee.

(c) Other Platform Fees

Customers who do not transact on their debit card for two consecutive months are charged an inactivity fee of up to US$4.95 per month. This fee covers the real cost to ChimpChange to maintain and manage the account. A list of free services and current Platform fees able to be charged by ChimpChange is presented in *Figure 16*.

Figure 16: ChimpChange Fee Schedule

NAME OF FEE	AMOUNT	FEE DESCRIPTION
FREE SERVICES		
Monthly Subscription	Free	ChimpChange does not charge a monthly account keeping fee. As detailed below ChimpChange does charge a fee on inactive Accounts.
MoneyPass ATM Withdrawal	Free	Free withdrawal of funds from over 24,000 MoneyPass ATMs across the US.
MoneyPass ATM Balance Inquiry	Free	Customers can check their Account balance at any MoneyPass ATM for no cost.
Direct Deposit Load	Free	Customers are able to deposit their salary, social security or other payments into their ChimpChange Account at no cost.
Sending Money	Free	Transfers to other ChimpChange Customers or unloading funds to a linked bank account is provided at no cost.
Domestic (US) Point of Sale Transactions	Free	The ChimpChange Debit Card can be used at any US-based retailer or online store that accepts MasterCard at no cost.
TRANSACTION FEES		
Bank Teller Withdrawal – US	US$1.50	Each time a Customer requests a cash withdrawal from a bank teller.
Foreign Transaction Fee	3% of total transaction in USD	Each time a Customers obtains funds or makes a purchase in a currency other than US Dollars.
ATM FEES		
ATM Withdrawal – US	US$1.95	Each time a Customer withdraws cash from an ATM within the US unless it displays the MoneyPass logo.
ATM Withdrawal – International	US$3.50	Each time a Customer withdraws cash from an ATM outside of the US.
ATM Balance Inquiry – US	US$0.50	Each time a Customer requests a balance using an ATM within the US unless it displays the MoneyPass logo, regardless of whether cash withdrawal is conducted.
ATM Balance Inquiry – International	US$2.00	Each time a Customer requests a balance using an ATM outside of the US, regardless of whether cash withdrawal is conducted.
ATM Decline – US	US$0.50	Each time an ATM cash withdrawal request within the US is declined for any reason.
ATM Decline – International	US$1.00	Each time an ATM cash withdrawal request outside the US is declined for any reason.
SERVICE FEES		
Inactivity Fee	US$4.95	If a Customer does not use their Debit Card for 60 days. The fee will be assessed monthly thereafter until a transaction is made or the account balance is reduced to zero.
Card Replacement	US$2.95	Each time a Customer requests a replacement Debit Card prior to Debit Card expiration date.
Rush Card – Reissue/Replace	US$20.00	Expedited shipping of a replacement Debit Card is available upon request at an additional cost. The Card Replacement fee will also be charged.
Paper Statement	US$1.95	Each time a Customer requests a paper statement.

Source: Company Materials

(d) Anticipated Future Revenue Streams

It is anticipated that additional revenue streams will be added over time as new product offerings are rolled out to Customers. New product offerings are outlined in Section 3.9(b).

The Company's strategy is to acquire Customers by offering retail banking products and adding additional products and services over time to meet the requirements of Customers and attract a wider range of new Customers.

3.7 COST STRUCTURE

ChimpChange is charged by its Processor a monthly fee to maintain each transactional account held by Customers.

Other fees charged include Account and Debit Card set up and maintenance, processing of transactions, 24 hours/7 days a week account and card related customer support, chargeback/fraud protection, basic KYC checks and other relevant fees.

ChimpChange is also charged for other third parties services including but not limited to network fees (e.g. ATM networks), enhanced identity verification, card fulfilment, automated clearing house transfers and additional fraud monitoring.

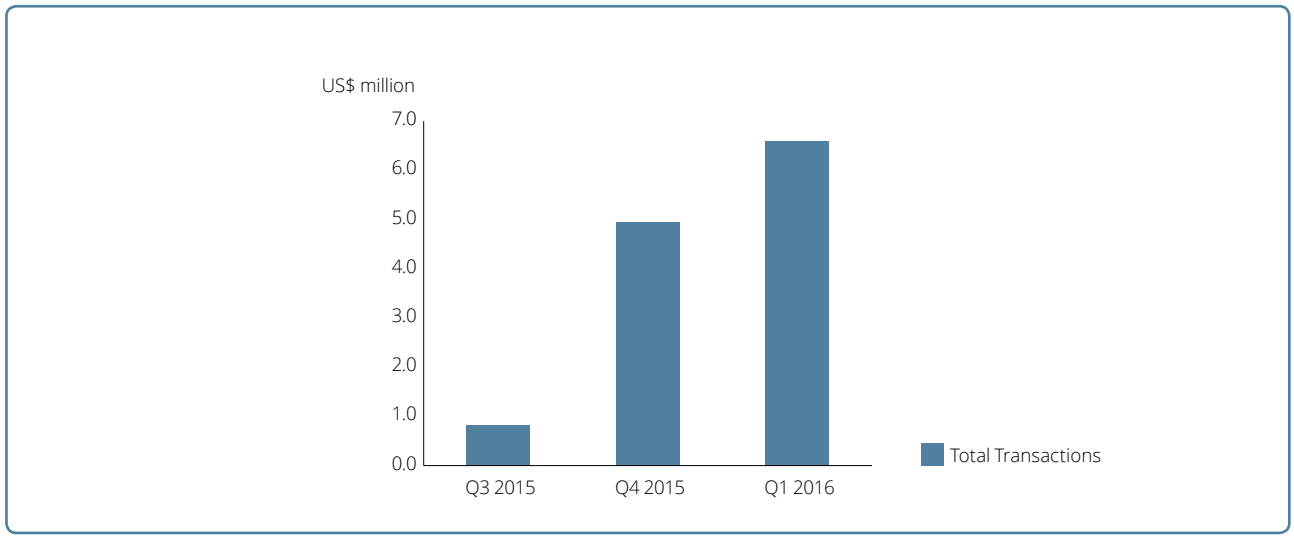
The Company has a robust business model where fees charged to Customers are set to cover the variable costs of maintaining Accounts. As ChimpChange scales its operations this potentially allows opportunities to further reduce its cost base.

3.8 KEY PLATFORM METRICS

(a) Transaction Volumes

The Company has experienced strong growth in key metrics since launch in August 2015 and as at 31 March 2016 has processed over US$12 million in total transactions. *Figure 17* and *Figure 18* below show the quarter on quarter growth the Company has experienced in transaction volumes.

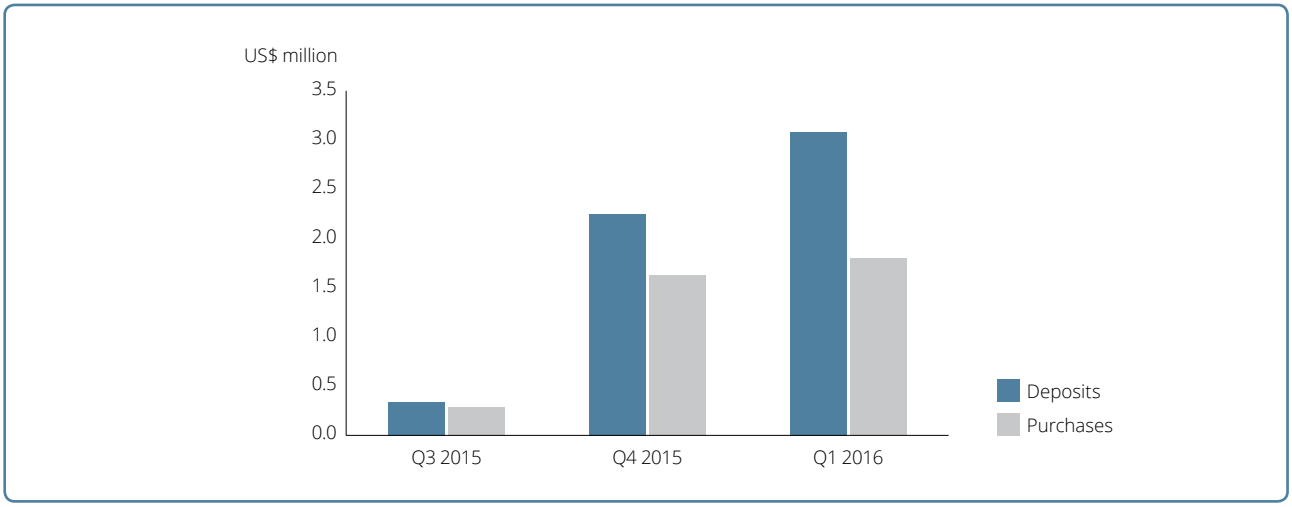
Figure 17: Quarterly Transaction Volumes (US$)



Source: Company Materials

ChimpChange is also currently running direct deposit campaigns whereby Customers are rewarded for depositing their pay into their ChimpChange account over a number of months.

Figure 18: Quarterly Deposit and Purchase Volumes (US$)

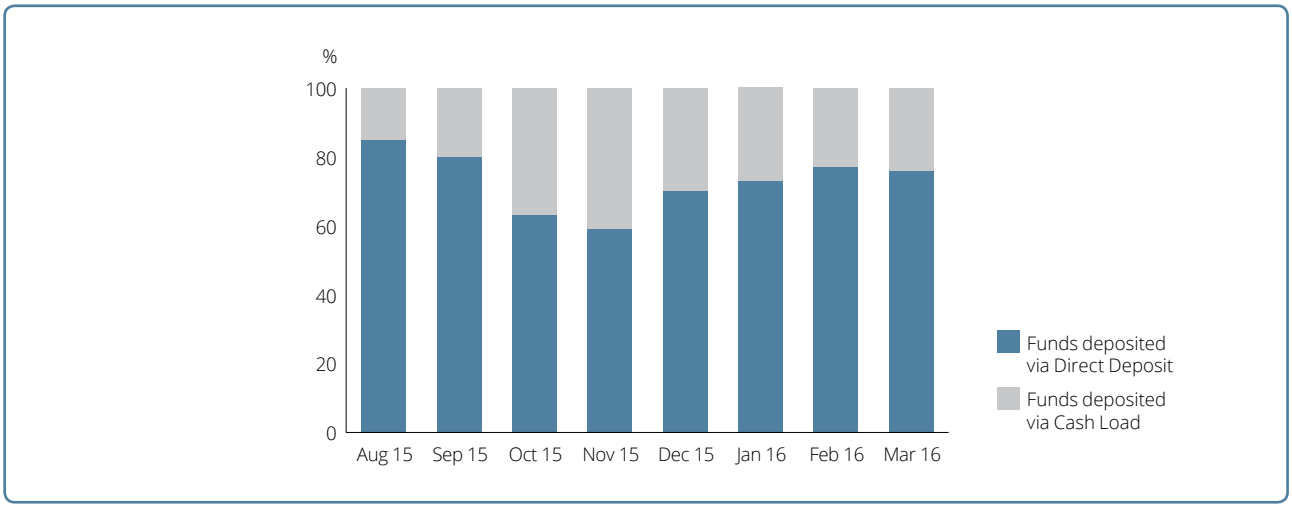


Source: Company Materials

(b) Deposits

On average, funds deposited into ChimpChange Accounts as at the end of Q1 2016 take the following proportions: 71.5% direct deposit and 28.5% cash deposits (see *Figure 19*). Of deposited funds 65.6% have been used to make purchases with ChimpChange Debit Cards.

Figure 19: Sources of Deposited Funds (%)

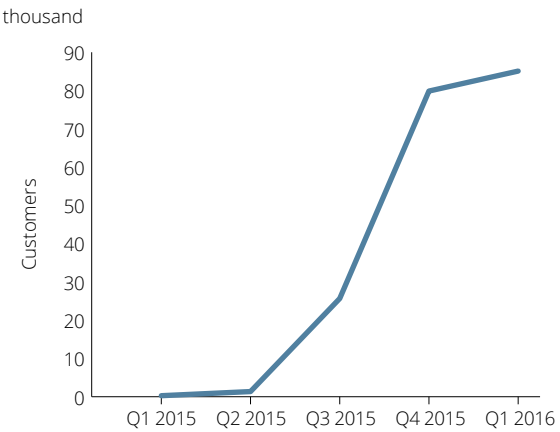


Source: Company Materials

(c) Customers

As at 31 March 2016, ChimpChange has approximately 87,000 Customers. *Figure 20* below illustrates the growth in Customer numbers since the launch of the closed – beta version in March 2015. ChimpChange launched its general release version of the Platform in August 2015.

Figure 20: Total ChimpChange Customers

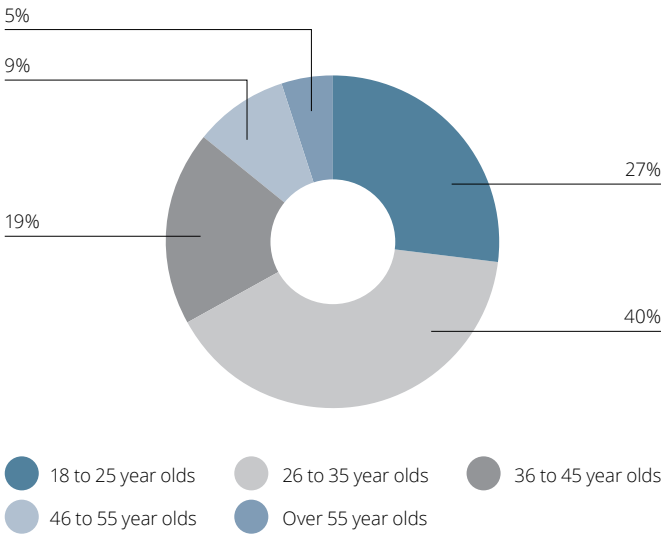


Source: Company Materials

The Company experienced great success acquiring Customers in late 2015 and since then has switched its focus to stimulating its current Customer base. The Company will continue with this strategy as well as acquiring new customers to drive growth in deposit volumes and spend. Details of the targeted customer acquisition campaigns are outlined in Section 3.9(c).

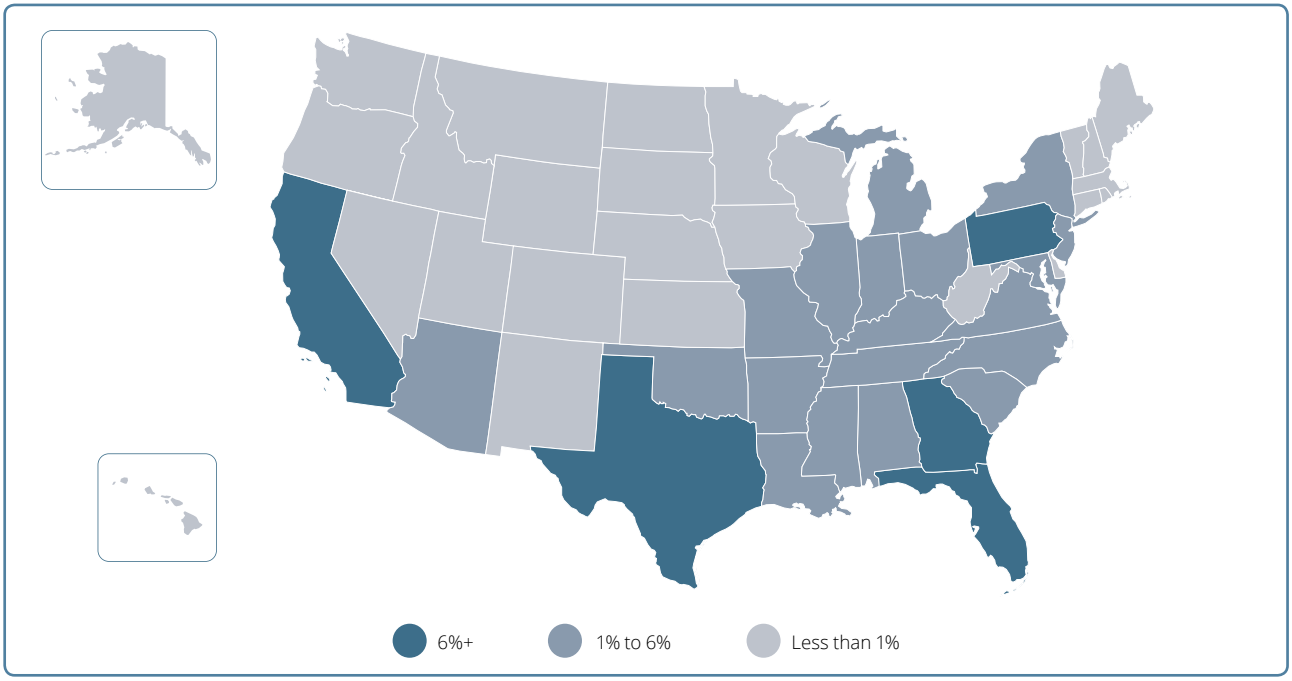
As at 31 March 2016, 67% of ChimpChange's Customers are between the ages of 18 to 35 (inclusive) and the majority of ChimpChange's Customers are located in the following states; California, Texas, Pennsylvania, Georgia and Florida. *Figure 21* and *Figure 22* provide an overview of the average age of ChimpChange's Customers and their location.

Figure 21: Age of Members



Source: Company Materials

Figure 22: Location of Members



Source: Company Materials

(d) Average Cost of Customer Acquisition

To date the Company has deployed limited marketing spend into different channels including, digital media, paid search, events, business partnerships and referral campaigns. Customer acquisition cost varies depending on marketing channel. The Company's targeted customer acquisition cost is US$25 per new Customer and to date has been achieving a rate less than this.

The Company has also tested a referral program which offered existing and new Customers US$5 for every friend they invited to ChimpChange who made a transaction using their ChimpChange Account. For Customers who earnt the US$5 referral bonus and then were inactive with their ChimpChange Debit Card, the Company was able to retrieve a proportion of these bonuses back via the inactivity fee.

ChimpChange's strategy is to acquire high value Customers who continue to drive key metrics such as deposit and purchase volumes.

(e) Customer Churn

ChimpChange has experienced a limited amount of Customer churn since launch. The Company anticipates that future Customer churn will vary based on a range of factors including customer service, the on-boarding experience, changing needs, product development, competitor marketing and natural churn such as growing out of the product.

From time to time the Company will also cleanse Customers who have been inactive for an extended period of time by removing their underlying bank account. These this process has a positive impact of reducing the Company's cost base while retaining access to the Customers so future features can be marketed to them.

(f) Revenue

As a start-up company, ChimpChange's key focus since launching the Platform in August 2015 has been on proof of concept and gaining customer traction in target demographics as well as the recent focus on growing key metrics such as transaction volumes and deposit volumes as described in Section 3.6.

The Company's plan is to build revenues, in the form of interchange fees and the other fees described in Section 3.6, on the back of growth in these areas, and the management of customer churn and inactivity. As the Company has only been trading for a limited time, revenues from its existing activities have been moderate and commensurate with its position as a start up and growing business with quarterly revenues ranging from a low of US$38,025 and a high of US$99,313 since the ChimpChange Platform was launched.

3.9 GROWTH STRATEGY

(a) Overview

The Company will pursue the following growth strategies to drive customer acquisition and adoption of the Platform:

- marketing and customer acquisition strategies as detailed in Section 3.9(c);
- technology build out to diversify into additional business verticals beyond a transactional bank account. Details of upcoming product features are outlined in Section 3.9(b);
- ChimpChange's strategy is to partner with best-in-space financial service providers to build out a top quality platform quickly while keeping costs low. Section 3.4(b) outlines how ChimpChange leverages third-party networks and products to expand its platform without the need to own branches and other infrastructure; and
- While the Company's key focus is on the large US market, ChimpChange is exploring opportunities to launch into other international jurisdictions as detailed in Section 3.9(d).

(b) New Product Offerings

The Company is developing a pipeline of new features and functionality to strengthen the ChimpChange offering, grow revenue streams and increase the life time value of Customers. While ChimpChange is initially focused on growing its customer base with its core transactional bank account, it intends to develop additional features and functionality to attract new customers and to increase engagement from Customers.

The products identified below are currently in different stages of development. The ChimpChange budgeting tool and photo cheque clearing feature are anticipated to be available to Customers in the second quarter of 2016 (calendar year). The other identified features are in different stages of development and are proposed to be available for release during the 12 months following the Offer.

Budgeting Tool

The Company has finalised the development of a budgeting tool which allows each Customer to track their expenditure not only in their ChimpChange Account but also at linked third-party financial institutions. The budgeting feature will not directly generate revenue for ChimpChange, however the Company anticipates such a tool will drive Customer usage and adoption across other features of the Platform.

Mobile Cheque Clearing

The Company is in the technical development phase for a product that will give Customers the ability to take a photo of a cheque using their smartphone through the ChimpChange App and facilitate the deposit of that cheque into their ChimpChange Account. The Company plans to allow Customers to make a selection as to how quickly they require their funds to be cleared and ChimpChange will charge a fee when the Customer selects same day funding.

Bill Payments

The Company is in the planning stage for a feature which will give Customers the ability to pay bills received from multiple service providers via the ChimpChange App. It is envisaged by the Company that when Customers choose to pay their bills directly from the App, ChimpChange will charge a fee for facilitating the payment of the bill.

Savings Accounts

The Company is in the early stages of introducing a ChimpChange savings account, separate to the Customer Account, to help Customers streamline accounts and allow them to save for upcoming purchases. Although not directly a revenue-generating feature given the current low interest rate environment in the US, the Company expects that savings accounts will drive Customer adoption and usage across other features of the Platform.

Other Initiatives

The Company will also continue to assess and pursue the development of additional features to bring to market in the future which will seek to support the needs and demands of its Customers and to help drive adoption of the Platform by new Customers.

(c) Marketing and Customer Acquisition Campaigns

The Company uses a number of different marketing channels to acquire Customers and drive further deposit and spending activity from existing Customers. These are set out below:

Direct Deposit Campaign

A focus for the Company is growing deposit volumes which ultimately result in spending on the ChimpChange Debit Card. The Company has launched a direct deposit campaign targeted at Customers to encourage them to deposit payroll and social security payments into their ChimpChange Accounts. After consecutive months of regular deposits Customers can earn cash rewards. This promotes Customers to use ChimpChange as their regular banking account and encouraging profitable behaviour.

Digital Marketing and Paid Media Campaigns

A key marketing strategy of the Company is digital marketing, including social media ads, ad network content, paid media and search engine marketing (**SEM**).

ChimpChange deploys ads and marketing content on multiple digital channels including social media and other ad networks. The Company drives registrations for ChimpChange accounts as well as promoting its brand through boosted posts. Ads and content are tested with different demographics and cohorts to optimise performance and acquisition costs. Digital marketing provides a scalable and wide-reaching customer acquisition channel for the Company.

The Company employs SEM and search engine optimisation (**SEO**) strategies to enhance results returned when potential customers use search engines. The Company uses SEM strategies to bid on ad placement and position on search engine sites when relevant terms are entered. SEO includes implementing blogs, news articles and other content that improves the organic search results when relevant terms are searched through search engines.

Business-to-Business Partnerships

ChimpChange has identified that the same challenges consumers face with banking can also apply to businesses. Some of these key challenges include paying staff and how staff access their pay. Incumbent processes and providers can result in administrative costs, inefficiencies and delay in payments. The ChimpChange Platform can deliver a fast, simple and affordable solution to this problem.

As an example, the Company has established a business-to-business (**B2B**) partnership with a crowd casting service provider who promotes ChimpChange as the preferred payment partner between the company and its contractors. ChimpChange pays a referral commission to the business provider on the basis of Customer Accounts created by those contractors and the resultant activity on those accounts.

The aim of such B2B partnerships is to have third-party businesses drive the registration of new Customer Accounts through adoption by their staff or customer networks. The additional development expense to support further B2B partnerships is very low and the Company has built its technical architecture to allow efficient on-boarding of new partners.

The Company is exploring additional B2B partnerships with other companies across a range of industries.

Influencer Programs

The Company has identified that community acceptance will be an essential driver of product adoption and new Customer acquisition. To generate community acceptance, ChimpChange is building strong relationships with consumers and industry influencers. Community growth will be built via both paid and organic methods whilst the influencer strategy will be delivered via social networks and influencers' personal websites or social media posts. ChimpChange utilises different strategies on different social platforms; one such channel focuses on the life of the Company's key figurehead Ozzy the Chimp and his life around Los Angeles while other channels may focus on the product and features.

The use of key Millennial influencers will also form part of the go-to-market strategy where ChimpChange accounts will be preloaded with funds and given to influencers who post about how they have used ChimpChange throughout their day. Influencers also create content for the Company to use on its social media accounts which creates dialog and interaction between the Company and influencer increasing ChimpChange's exposure. It is widely recognised Millennials prefer to be influenced rather than marketed to,[34] driving the strategy to leverage influencer campaigns that will provide greater traction and awareness than traditional marketing techniques.

Referral Programs

The Company has successfully tested a referral promotion which encourages Customers to refer friends among their social circles. In return for driving registrations and the usage of ChimpChange, the Company rewards both the referrer and the referee with a one-off payment.

The last referral campaign was launched in August 2015, in which both the existing Customer and the newly referred Customer received a US$5 payment once the new Customer has made a transaction.

ChimpChange envisages implementing similar campaigns in the future to drive viral adoption of the Platform.

Event Campaigns

The Company has used event-based marketing programs at concerts, movie nights and on-campus campaigns to target the Millennial and college audience.

The aim of these campaigns is to build brand awareness, create a positive association with ChimpChange and drive adoption of the ChimpChange Platform by new Customers.

(d) Potential International Expansion

While the Company's current operations are limited to the US market, the user-friendly interface and availability of features of the ChimpChange Platform has the potential for application to other international jurisdictions. In particular those markets which are supportive of the adoption of smartphone applications and technical innovation, have rigid traditional retail bank offerings or have a substantial Unbanked/Underbanked population.

The Board of ChimpChange will assess entry into new markets over the medium-to-long term on a case-by-case basis. Overseas expansion would involve potential barriers to entry including regulatory requirements, different banking methods, different competitors and different commercial and retail practices which the Company will need to assess when considering an entry into those markets. Overseas expansion may require updating or modification of the Platform or proposed future products to meet market conditions in those jurisdictions. ChimpChange's current priority is the development of its current Platform for the US market.

3.10 INTELLECTUAL PROPERTY ASSETS

(a) Patent Applications

The Company has commenced the process to formalise its ownership of key intellectual property, having filed for patent recognition in the US. This application remains current and is yet to be registered and/or determined by the relevant authorities.

(b) Trademarks

The Company has registered the trademark "ChimpChange" in both Australia and the United States. The Company has also registered as a trademark in the latter jurisdiction the Chimp Logo.

Each of the ChimpChange word trademark and Chimp Logo trademark have a finite life in their respective registered jurisdictions.

Any future expansion into new international markets may risk conflict with other similar or competing trademarks in some jurisdictions, which may require the Company to consider rebranding its Platform and products in those jurisdictions.

34. Boston Consulting Group, "How Millennials Are Changing the Face of Marketing Forever" https://www.bcgperspectives.com/content/articles/marketing_center_consumer_customer_insight_how_millennials_changing_marketing_forever/?chapter=3

**NB: Third party information sources have not consented to the inclusion of this statement (or any other statement attributed to them) in this Prospectus.

(c) Domain Names

The Company has registered the domain name www.chimpchange.me and various other domains relating to the ChimpChange brand.

(d) General

The Company's intellectual property is otherwise generally protected by copyright and trademark laws, and by contractual and common law confidentiality obligations, in the US and Australia.

3.11 CHIMPCHANGE'S COMPANY PARTNERS

(a) TransCard

ChimpChange has entered into an agreement with TransCard, a payment card industry data storage standard compliant (**PCI Compliant**) and MasterCard certified US based payments processor. TransCard is responsible for maintaining ChimpChange accounts, facilitating the KYC checks when a ChimpChange Customer Account is opened and assumes the fraud and chargeback risk associated with the provision of cards and other functions.

TransCard is also integrated with the MoneyPass ATM network, which provides surcharge-free access for Customers to over 24,000 ATMs.

A summary of the agreement with TransCard is contained in Section 10.5(b).

(b) Central Bank of Kansas City

Central Bank of Kansas City (**CBKC**) is one of the FDIC insured US Sponsor Banks that provides the banking infrastructure and services in support of the operation of the ChimpChange Platform.

CBKC is a Member institution of the FDIC, meaning that the deposits of ChimpChange Customers are insured by the FDIC in the event of failure of the bank.

CBKC has a bank processing agreement with TransCard to provide these services.

The Company has also entered into a separate Service Provider Agreement with CBKC and a summary of this document is contained in Section 10.5(c).

(c) Eagle Bank

Eagle Bank and Trust Company of Missouri (**Eagle Bank**) is one of the FDIC insured US Sponsor Banks that provides the banking infrastructure and services in support of the operation of the ChimpChange Platform.

Eagle Bank is a Member institution of the FDIC, meaning that the deposits of ChimpChange Customers are insured by the FDIC in the event of failure of the bank.

Eagle Bank has a bank processing agreement with TransCard to provide these services.

The Company has a separate memorandum of understanding with Eagle Bank and a summary of this document is contained in Section 10.5(d).

As detailed in Section 3.12 below, ChimpChange is in the process of transitioning Customer Accounts from Eagle Bank to CBKC. It is anticipated that following the transition the agreement between the Company and Eagle Bank will be mutually terminated.

(d) MasterCard

ChimpChange Debit Card is a MasterCard product giving Customers the ability to use their accounts anywhere in the world MasterCard is accepted.

The ChimpChange Debit Card is part of the MasterCard network under an agreement entered into between TransCard and MasterCard. The Company does not have a direct contractual relationship with MasterCard.

(e) Social Media Influencers

The Company engages with a number of marketing firms specialising in digital, social media and influencer marketing and has launched data fuelled mobile marketing campaigns that will enable precision targeting on a significant scale. These engagements are undertaken on a strategic or campaign basis.

3.12 TRANSITION BETWEEN SPONSOR BANKS

As a result of the current growth experienced by ChimpChange, the Company has had to give consideration to updating and improving the capabilities of its Sponsor Bank. As noted in Section 3.11 above, the Company has an existing agreement with Eagle Bank and a recently commenced agreement with CBKC. ChimpChange signed a Letter of Intent with CBKC on 21 January 2016, and subsequently a substantive Service Provider Agreement with the bank on 11 April 2016.

The change in Sponsor Bank requires the transition of Customer Accounts from Eagle Bank to CBKC and this task is presently being undertaken by the Company.

While negotiating the terms of the Service Provider Agreement, CBKC and the Company were actively working together on a transition plan, ready to implement when that agreement was finalised. The process for transition of Customers to CBKC officially commenced in April 2016 when the Company started creating new accounts at CBKC for testing purposes. At the same time, ChimpChange began the process for the collection of consents from existing Customers to transfer their accounts from Eagle Bank to CBKC.

In May 2016 the Company started to transfer Customer Accounts from Eagle Bank to CBKC. New debit cards (with a fresh new design) will be issued to each Customer transitioned across and CBKC also began creating new Customer Accounts.

If a Customer does not provide consent to transition their Account to CBKC, the relevant Customer Account will remain with Eagle Bank and will be closed upon completion of all transition arrangements. The Company anticipates that the transition of existing Customer Accounts to CBKC will be completed around late June 2016.

3.13 REGULATORY ENVIRONMENT

As the banking and payment processing services required to support the ChimpChange Platform are undertaken by ChimpChange's Sponsor Bank(s) and Processor respectively (see Section 3.11), the Company does not undertake any banking or payment processing activities and is accordingly not required to hold any licences or authorisations with either state or federal regulators. ChimpChange's Customers funds are held by a FDIC insured Sponsor Bank and all transactions are being processed by a PCI-Compliant payments Processor. ChimpChange is, however, subject to other legal and industry compliance requirements including privacy laws, data protection laws and contractual conditions.

Potential future strategies to expand into other product offerings may require ChimpChange to apply for appropriate licenses. Risks associated with the regulatory environment are outlined in Section 6.3(d).

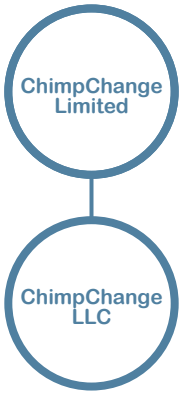
3.14 CORPORATE STRUCTURE

ChimpChange Limited was incorporated in Australia on 6 May 2011 under the Corporation Act.

The Company operates in the U.S. through a U.S. subsidiary ChimpChange LLC, which was incorporated in the State of California, United States of America on 14 May 2013.

The Company currently has no other operational subsidiaries.

The diagram below provides a geographical representation of the ChimpChange corporate structure for the group's operating entities as at the Prospectus Date.



ChimpChange Limited is responsible for the overall corporate direction of the business and owns the patent, trade mark and other intellectual property connected with the business.

ChimpChange LLC is responsible for conducting the business on behalf of the Company in the US including the employment of US based management and other employees and the entry into strategic business partnerships.

04.
Financial Information

04. Financial Information

4.1 INTRODUCTION

The financial information set out in this Section contains the following financial information in relation to the Company:

- historical statement of profit or loss for 30 June 2014 (**FY2014**), 30 June 2015 (**FY2015**) and the half-year ended 31 December 2015 (**HY2016**);
- historical statement of cash flows for FY2014, FY2015 and HY2016; and
- historical statement of financial position as at 30 June 2014, 30 June 2015 and 31 December 2015, and a pro-forma statement of financial position as at 31 December 2015 and the associated details of the pro-forma adjustments,

(together, the **Historical Financial Information**).

The Historical Financial Information (other than the pro-forma adjustments to the historical statement of financial position as at 31 December 2015 and the results of those adjustments) has been derived from the Company's financial statements for FY2014, FY2015 and HY2016.

The FY2014 financial statements are unaudited, while the FY2015 financial statements were audited and the HY2016 financial statements were reviewed by Pitcher Partners. Pitcher Partners issued a modified audit opinion (emphasis of matter regarding going concern) in respect of FY2015 and a modified review opinion (emphasis of matter regarding going concern) in respect of HY2016. The Historical Financial Information has been reviewed by Pitcher Partners, whose Investigating Accountant's Report is contained in Section 5, however the Board is responsible for the inclusion of all financial information in the Prospectus.

The Directors did not consider that it was necessary to have the FY2014 financial statements audited due to the Company's limited trading history and the fact that commercialisation of the ChimpChange Platform did not commence until after 30 June 2015 (see Section 3.3).

The historical and pro-forma financial information has been prepared in accordance with the recognition and measurement criteria of Australian Accounting Standards and the significant accounting policies set out in Section 11 below. The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

The Historical Financial Information should be read together with the other information contained in this Prospectus, including:

- the risk factors described in Section 6;
- the description of the use of the Proceeds of the Offer described in Section 9.2;
- the Investigating Accountant's Report, set out in Section 5; and
- the indicative capital structure described in Section 9.3.

As ChimpChange's primary operations are based in the US, the functional currency of ChimpChange is US Dollars. All Australian Dollar transactions are converted to US Dollars at the prevailing exchange rate at the date of the transaction. Foreign currency monetary items that are outstanding at the reporting date are translated using the spot rate at the end of the financial period. All numbers shown in the Historical Financial Information are shown in US Dollars.

Please note that past performance is not an indication of future performance.

4.2 HISTORICAL STATEMENT OF PROFIT OR LOSS

The table below presents the historical statement of profit or loss for FY2014, FY2015 and HY2016.

Table 1: Historical Consolidated Statement of Profit or Loss

PERIOD ENDING US$'000	NOTES	30 JUN 2014 FULL YEAR	30 JUN 2015 FULL YEAR	31 DEC 2015 HALF YEAR
Revenue		–	–	41
Employee costs		(14)	(1,256)	(874)
Consultants & professional fees		(275)	(291)	(151)
Transaction Costs		(20)	(147)	(659)
Marketing expenses		(42)	(179)	(930)
Depreciation/amortisation		(1)	(2)	(126)
Other expenses		(249)	(291)	(249)
Operating Loss		**(601)**	**(2,166)**	**(2,948)**

Notes to the Statement of Profit or Loss

The following sets out the main contributors that influenced the Company's operations and relative financial performance in the years ending 30 June 2014 and 2015 and the half-year to 31 December 2015.

As the ChimpChange Platform went live in August 2015, there is only minimal revenue for the half-year ended 31 December 2015. Key expenses covered above primarily relate to employee costs, consultant & professional fees, transaction costs, marketing expenses, depreciation and amortisation and other expenses.

Employee costs

Employee costs comprise in-house technology development, general administration, share-based payments, customer support and marketing. New team members are being recruited into technology development, product support and senior management positions to support the growth of the Company.

Consultants & professional fees

The Company uses a number of consultants to support and augment internal resources in relation to the ongoing operations of the business. These include software development of the Platform, corporate strategy, operations, governance and security.

Transaction Costs

Transaction costs include both the one-off costs for establishing Customers (including undertaking identity and security checks) and ongoing transaction processing fees which are primarily payable to the Processor. Due to the Company being in the early stage of its life cycle, transaction processing fees are high relative to revenue as a result of one-off costs for establishing Customers.

Marketing Expenses

The Company pursues a number of marketing strategies including social media and direct cash incentive schemes to drive user adoption. The level of marketing expenditure was increased in the half-year to 31 December 2015 with the general release of the Platform in August 2015.

Depreciation/Amortisation

This cost comprises the depreciation of plant and equipment and the amortisation of capitalised software development expenses. The Company's accounting policy with respect to software development costs is to amortise those costs over three years.

Other expenses

Other expenses comprise primarily general administrative costs and travel.

4.3 HISTORICAL STATEMENT OF CASH FLOWS

The table below presents the historical statement of cash flows for FY2014, FY2015 and HY2016.

Table 2: Historical Consolidated Statement of Cash Flows

PERIOD TO US$'000	NOTES	30 JUN 2014 FULL YEAR	30 JUN 2015 FULL YEAR	31 DEC 2015 HALF YEAR
CASH FLOW				
Received from customers		–	–	39
Paid to suppliers and employees		(580)	(1,103)	(2,616)
Operating Cash Flow		(580)	(1,103)	(2,577)
Capital expenditure		(5)	(15)	(21)
Software Development		(181)	(460)	(229)
Cash flow from Investing Activities		(186)	(475)	(250)
Proceeds from share issue		743	2,263	5,120
Cash flow from Financing Activities		743	2,263	5,120
Opening Cash		**102**	**78**	**753**
Cash Flow		(23)	685	2,293
FX differences on cash holdings		(1)	(10)	(17)
Closing Cash		**78**	**753**	**3,029**

The Company only commenced revenue generating activities in the half year ended 31 December 2015 and consequently cash flows from operating activities for all periods in the Historical Financial Information have been negative. This was primarily due to software development and operating expenses typical for a development stage tech company.

The net cash flows from operating and investing activities have been funded through US$7.8 million in equity funding in ordinary shares since inception.

At 31 December 2015 the Company had cash on hand of US$3.0 million.

4.4 HISTORICAL AND PRO-FORMA STATEMENT OF FINANCIAL POSITION

The table below sets out the historical statement of financial position as at 30 June 2014, 30 June 2015 and 31 December 2015.

Table 3: Historical Consolidated Statement of Financial Position

AS AT US$'000	NOTES	30 JUN 2014	30 JUN 2015	31 DEC 2015
Cash		78	753	3,029
Other Current Assets		4	37	357
Current Assets		82	790	3,386
Fixed Assets		4	17	34
Software Development & IP		229	626	893
Total Non-Current Assets		233	643	927
TOTAL ASSETS		**315**	**1,433**	**4,313**
Payables		11	48	403
Provisions		–	21	58
Other Current Liabilities		–	768	–
Current Liabilities		11	837	461
TOTAL LIABILITIES		**11**	**837**	**461**
NET ASSETS		**304**	**596**	**3,852**
Share Capital		1,102	1,914	7,768
Reserves		25	1,670	2,020
Accumulated Losses		(823)	(2,988)	(5,936)
SHAREHOLDERS' FUNDS		**304**	**596**	**3,852**

The following sets out the main elements of the statement of financial position as at 30 June 2014, 30 June 2015 and 31 December 2015.

The table below sets out the pro-forma adjustments that have been made to the statement of financial position as at 31 December 2015. The pro-forma statement of financial position below is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

Table 4: Pro-forma Historical Consolidated Statement of Financial Position

AS AT US$'000	31 DEC 2015 ACTUAL	PRO-FORMA ADJUSTMENT	NOTES TO ADJUSTMENTS	31 DEC 2015 PRO-FORMA ADJUSTED
Cash	3,029	10,210	(i),(ii)	13,239
Other Current Assets	357			357
Current Assets	3,386	10,210		13,596
Fixed Assets	34	–		34
Software Development & IP	893	–		893
Total Non-Current Assets	927			927
TOTAL ASSETS	**4,313**	**10,210**		**14,523**
Payables	403	–		403
Provisions	58	–		58
Other Current Liabilities	–	–		–
Current Liabilities	461	–		461
TOTAL LIABILITIES	**461**	**–**		**461**
NET ASSETS	**3,852**	**10,210**		**14,062**
Share Capital	7,768	10,210	(i),(ii)	17,978
Reserves	2,020			2,020
Accumulated Losses	(5,936)			(5,936)
SHAREHOLDERS' FUNDS	**3,852**	**10,210**		**14,062**

Description of Pro-forma Adjustments

The following transactions and events had not occurred prior to 31 December 2015, but have taken place before the Allotment Date. The pro-forma financial information in this Section assumes that they occurred on or before 31 December 2015.

(i) The Company expects to complete the Offer as set out in this Prospectus, raising A$15.0 million (US$11.25 million) via the issuance of 18.75 million shares. The expenses associated with the Offer (including capital raising, advisory, legal, accounting and administrative fees as well as printing, advertising and other expenses) will be charges against the capital raised.

(ii) The total cash costs expected to be incurred in relation to the Offer are estimated to be A$1.39 million (US$1.04 million).

(a) Liquidity, capital resources and indebtedness

Following Completion of the Offer, ChimpChange's principal source of funds will be its cash reserves. The Company expects to be in a net cash position, and will have no borrowings at the time of the Offer.

ChimpChange expects that the Proceeds of the Offer, together with its cash reserves, will be sufficient to meet its operational requirements and business needs, and position ChimpChange to grow its business in accordance with its growth strategy.

4.5 DIVIDEND POLICY

The Company plans to invest all cash flow into the business in order to maximise growth. Accordingly, no dividends are expected to be paid in the foreseeable future following the Company's Listing on ASX.

The payment and amount of any potential future dividends declared by the Company are subject to the discretion of the Directors and will depend upon, among other things, the Company's earnings, financial position, tax position and capital requirements.

It is the Directors' intention to review this policy from time to time and commence the payment of a regular dividend once the Company is able to generate a substantial and sustainable level of cash flow, after allowing for capital expenditure and other commitments.

The Directors also note that as the Company is not deriving revenue from business conducted in Australia, the Company will not be able to declare franked dividends unless and until it derives Australian sourced revenue and pays Australian tax. See Section 10.7 for further information.

05. Investigating Accountant's Report

05. Investigating Accountant's Report

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IAN JONES
KYLIE LAMPRECHT
NORMAN THURECHT
BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS
COLE WILKINSON
SIMON CHUN

26 May 2016

The Directors
ChimpChange Limited
Level 5
10 Market Street
BRISBANE QLD 4000

Dear Sirs

Independent Limited Assurance Report on ChimpChange Limited historical and pro forma historical financial information

We have been engaged by ChimpChange Limited and its controlled entity (ChimpChange) to report on the historical consolidated financial information and pro forma historical consolidated financial information of ChimpChange as at 31 December 2015 for inclusion in the prospectus dated on or about 26 May 2016 and relating to the issue of 18.75 million shares at $0.80 in ChimpChange (the prospectus).

Expressions and terms defined in the document have the same meaning in this report.

ChimpChange is a company incorporated in Australia which is involved in digital banking and mobile payments.

Scope

Historical Consolidated Financial Information

You have requested Pitcher Partners to review the following historical consolidated financial information referred to as the *historical financial information* of ChimpChange (the responsible party) included in the prospectus:

- the Consolidated Statements of Financial Performance for the years ended 30 June 2014 and 2015 and half-year ended 31 December 2015;
- the Consolidated Statements of Financial Position as at 30 June 2014, 2015 and 31 December 2015;
- the Consolidated Statements of Cash Flows for the years ended 30 June 2014, 2015 and half-year ended 31 December 2015.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The historical financial information has been extracted from the financial reports of ChimpChange for

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the years ended 30 June 2014 (unaudited) and 2015 (audited by Pitcher Partners[1]) and half-year ended 31 December 2015 (reviewed by Pitcher Partners[1]). Pitcher Partners issued a modified audit opinion (emphasis of matter regarding going concern) on the financial report for 30 June 2015, and a modified review opinion (emphasis of matter regarding going concern) for the half-year ended 31 December 2015. The 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 Consolidated Financial Information

You have requested Pitcher Partners to review the pro forma historical Consolidated Statement of Financial Position as at 31 December 2015 referred to as *the pro forma historical financial information.*

The pro forma historical financial information has been derived from the historical consolidated financial information of ChimpChange, after adjusting for the effects of pro forma adjustments described in section 4 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 events or transactions to which the pro forma adjustments relate, as described in section 4 of the prospectus, as if those events or transactions 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's actual or prospective financial position.

Directors' responsibility

The directors of ChimpChange are responsible for the preparation of the historical financial information and 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 historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. 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*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review 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 an audit. Accordingly, we do not express an audit opinion.

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

[1] *in accordance with the Australian Auditing Standards*

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Conclusions

Historical consolidated financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in section 4 of the public document, and comprising:

- the Consolidated Statements of Financial Performance for the years ended 30 June 2014 and 2015 and half-year ended 31 December 2015;
- the Consolidated Statements of Financial Position as at 30 June 2014 and 2015 and 31 December 2015;
- the Consolidated Statements of Cash Flows for the years ended 30 June 2014 and 2015 and half-year ended 31 December 2015

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4 of the prospectus.

Pro Forma historical consolidated financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information being the Statement of Financial Position as at 31 December 2015 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 4 of the prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to section 4 of 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.

Consent

Pitcher Partners has consented to the inclusion of this assurance report in the prospectus document in the form and context in which it is included.

Liability

The directors of ChimpChange are responsible for:

- the content of the prospectus, other than the content of our Independent Limited Assurance Report, and any other experts' reports;
- issuing the prospectus; and
- the preparation and presentation of the financial information included in the prospectus.

We do not assume any liability for information or statements included in the explanatory memorandum other than our Independent Limited Assurance Report.

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Declaration of Interest

Pitcher Partners does not have any interest in the outcome of this transaction other than in our engagement as Independent Accountant for which normal professional fees will be received.

Yours faithfully
PITCHER PARTNERS



J. J. EVANS
Partner

06.
Risk Factors

06. Risk Factors

6.1 INTRODUCTION

As with any equities investment, there are risks involved with investing in the Company. This Section 6 seeks to identify the major areas of risk associated with an investment in ChimpChange, but should not be viewed as an exhaustive list of all risk factors to which the Company and its Shareholders are exposed.

Potential investors should read this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for Shares.

6.2 SPECIFIC RISKS

(a) Rate of Customer Adoption and Use of the ChimpChange Platform

The Company's future revenue prospects are heavily contingent upon both:

- Customer adoption rates for the ChimpChange Platform; and
- the use of the ChimpChange Debit Card by Customers.

The Company earns revenue predominantly from transaction fees sourced from Customers using the ChimpChange Debit Card. This accordingly requires ChimpChange to continue to increase the number of registered Customers who are issued a ChimpChange Debit Card and to also attract Customers who will be active account users.

ChimpChange's focus to date has been on developing the retail banking offering, securing partnerships with highly reputable third parties and launching the business in a controlled environment.

The success of the Platform is heavily reliant upon the Company both growing its Customer base and increasing its deposit volumes as a result of marketing and customer adoption strategies. The Company's growth and expansion is dependent upon a number of factors including digital marketing and paid-media campaigns, establishment of business-to-business partnerships, involvement in influencer and referral programs and conducting event campaigns.

If ChimpChange fails in the execution of its marketing campaign and customer adoption strategies, and consequently cannot attract additional Customers to the Platform to increase spending levels and ChimpChange Debit Card usage, this may have an adverse impact upon the financial position of the Company.

(b) Loss of Customers

In addition to attracting new Customers through marketing and adoption strategies, the revenue of the Company is dependent upon existing Customers and their continued use of the ChimpChange Platform and ChimpChange Debit Card.

Part of the adoption strategy is also dependent upon new Customers being attracted to the ChimpChange Platform via existing Customers. Accordingly, the Company must support its existing Customer base to ensure that they continue to support and use the Platform, and then support any future product offerings by the Company. If the Company fails to retain its existing Customers, this is likely to affect the financial performance of the Company.

(c) Contractual Risk

The operations of ChimpChange are underpinned by various material agreements as summarised in Section 10.5. The success of the Company is largely reliant upon counterparties continuing to fulfil their obligations under these contracts and a failure by those parties to perform such obligations under these contracts, or the termination of these contracts, could adversely affect the Company. Further, there can be no assurance that the Company would be successful in attempting to enforce any of its rights through legal action.

In particular, the infrastructure required by ChimpChange to facilitate the conduct of transactions via the ChimpChange Platform is provided by third parties who deliver the requisite expertise and regulatory approvals to undertake the processing and banking transactions performed by the Platform.

The key contracts for the availability of this infrastructure are held with TransCard, as the Processor who processes transactions for all ChimpChange Customers and provides services for the facilitation of the ChimpChange Debit Card, and with the Sponsor Bank(s). TransCard also hold contracts with network providers, such as MasterCard, who provide the card network and other services in support of the ChimpChange Debit Card. If either TransCard or CBKC were to terminate their contract with ChimpChange, or if TransCard were to fail to maintain its contracts with the third party network providers, this may have an adverse effect on the operations and financial position of the Company.

(d) Transition Between Sponsor Banks

As set out in Section 3.12, the Company is in the process of transitioning from Eagle Bank to CBKC as the primary Sponsor Bank for the ChimpChange Platform in support of the continued growth of the Company. The transition process involves each Customer being notified of the process with a request to consent to their Customer Account being transferred from Eagle Bank to CBKC. Without this consent, the Customer Account cannot be transferred.

There is the potential that the Company may lose Customer Accounts during the transition process as a result of some Customers not giving their consent or because some Customers are located in a State of the US where CBKC is unable to operate (i.e. Connecticut, New Hampshire, Rhode Island and Vermont) and cannot open or accept Customer Accounts for existing Customers in those States. In either case, the relevant Customer Account will remain with Eagle Bank and will be closed upon completion of all transition arrangements.

The Company has determined that the number of Customers who are located in States of the US in which CBKC cannot accept Customer Accounts represents ~1% of all existing Customers. ChimpChange also anticipates that the Customers who elect not to consent to the transition to CBKC will be primarily inactive users.

There is a risk that with the number of Customer Accounts reducing as a result of the transition to CBKC, together with reduced revenue streams sourced from ChimpChange Debit Card activity and decreased rate of use of the ChimpChange App, that this may have an adverse impact on the financial position of the Company.

(e) Reliance on Key Personnel

The emergence and development of the Company's business has been largely due to the talent, effort, experience and leadership of its key employees and Management personnel, including its Founder and Managing Director, Mr Ashley Shilkin and its Chief Operating Officer, Mr Clayton Fossett. The Company is substantially dependent on the continued service of Mr Shilkin and Mr Fossett, as well as other existing operations, support, marketing, product, and engineering personnel, primarily due to the complexity of ChimpChange's services and technologies.

All of the Company's employees, except for Ashley Shilkin, are "at will" employees whose employment may be terminated at any time, with or without cause, by giving notice, typically one months' notice. Mr Shilkin's employment can be terminated on 6 months' notice by either him or the Company. There is no assurance that the Company will be able to retain the services of such persons or that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of the key management personnel cease their engagement with the Company and suitable replacements are not identified or engaged in a timely manner.

(f) Protection of Intellectual Property Rights

The Company has intellectual property rights that are important assets (see Section 3.10).

The operation of the ChimpChange Platform is underpinned by intellectual property developed by or on behalf of ChimpChange in conjunction with third-party software developers. There is a risk that other companies or individuals may claim an interest in intellectual property used by the Company for the ChimpChange App, in particular in relation to the use of open-source code. Defending claims made by other parties seeking to establish intellectual property rights may adversely affect the Company.

The Company may also need, at potentially significant cost to the Company, to develop new technology and intellectual property to support the continued operation of the ChimpChange Platform. In the continued development of the ChimpChange Platform and the development of new products, the Company will rely upon a combination of assignment agreements, confidentiality agreements and licence arrangements to secure protection of its current and new intellectual property, however, events outside of the Company's control could pose a threat to the intellectual property and products of ChimpChange.

In addition, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain, and particularly so with software. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which ChimpChange may eventually choose to conduct business. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

The Company has applied for patent protection of the ChimpChange Platform in the US. Whilst the processes for the registration of the patent is well advanced, protection of the patent in the US remains to be finalised.

The Company also utilises word and graphic trademarks, with trademark registrations completed in both Australia and the US.

If the Company fails to adequately protect its intellectual property rights, competitors may gain access to its intellectual property, which would in turn result in significant damage to the brand and deterioration in the goodwill of the Company.

In addition, the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. The Company may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company, cause a distraction to management and otherwise damage the business of the Company.

Unauthorised use of the Company's brand or intellectual property by third party products or services may not only result in potential revenue loss, but also have an adverse impact on the Company's brand value and the market perception of the quality of its products.

(g) Limited Trading History

Although the Company believes that its proposed operations and business model will be successful on the basis of the success to date, the experience of its key personnel in the technology and banking industries and the key areas of differentiation between ChimpChange and its competitors, ChimpChange is a start-up company with limited trading history and any number of factors could adversely affect the operations and business model of ChimpChange.

Given the Company's limited trading history, there is no guarantee that the proposed marketing and customer adoption strategies of ChimpChange will be successful to achieve a sizeable adoption rate by Customers of its products and/or market share.

(h) Improving Technology

The ChimpChange business is predominantly based upon the success of the ChimpChange Platform through the delivery of services and successful customer interface within the ChimpChange App.

As with all new technology, there is the risk that the technology underlying the Platform will be superseded by other rapidly developing technologies which have an advantage over the functionality and usability of the ChimpChange App. If the ChimpChange App is superseded by other more efficient and customer friendly applications, this may have an adverse impact upon the financial position of the Company.

(i) Competition and New Technologies

The industry in which ChimpChange operates is subject to increasing domestic and global competition and is fast-paced and constantly changing. The Company will have no influence or control over the activities or actions of its competitors and other industry participants, whose activities or actions may positively or negatively affect the operating and financial performance of the Company.

Competitors may have significant additional experience and/or resources to develop competing products which may adversely affect ChimpChange's financial position and/or prospects. For example, new third-party technologies could prove more advanced or beneficial than the Company's, which could adversely affect ChimpChange's revenue potential.

(j) Development of New Products/Services

New products planned by the Company may be delayed in development, may not be capable of cost-effective commercialisation, or may not be supported or adopted by new or existing Customers. Accordingly, products in development by the Company may not be released to the market, or released in time, and there is no guarantee that these new developments will be successful at driving increases in Customers or spending on the ChimpChange Debit Card.

Furthermore, expenditure on research and development technologies are often uncertain or unproven and may yield no results or results different to what is expected. Investments in new technologies, products and processes may not yield the required return on those products for the Company to generate a return above cost.

(k) Defects with Platform

As the Company's Platform is complex, it may have errors or defects that Customers identify and experience, which could harm the Company's reputation and business. Web and App-based products frequently contain undetected errors when first introduced or when new versions or enhancements are released.

The Company has previously released updates with errors and defects, and it is possible errors or defects in its existing or future updates to the Platform may be detected or experienced by Customers in the future. If that occurs, the Company may lose sales, Customers and/or business partners.

(l) Reliance on Third Party IT Service Provision

The Company's business utilises equipment, software and services provided by third parties to deliver its Platform. Significant or extended disruption to the Platform caused by supplied equipment, software or service failure may reduce the Company's ability to operate, impact consumer service levels and damage the Company's brand. This could adversely affect the Company's ability to attract and retain Customers, and cause it to suffer financial loss. Any mitigation of this loss via redress from third party suppliers may not be immediately available, if at all.

In addition to the ChimpChange Platform, the ChimpChange App is available through both the Apple App Store and Google Play Store. There is no guarantee from Apple or Google that either party will continue to allow the ChimpChange App to be made available on these platforms. Any restrictions placed by Apple or Google on the availability of the ChimpChange App or any other changes in the practices of the provision of these platforms could also have an adverse effect on the financial performance of the Company.

(m) Reliance on Access to the Internet

The Company generally depends on the ability of its Customers to access the Internet. Access is provided by various classes of entities in the broadband and Internet access marketplace. Should any of these entities disrupt, restrict or affect the cost of access to the Company's products, usage and adoption of the Company's products, and consequently the Company's revenues, may be negatively impacted.

(n) Regulatory Risk

Whilst the Company conducts its business in the digital banking industry and Customers can establish a transactional bank account through the ChimpChange Platform, the activities of the Company do not require compliance with banking-specific regulatory requirements. The regulatory responsibility presently rests with the third parties who provide the banking infrastructure to facilitate the transactions able to be undertaken on the ChimpChange Platform, such as the Processor and the Sponsor Bank.

In the event of changes in the law, the Company's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Company's revenues. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant damage to the Company's reputation and consequently impact on its revenue.

In addition, the Company may become subject to regulatory requirements as it expands its range of services and products available via the ChimpChange Platform, in particular if the Company itself is providing banking services.

Lastly, the Company's operations are presently based in the US and are currently only subject to US laws and regulations. However, the Company may, in the future, expand its operations into other markets and offer the ChimpChange Platform, and any future developed products, throughout the world.

Regulatory changes could see the Company being required to hold a licence in some of these new markets or otherwise comply with local regulations. This could preclude the Company from offering certain services in these new jurisdictions until such a licence has been obtained, or may require the Company to comply with a range of regulatory requirements. Any such increase in the costs and resources associated with regulatory compliance for new markets could impact upon the Company's revenues. Customers, competitors, members of the general public or regulators could also allege breaches of legislation in the new markets. This could result in remedial action or litigation, which could potentially lead to the Company being required to pay compensation or a fine.

(o) Foreign Currency Risk

The Proceeds of the Offer will be received in Australian Dollars, while the Company's functional currency is US Dollars (see Section 11.1(d)). Accordingly, the Company may be exposed adversely to exchange rate fluctuation that may cause the price of the Company's securities to fluctuate for reasons unrelated to the Company's financial condition or performance and may result in a discrepancy between the Company's actual results of operations and investors' expectations of returns on securities expressed in Australian Dollars.

Further, in the event that there is a material depreciation in the Australian Dollar during the Offer or during the period following the Offer, it may be that the Proceeds of the Offer will not be sufficient to meet all of the proposed use of funds set out in the Key Offer Information and Section 9.2.

(p) Security Breaches

A malicious attack on ChimpChange's systems, processes or people from external or internal sources could put the integrity and privacy of Customers' data and business systems used to run the platform at risk. Hacking or exploitation of some unidentified vulnerability could render the Platform unavailable for a period of time or unauthorised disclosure of Customers' data, with associated reputational damage, claims by Customers and regulatory scrutiny and fines.

The Company has existing policies and procedures in respect of security procedures, automated and manual protections, encryption systems and staff screening to minimise this risk. If ChimpChange's efforts to combat any malicious attack are unsuccessful or if the Platform has actual or perceived vulnerabilities, the Company's business reputation and brand name may be harmed, potentially having a material adverse effect on the Company's operations and financial position.

(q) Management of Future Growth

The Company intends to enter a period of rapid growth and plans to increase the number of its employees, add to its Management team, and expand the scope of its supporting infrastructure. This growth may result in new and increased responsibilities for Management and may place a significant strain on the Company's Management and its existing operations.

ChimpChange will be required to continue to implement and improve its systems in a timely manner in order to accommodate any increase in the number of Customers of the Company's various products and the scale of its operations. A failure to do so may adversely affect the Company's operations and revenue.

(r) Partner and Customer Support Risks

Customers and partners may need to engage with the Company's support personnel in certain circumstances, such as when they have a question about ChimpChange's products or if they have a complaint. The Company will continuously need to recruit and retain staff with interpersonal skills sufficient to respond appropriately to such support issues. Poor Customer or partner experiences may result in the loss of Customers or partners. If the Company loses support personnel, fails to provide adequate training and resources for support personnel, or if the computer systems relied on by support personnel are disrupted by technological failures, the Company may suffer from adverse publicity, litigation, regulatory inquiries or a decrease in Customers or partners, all of which may adversely impact on the Company's revenues.

(s) Reputational Risks

ChimpChange operates in an online and fast-changing environment. Negative publicity can spread quickly, whether true or false. Disgruntled Customers or third parties posting negative comments about the Company in public forums may have a disproportionate effect on ChimpChange's reputation and its ability to earn revenues. Additionally, complaints by such Customers can lead to additional regulatory scrutiny and a consequential increased compliance burden. This could adversely impact the Company's revenues.

(t) Domain Name Risk

ChimpChange's business depends to some extent on Customers being attracted to its various products and the ChimpChange Website. The Company has registered its domain name, www.chimpchange.me. However, should ChimpChange not renew or otherwise lose control of its domain name, it would lose all traffic directed to the ChimpChange Website and its various web applications, which would adversely affect the Company's revenue.

(u) Data Privacy Risks

With regards to data privacy, the Company's operations are generally governed by contractual limitations (i.e. promises and representations that the Company makes in its privacy policy to Customers). There is a risk that state and/or federal regulators could take action against ChimpChange if its privacy policy contains a material statement that is untrue or a material omission. State and/or federal regulators could also take action against the Company if the Company violates any state and/or federal privacy or data protection laws or regulations.

(v) Failure of Identification Checks

With regards to identification checks undertaken during account registration, there is the risk that stringent and automated checking may discourage potential customers from completing registration or result in increased failure rates.

The Company has acknowledged identification checks as an area of focus to increase its member base, and accordingly has begun to introduce a manual verification process to continue to reduce its customer identification program failure rate.

6.3 GENERAL RISKS

(a) Liquidity Risk

In accordance with the escrow requirements in Chapter 9 of the ASX Listing Rules, at Completion of the Offer approximately 20% of the Shares on issue will not be able to be traded for a period of 24 months commencing on the date of Listing. Additional Shares may be subject to trading restrictions at the discretion of the ASX (see Section 10.3 for details).

Given the number of Shares restricted from trading, there will only be liquidity with respect to approximately 80% of the Shares on issue at Completion of the Offer until such time as applicable escrow periods end.

The Shares issued under the Offer will only be listed on ASX and will not be listed for trading on any other securities exchanges in Australia, the United States or elsewhere. As such, there can be no guarantee that an active market will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investment in the Company.

(b) Investment Risk

There are a number of risks associated with any stock market investment. The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors and there can be no certainty that, following listing, an active market for the Shares will develop.

The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

The trading price after listing may also be affected by the financial and operating performance of the Company.

(c) Economic and Government Policy Risk

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the technology industry including, but not limited to, the following:

- general economic conditions in jurisdictions in which the Company operates;
- changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) Management Actions

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with Management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security.

(e) Future Funding Requirements

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

If adequate funds are not available on acceptable terms, the Company may be required to reduce the scope of its anticipated activities and may not be able to take advantage of opportunities or respond to competitive pressures.

(f) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(g) Force Majeure Events

Acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to ChimpChange specifically or the stock market more generally, which could have a negative impact on the value of an investment in the Shares.

(h) Speculative Nature of Investment

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the Shares offered under the Offer. The Shares issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. Potential investors should therefore consider an investment in the Company as speculative and should consult their professional advisers before deciding whether to apply for Shares under the Offers.

07.
Board and Senior Management

07. Board and Senior Management

7.1 KEY PEOPLE

(a) Board of Directors

The Directors bring relevant experience and skills to the Board, including industry and business knowledge, financial management and corporate governance experience.

DIRECTOR	EXPERIENCE
 **Peter Graham Clare** *Non-Executive Chairman*	Mr Clare has been in the banking industry since 1995, including most recently as the Chief Executive Officer of Westpac New Zealand Limited, a division of Westpac Banking Corporation Limited, from 2012 to 2014. Mr Clare has completed an MBA (Macquarie University, 1990) and a BCom in Accounting, Finance and Systems (University of New South Wales, 1986). He is a member of the Australian Institute of Company Directors and the Governance Institute of Australia, and a fellow of CPA Australia and Financial Services Institute of Australasia (FINSIA). Mr Clare is also a director of ASX listed company Reffind Limited (admitted to the Official List of ASX on 8 July 2015).
 **Ashley Shilkin** *Founder and Managing Director*	Mr Shilkin is the founder and Managing Director of ChimpChange, based in Los Angeles, California. At 26 he was the youngest Chief Financial Officer of a A$30 million company listed on the ASX (CO2 Australia Limited). While at CO2 Group the company grew to over A$300 million in market capitalisation in a short period of time. While at CO2 Group he took on a number of Directorships. One being Director/Chief Offsetting Superhero of Yonderr.com, a fresh web-based carbon offset company. The second was an appointment to the board of CO2 New Zealand; the company which facilitated the first meaningful international expansion of CO2 Group, which resulted in millions of dollars of additional revenue for the group. Mr Shilkin has a Masters in Commercial Law and a Bachelor of Commerce with double majors in Investment Finance and International Business Economics.
 **Ian Leijer** *CFO and Executive Director*	Mr Leijer has been closely involved with ChimpChange since its inception. Mr Leijer is a Chartered Accountant with over 25 years' experience in financial analysis, corporate transactions, business strategy and business management. He was CFO and Company Secretary for over 10 years of former ASX listed company Avatar Industries Limited which operated globally in a number of diverse industries including mining services, electronics distribution, fabrication of building products and printing. Mr Leijer started his career with Price Waterhouse specialising in corporate transactions and valuations before joining a boutique investment bank. Mr Leijer currently works with a number of entities on business analysis, capital raising (debt & equity) and general management. Mr Leijer also holds a Bachelor of Economics from the University of Sydney, Australia.

DIRECTOR	EXPERIENCE
 **Benjamin William Harrison** *Non-Executive Director*	Mr Harrison has 10 years experience in advising and investing in companies. He spent 5 years working for a leading mid cap corporate advisory house where he executed capital market and M&A transactions. He is currently involved in the private equity and venture capital sector. Mr Harrison has been involved at board level in a number of investee companies on behalf of investors. His experience extends beyond financing and M&A into; investment, strategy, financial management, corporate restructuring, corporate governance and general management. Mr Harrison holds a Bachelor of Science and Masters of Applied Finance and Investment.

(b) Management

Management comprises the following

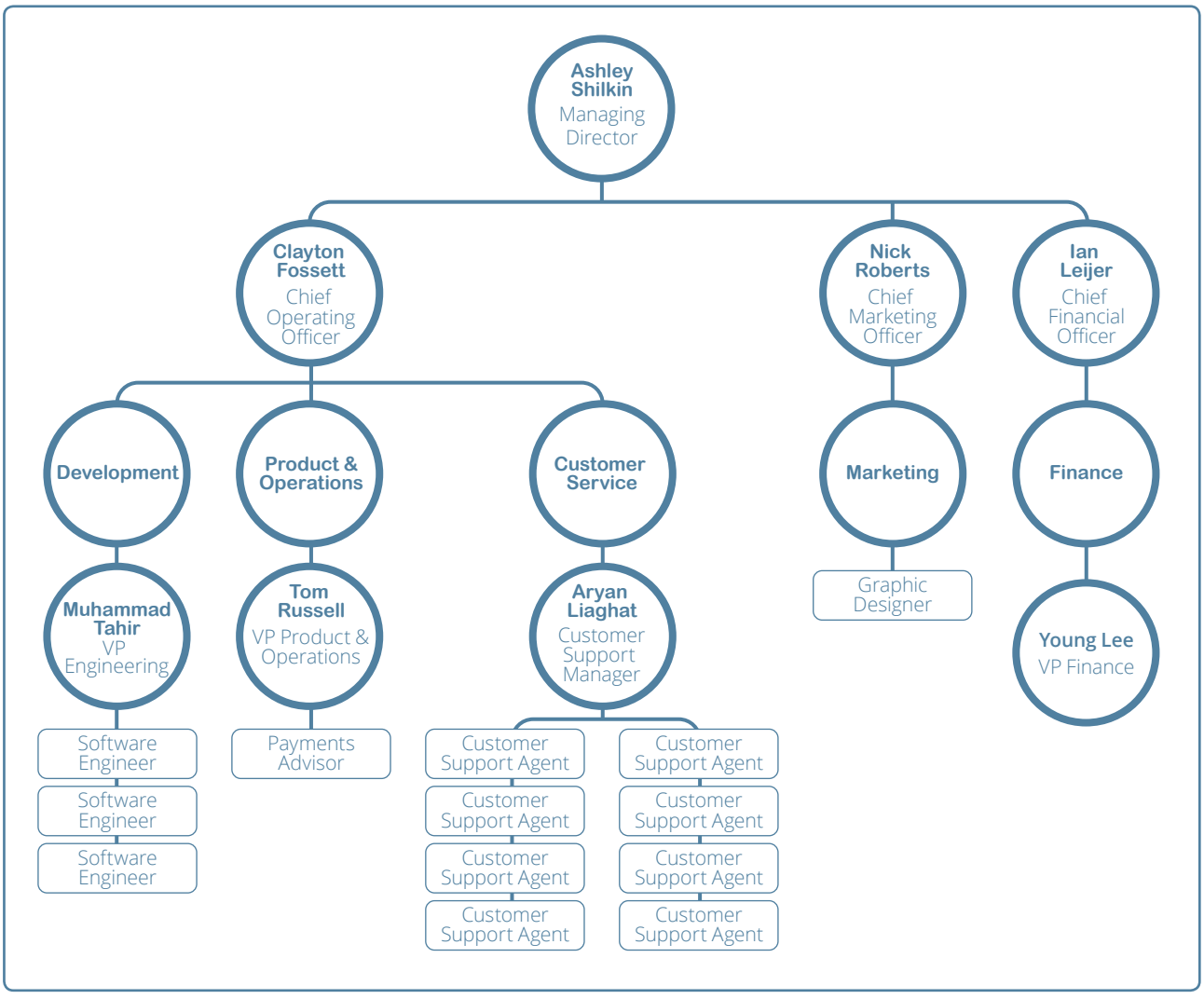
MANAGEMENT	EXPERIENCE
Ashley Shilkin *Founder and Managing Director*	Please refer above
Ian Leijer *Chief Financial Officer*	Please refer above
 **Clayton Fossett** *Chief Operating Officer*	Mr Fossett joined ChimpChange in 2014 as COO and is responsible for the operations of the Company, managing Operations, Product, Software Development, Marketing and Customer Support groups, and managing relationships with the Company's key partners. He spent 10 years with Yahoo! In operations finance with a variety of responsibilities including management reporting across advertising and subscription business units, customer valuation and segmentation, marketing analytics and special projects. Mr Fossett has previous experience managing the digital strategy group for a web development company, transitioning brick-and-mortar businesses to the web, and managing facility financing and feasibility projects for the Deloitte & Touche LLP Sports & Entertainment consulting practice. Prior to that, he worked in the legislative affairs offices at the Federal Home Loan Mortgage Corporation and the US Securities and Exchange Commission. He was also a financial analyst for the wall street investment bank First Boston. Mr Fossett holds Master of Business Administration and Bachelor of Arts (Government) degrees from Harvard University.

MANAGEMENT	EXPERIENCE
 **Nick Roberts** *Chief Marketing Officer*	Mr Roberts joined ChimpChange in Feb 2016 as CMO and is responsible for acquiring, engaging and retaining members. To that end, Mr Roberts will be executing a Marketing Strategy that will encompass a broad set of initiatives involving funnel analytics, marketing metrics, campaigns, testing, optimization and pursuing new channels and marketing partnerships. Most recently he was CMO of Acorns, a highly successful app-based Fintech company. At Acorns, he oversaw the successful launch to over 1 million members in the first year. Prior to Acorns, Mr Roberts spent 20 years in digital e-commerce and consumer direct marketing for large brands such as Toshiba, where he ramped an e-commerce business to US$200 million per year in revenues and Experian, where he led online marketing efforts to create a US$700 million per year online subscription revenue business. Mr. Roberts holds a bachelors degree in business economics from the University of California.
 **Tom Russell** *VP Product and Operations*	Mr Russell joined ChimpChange in 2015 and has been instrumental in launching the company's mobile banking applications in the United States. He works across many aspects of the business including product and software development, business operations, customer support and reporting. Prior to this, he was an associate director of a boutique corporate advisory firm based in Australia. He has corporate finance, operations and investment experience in a range of industries with a focus on growth companies and the technology sector. Mr Russell has worked with numerous ASX listed and private companies on many successful equity capital market and M&A transactions including IPOs, private and seed raisings, secondary raisings and takeovers. Mr Russell holds both a Bachelor of Commerce (Finance) and a Bachelor of Economics (Quantitative Methods) from the University of Queensland, Australia.
 **Muhammad Tahir** *VP Engineering*	Mr Tahir joined ChimpChange in 2015 as a VP Of Engineering, he is responsible for managing the backend, mobile and web development teams. He and his team ensure ChimpChange system is working seamlessly to serve the needs of the users. Mr Tahir has MS Degree in Computer science from Western Michigan University and a BEng in Electronics, he has over 12 years of experience developing enterprise level software applications and managing engineering teams to build quality software. Prior to joining ChimpChange Mr Tahir has worked for Commission Junction division of Conversant (Largest Affiliate Advertising Company) as a Senior Software Engineer. He has been involved in complete lifecycle for the projects, from inception to production. Since day one his vision has been to build a highly scalable platform for ChimpChange which is capable of handling millions of users without any disruptions.
 **Young Lee** *VP Finance*	Mr Lee joined ChimpChange in 2015 as VP Finance and is responsible for managing the Company's Finance Function inclusive of: financial planning, accounting, cash management, forecasting, management & statutory reporting, consumer analytics, and business development. He spent 10 years with Deloitte in the New York office, focusing on Finance & Tax Transformation for Fortune 100 companies in the banking, credit, insurance and telecom sectors helping clients identify, manage, and deliver financial optimisation strategies. During his career at Deloitte, he was selected to join the Firm's CFO Program to develop high-performing service professionals around finance strategy, vision, stewardship and operations. In this capacity he worked with senior firm leadership and assumed critical responsibilities for nurturing Deloitte's relationships to enhance the firm's brand with key clients. Mr Lee received his Master of Accounting and his B.A. in Economics, from the University of Michigan. In addition, Mr Lee is a Certified Public Accountant in New York and New Jersey and a member of the American Institute of Certified Public Accountants.

MANAGEMENT	EXPERIENCE
 **Aryan Liaghat** *Customer Support Manager*	Mr Liaghat joined ChimpChange in 2015 as Customer Support Manager, and has since hired a team of 8 support agents, introduced in-house telephone support, and has implemented new help desk software for greater efficiency. He has almost 10 years of customer service experience, starting with his time at Apple Retail. He has since started his own successful independent IT business which not only focused on technology, but on rebranding and redesign. He has also worked in customer success and experience at a few a Silicon Valley startups, ranging from medical technology to political action. Mr Liaghat earned a Bachelor of Arts in Sociology, with a Minor in Biological Science from the University of California, Irvine.

(c) Organisational Structure

The Company's various departments are currently organised as follows.



The Company also uses a number of suppliers and external firms to support the development, customer service, marketing and finance departments.

(d) Director Disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that such Director was an officer or within a 12 month period after they ceased to be an officer.

7.2 DIRECTORS' FEES

The Constitution of the Company provides that the non executive Directors are entitled to remuneration as determined by the Company in a general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate maximum remuneration currently determined by the Company is A$500,000 per annum. Additionally, non executive Directors will be entitled to be reimbursed for properly incurred expenses.

At present, the Board of the Company is constituted by two executive Directors and two non executive Directors. Each executive Director has been engaged by the Company pursuant to an employment agreement (Mr Shilkin) or service agreement (Mr Leijer), the terms of which are summarised in Section 10.5 of this Prospectus. The Board has agreed that executive Directors shall not be paid Director's fees in addition to their salary packages set forth in their respective contracts. The two current non-executive Directors (Mr Clare and Mr Harrison) have entered into services agreements, the terms of which are summarised in Sections 7.3 and 10.5 of this Prospectus, and the Board has agreed that they shall not be paid a Director's fee in addition to those contracts.

If a non executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director by payment of a fixed sum determined by the Directors in addition to or instead of the remuneration referred to above. However, no payment can be made if the effect would be to exceed the maximum aggregate amount payable to non-executive Directors.

The remuneration of any executive Director may from time to time be fixed by the Directors. The remuneration may be by way of salary or commission or participation in profits but may not be by commission on, or a percentage of, operating revenue. Except as disclosed in Section 7.3, no remuneration will be payable to executive Directors.

The Directors have received the following fees from the Company or the Subsidiary in the two years prior to the date of this Prospectus:

Year ended 30 June 2014:

DIRECTOR	FEES AND SALARY[1]
Ashley Shilkin	US$132,028.00

Notes:

1. Excludes any accounting value for Options issued to Directors. For details on Options on issue see Section 10.4.

Year ended 30 June 2015:

DIRECTOR	FEES AND SALARY[1]
Peter Clare	A$8,222.21
Ashley Shilkin	US$156,988.29
Ian Leijer	A$50,000.00
Benjamin Harrison	A$69,760.95

Notes:

1. Excludes any accounting value for Options issued to Directors. For details on Options on issue see Section 10.4.

From 1 July 2015 to 31 March 2016:

DIRECTOR	FEES AND SALARY[1]
Peter Clare	A$34,166.64
Ashley Shilkin[2]	US$731,855.91
Ian Leijer[3]	A$162,000.00
Benjamin Harrison	A$93,000.00

Notes:

1. Excludes any accounting value for Options issued to Directors. For details on Options on issue see Section 10.4.
2. Includes bonus paid of US$596,000 that was partly funded by the exercise of Options by related parties of Mr Shilkin and with the balance to be funded by the future repayment of loans made to related parties of Mr Shilkin under the LFSP. For further details see Section 7.3(a).
3. Includes bonus paid to Unimain Pty Ltd of A$126,000 that was partly funded by the exercise of Options by related parties of Mr Leijer and with the balance to be funded by the future repayment of loans made to related parties of Mr Leijer under the LFSP. For further details see Section 7.3(a).

To the extent that these payments occur after the Conversion of the Company to a public company, these payments are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, member approval of the transactions has not been sought.

The Options and Shares that have been issued to Directors or entities associated with Directors are described under Section 7.3.

7.3 DIRECTORS' INTERESTS AND REMUNERATION

Other than set out below or elsewhere in this Prospectus:

- no Director or proposed Director has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or her to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer; and
- none of the following persons:
  - a Director or proposed Director of the Company;
  - each person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
  - a promoter of ChimpChange; or
  - an underwriter to any part of the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the any part of Offer,

  holds or held at any time during the last two years an interest in:
  - the formation or promotion of the Company;
  - property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
  - the Offer,

  or was at any time paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, for services provided by such person in connection with the formation or promotion of the Company or the Offer.

(a) Executive Remuneration

Ashley Shilkin (Founder and Managing Director)

Mr Shilkin has entered into an employment agreement with the Subsidiary dated 30 March 2016 in his engagement as the Managing Director of the Group. This agreement replaced Mr Shilkin's original agreement with the Company dated 24 February 2015. The agreements are summarised in Section 10.5(g).

Mr Shilkin's term of employment commenced 24 February 2015 (being the commencement date under the original employment agreement with the Company).

Under his agreement, Mr Shilkin is entitled to base remuneration of US$180,000 per annum plus US$10,000 to contribute towards 401(k) Retirement Payments and other benefits, and US$10,000 for car expenses. Salary is reviewed annually.

Mr Shilkin:

- received a bonus of US$596,000 (A$820,000) in January 2016 as a cash payment on the basis of the Company achieving 7,000 registered Customer registrations; and
- is entitled, subject to conditions, to a further bonus of A$1,359,000 as a cash payment on the basis of the Company achieving 50,000 Customer registrations.

The bonus paid is funded by the exercise of 1,175,000 Options (having a value of A$411,250) in January 2016 (see Section 7.7) and by the future repayment of the Shilkin Loan under the LFSP (see Section 7.5).

Further details in relation to the conditions for payment of the bonus of A$1,359,000 are set out in Section 10.5(g) .

Mr Shilkin is also entitled to reimbursement of certain travel and other expenses.

Mr Shilkin can also participate under the Company's Employee Share and Option Plan (see Section 7.6).

If Mr Shilkin's employment is terminated by the Company without cause, Mr Shilkin is entitled to 6 months' payment in lieu of notice in addition to a further payment in lieu of 12 months' notice to be calculated from his last day of employment.

Ian Leijer (Chief Financial Officer)

Mr Leijer has entered into a letter of appointment with the Company dated 16 January 2015.

Under the terms of the appointment, Mr Leijer's remuneration is to be agreed as appropriate between Mr Leijer and ChimpChange from time to time. There is no current agreement to pay remuneration under the letter of appointment.

The Company has also entered into a services agreement dated 11 April 2016 with Unimain Pty Ltd, a company associated with Mr Leijer, with respect to the provision of management and financial accounting services and strategic, commercial and financial advice to the Company. A summary of the terms of the agreement are set out in Section 10.5(h).

The base remuneration under this agreement is A$2,000 per day. The number of days that services are provided vary as required by the Company from time to time, but are limited to a maximum of two days per week unless approved by the Company. The Company must also reimburse Unimain Pty Ltd for all out of pocket expenses incurred in providing the services.

Unimain Pty Ltd:

- received a bonus of A$126,000 in January 2016 as a cash payment on the basis of the Company achieving 7,000 registered Customer registrations; and
- is entitled, subject to conditions, to a further bonus of A$340,000 as a cash payment on the basis of the Company achieving 50,000 registered Customer registrations.

The bonus paid is funded by the exercise of 180,000 Options (having a value of A$63,000) in January 2016 (see Section 7.7) and by the future repayment of the Leijer Loan under the LFSP (see Section 7.5).

Further details in relation to the conditions for payment of the bonus of A$340,000 are set out in Section 10.5(h).

(b) Non-executive Remuneration

Peter Clare (Chairman)

Mr Clare has entered into a letter of appointment with the Company dated 16 April 2015.

The Company has also entered into a services agreement dated 16 April 2015 with Shared Runway Pty Ltd, a company associated with Mr Clare, with respect to the provision of non-executive Director services to the Company. This agreement was varied by Deed of Variation dated 18 December 2015 upon Mr Clare's appointment to chairman.

The base remuneration under this agreement is A$70,000 per annum (effective from 16 December 2015).

The Company must also reimburse Shared Runway Pty Ltd for all out of pocket expenses incurred in providing the services.

A summary of the terms of the agreement are set out in Section 10.5(h).

Ben Harrison (Non-executive Director)

Mr Harrison has entered into a letter of appointment with the Company dated 16 January 2015.

Under the terms of the appointment, Mr Harrison's remuneration is to be agreed as appropriate between Mr Harrison and ChimpChange from time to time. There is no current agreement to pay remuneration under the letter of appointment.

The Company has also entered into a services agreement dated 16 January 2016 with Riverfire Capital Ventures Pty Ltd, a company associated with Mr Harrison, with respect to the provision of services relating to leading and managing the execution of capital raising initiatives and other corporate actions by the Company.

The base remuneration under this agreement is A$1,500 per day. The number of days that services are provided by Mr Harrison vary as required by the Company from time to time.

The Company must also reimburse Riverfire Capital Ventures Pty Ltd for all out of pocket expenses incurred in providing the services.

A summary of the terms of the agreement are set out in Section 10.5(h).

(c) Director's Interests in Shares and Other Securities

The table below sets out the interests of the Directors in the securities of the Company as at the date of this Prospectus.

NAME	NUMBER OF SHARES	OPTIONS
Peter Clare	136,364	450,000[2] 300,000[3]
Ashley Shilkin	11,901,965[1]	1,000,000[2] 1,000,000[4] 1,500,000[5]
Ian Leijer	2,872,529	250,000[2]
Benjamin Harrison	43,668	250,000[2] 700,000[3]

Notes:

1. The number of shares for Ashley Shilkin includes 5,008,303 Shares to be issued under the operation of the LFSP (as detailed in Section 7.5) upon Completion of the Offer. As at the date of this Prospectus, the number of Shares held by Mr Shilkin is 6,893,662 and the number of Options is 8,508,303.
2. Exercisable at a 25% premium to the Offer price and will expire on 31 December 2018. If the Company is not listed on the ASX on or before 30 June 2016, then the exercise price of each Type 1 Option will be 87.5 cents (representing a 25% premium to the last share issue price of 70 cents per Share).
3. Exercisable at A$0.49 and will expire on 1 December 2017.
4. Exercisable at A$1.50 and will expire after five years from the date of issue. The Type 2 Options will vest when the Company's Share price reaches A$2.00 (trading over a 10 day VWAP of A$2.00).
5. Exercisable at A$2.35 and will expire after five years from the date of issue. The Type 3 Options will vest when the Company's Share price reaches A$3.00 (trading over a 10 day VWAP of A$3.00).

7.4 DEEDS OF ACCESS, INDEMNITY AND INSURANCE FOR DIRECTORS

The Company has entered into a deed of access, indemnity and insurance with each Director to provide indemnification, including advancement of expenses incurred in legal proceedings to which the Director was, or is threatened to be made, a party by reason of the fact that such Director is or was a Director, officer, employee or agent of the Company, provided that such Director acted in good faith and in a manner that the Director reasonably believed to be in, or not opposed to, the Company's best interests. The deed of access, indemnity and insurance also contains the Director's rights to Board papers.

At present, there is no pending litigation or proceeding involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

The Company maintains insurance policies that indemnify its Directors and officers against various liabilities that might be incurred by any Director or officer in his or her capacity as such.

7.5 LOAN FUNDED SHARE PLAN

The Company has adopted the ChimpChange Executive Director Loan Funded Share Plan (**LFSP**), which was approved by Shareholders at the April EGM.

A summary of the key terms of the LFSP are set out below.

- The LFSP is only to extend to the Executive Directors of the Company as at the date of the LFSP) or their Eligible Associate (as the case may be) (**LFSP Eligible Person**).
- The purpose of the LFSP is to facilitate the LFSP Eligible Person to exercise identified existing Options (**Identified Options**) by way of a loan facility provided by the Company under the terms of the LFSP (**Loan**).
- The terms of the Loan will be as follows:
  - the Loan will be made to the Eligible Person and will be for the amount equal to the exercise price of their Identified Options (**Loan Amount**);
  - the Loan Amount must be used to meet payment of the exercise price of the Identified Options;
  - the term of the Loan will be 7 years unless the Company obtains a favourable Tax Ruling in which case the term will be reduced to 4 years;
  - the interest payable on the Loan will be:
    - if the Company does not obtain a favourable Tax Ruling – 5.45% for the income year ending 30 June 2016 and as determined under Division 7A of the Income Tax Assessment Act 1936 for each successive year; or
    - if the Company obtains a favourable Tax Ruling – nil (interest-free);
  - the Loan is a limited recourse loan; and
  - the Company will have a lien over the shares issued under the LFSP (**Loan Funded Shares**) whilst the Loan remains unpaid and may take any action available to it to prevent the transfer of the Loan Funded Shares.
- The Loan Funded Shares will be forfeited if the Loan is not repaid when due, if the LFSP Eligible Person ceases to be an employee of the Company or if the LFSP Eligible Person becomes bankrupt and the Company can buy-back the Loan Funded Shares at the lesser of the aggregate market price for the forfeited Loan Funded Shares as at the date of the buy-back or a value equal to the outstanding balance of the Loan Amount. Forfeited shares which are bought-back will be cancelled.
- An LFSP Eligible Person will have no right to the proceeds from the buy-back of any Loan Funded Shares and any remaining amount of the Loan will be forgiven by the Company.
- The Board may vary the LFSP.
- The LFSP is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of an LFSP Eligible Person under the terms of his or her employment or arrangement.

For the purposes of the LFSP, a "Tax Ruling" means a private binding ruling received by the Company from the Commissioner regarding the tax consequences (and in particular, Division 7A of the Income Tax Assessment Act 1936) of the LFSP Eligible Person entering into the LFSP. The Company has applied to the Australian Tax Office for a Tax Ruling and is awaiting a ruling from the Tax Commissioner.

Mr Ashley Shilkin and Mr Ian Leijer, as the executive Directors of the Company, were issued Options to subscribe for ordinary Shares in the Company to incentivise them during the initial development phase of ChimpChange. These are the identified Options for the purposes of the LFSP and were issued subject to vesting conditions based upon the achievement of specified performance milestones. As a result of the achievement of these performance milestones during 2015, these Options vested on 17 November 2015. See Section 7.7 for further details in relation to these Options.

By implementing the LFSP, the Company will advance loans to Mr Shilkin and Mr Leijer to enable them to exercise those Identified Options and convert them into Loan Funded Shares issued under the LFSP.

The Company has offered a Loan to Ian Leijer under the LFSP of A$399,854.00 (**Leijer Loan**) to facilitate the issue of 1,142,440 Loan Funded Shares to Mr Leijer. Mr Leijer has accepted the offer and Nareenen Pty Ltd (an entity associated with Mr Leijer) has exercised its Identified Options, so that the 1,142,440 Loan Funded Shares have been issued to Nareenen Pty Ltd.

The Company has offered a Loan to Ashley Shilkin under the LFSP of A$1,752,906.05 (**Shilkin Loan**) to facilitate the issue of 5,008,303 Loan Funded Shares to Mr Shilkin. Mr Shilkin has advised the Company of his intention to accept the offer and to exercise his Identified Options, so that 5,008,303 Loan Funded Shares will be issued in conjunction with Completion of the Offer.

7.6 EMPLOYEE SHARE AND OPTION PLAN

The Company has adopted an Employee Share and Option Plan (**ESOP**). A summary of the key terms of the ESOP are set out below.

- The ESOP is to extend to eligible employees of the Company or an associated body corporate of the Company as the Board may in its discretion determine (**ESOP Eligible Person**). This includes employees of the Subsidiary located in the US who may participate as USA Participants (as described In the ESOP).
- Eligibility to participate is determined by the Board. Eligibility is registered to ESOP Eligible Persons (or their Eligible Associates, as described in the ESOP, where applicable) of the Company or an associated body corporate of the Company. The Board is entitled to determine:
  - subject to the terms of the ESOP, the total number of Shares and Options (**Securities**) to be offered in any one year to ESOP Eligible Persons or Eligible Associates;
  - the ESOP Eligible Persons to whom offers will be made;
  - the terms and conditions of any Shares and Options granted, subject to the ESOP; and
  - whether offers are made without disclosure in reliance of ASIC Class Order 14/1000 (**CO 14/1000**) or in some other manner.
- Where orders are made in reliance of the CO 14/1000, the total number of Securities which may be offered by the Company under those offers shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous 3 year period under:
  - an employee incentive scheme covered by ASIC CO 14/1000; or
  - an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
- Where offers are made to USA Participants, the total number of Securities which may be offered to USA Participants under the Plan is limited to 6,500,000.
- The Shares are to be issued at a price determined by the Board.
- The Options are to be issued for no consideration.
- The exercise price of an Option is to be determined by the Board at its sole discretion.
- The commencement date of an Option (**Option Commencement Date**) will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board prior to the issuance of the relevant Options.

- The Option Period commences on the Option Commencement Date and ends on the earlier of:
  - the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than 2 years (**Option Period**); or
  - if an ESOP Eligible Person's employment or engagement with the Company ceases because of an Uncontrollable Event (as defined in the ESOP), the earlier of:
    - > the expiry of the Option Period; or
    - > six months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement; or
  - if an Eligible Person's employment or engagement with the Company ceases because of a Controllable Event (as defined in the ESOP);
    - > the expiry of the Option Period; or
    - > the Business Day after the expiration of three months, or any longer period which the Board may determine, after the ESOP Eligible Person ceases to be employed or engaged by the Company or an associated body corporate of the Company; or
  - the ESOP Eligible Person ceasing to be employed or engaged by the Company or an associated body corporate of the Company due to fraud, dishonesty or being in material breach of their obligations to the Company or an associated body corporate.
- In respect of Options, Option holders do not participate in dividends or in bonus issues unless the Options are exercised.
- Option holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options the Company may adjust the exercise price for the Options in accordance with a specified formula.
- The Board has the right to vary the entitlements of participants to take account of the effect of capital reconstructions, bonus issues or rights issues.
- The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the exercise price, increase the number of Options or change any period for exercise of the Options.
- The Board may impose as a condition of any offer of Shares and Options under the ESOP any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
- The Board may vary the ESOP.
- The ESOP is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of a participant under the terms of his or her employment or arrangement.
- At any time from the date of an offer of Shares or Options until the acceptance date of that offer, the Board undertakes that it shall provide information as to:
  - the current market price of the Shares; and
  - the acquisition price of the Shares or Options offered where this is calculated by reference to a formula, as at the date of the Offer,

  to any participant within three Business Days of a written request to the Company from that participant to do so.
- Any offer made pursuant to this ESOP (except an offer made to a USA Participant) will specify whether subdivision 83A-C of the applicable Tax Laws applies to that offer such that any tax payable by a participant under the offer will be deferred to the applicable deferred taxing point described in that subdivision.
- Where an offer is made to a USA Participant, the terms of the ESOP and the offer made by the Board under the ESOP must also be made in accordance with and subject to specific "USA Requirements" contained in the

annexure to the ESOP. These USA Requirements supplement the terms of the ESOP. These requirements specify information and matters which must be included in the offer made to USA Participants or taken into consideration by the Board in exercising its discretions under the ESOP for the purposes of US laws (including classification as incentive stock options).

As at the date of this Prospectus, 2,020,000 Options have been issued under the ESOP to employees of the Company and the Subsidiary and none of those Options have been exercised. Details with respect to those Options are set out in Section 10.4. No Shares have been issued under the ESOP.

7.7 RELATED PARTY TRANSACTIONS

Chapter 2E of the Corporations Act governs related party transactions with respect to public companies. Related parties include Directors and entities controlled by Directors. Related party transactions require Shareholder approval unless they fall within one of the exceptions in Chapter 2E. Transactions entered into by proprietary companies are not regulated by Chapter 2E.

The Company was incorporated on 26 May 2011 and was converted to a public company on 18 September 2015. Accordingly, the Company has entered into a number of related party transactions which have been entered into pre-Conversion and subsequent to Conversion.

Details of each of these transactions are as follows:

(a) Issue of Shares

Shares have been issued to the Directors in the following manner:

DIRECTOR	NUMBER OF SHARES	DATE OF ISSUE	ISSUE PRICE	PURPOSE
Peter Clare	100,000	16 February 2015	A$0.40	Placement
	36,364	31 July 2015	A$0.55	Placement
Ashley Shilkin	5,106	6 May 2011	A$0.0002	Incorporation
	5,100,843	10 August 2011	A$0.0002	Share issue
	510,595	10 May 2013	A$0.0002	Share issue
	102,118	29 October 2013	A$0.15	Placement
	1,175,000	1 February 2016	A$0.35	Exercise of Options
	5,008,303	30 June 2016[1]	A$0.35	Exercise of Options under LFSP
Ian Leijer	5,106	29 October 2013	A$0.15	Placement
	382,946	7 April 2014	A$0.0002	Share issue
	1,062,037	4 July 2014	$0.15	Placement
	100,000	16 February 2015	A$0.40	Placement
	180,000	1 February 2016	$0.35	Exercise of Options
	1,142,440	11 May 2016	$0.35	Exercise of Options under LFSP
Benjamin Harrison	30,638	19 November 2014	$0.26	Placement
	13,030	16 February 2015	$0.40	Placement

Notes:

1. These Shares are intended to be issued to Mr Shilkin on the date of Completion of the Offer under the operation of the LFSP (see Section 7.5 for details).

Each of the above Share issues were undertaken prior to Conversion except for the issue of those Shares to Ashley Shilkin and Ian Leijer (or entities associated with them) which are noted as having been issued pursuant to the exercise of Options, which Options were granted prior to Conversion.

(b) Option Agreement – Ashley Shilkin as trustee for the Ashley Shilkin Family Trust

The Company entered into an Option agreement in January 2015 with Ashley Shilkin as trustee for the Ashley Shilkin Family Trust. Mr Shilkin is the Managing Director of the Company.

Mr Shilkin was granted 6,183,303 Options with an exercise price of A$0.35 and an expiry date of 31 December 2019. The Options were to vest in two tranches, subject to performance milestones of the Company, with both tranches vested in November 2015. 1,175,000 Options were exercised on 29 January 2016, while the balance of these Options are intended to be exercised in conjunction with the Offer under the operation of the LFSP (see Section 7.5). This agreement was entered into prior to Conversion and as such member approval of the transaction was not required.

(c) Option Agreement – Nareenen Pty Ltd ATF Leijer Family Trust (Ian Leijer)

The Company entered into an Option agreement in January 2015 with Nareenen Pty Ltd ATF Leijer Family Trust. This entity is associated with Mr Ian Leijer, who is the chief financial officer of the Company.

Mr Leijer was granted 1,322,440 Options with an exercise price of A$0.35 and an expiry date of 31 December 2019. The Options were to vest in two tranches, subject to performance milestones of the Company, with both tranches vested in November 2015. 180,000 Options were exercised on 29 January 2016, while the balance of these Options have been exercised under the operation of the LFSP (see Section 7.5).

This agreement was entered into prior to Conversion and as such member approval of the transaction was not required.

(d) Issue of Options to Riverfire Venture Capital Pty Ltd (Ben Harrison)

The issue of 829,717 Options to Riverfire Venture Capital Pty Ltd, an entity associated with Mr Harrison by resolution of the Board in January 2015. The Options were subject to vesting conditions which have now been satisfied and Mr Harrison has transferred 129,717 of the Options to a non-associated third party. This issue of Options was approved prior to Conversion and as such member approval of the transaction was not required.

(e) Issue of Options to GHWE Capital Pty Limited (Peter Clare)

The issue of 300,000 Options to GHWE Capital Pty Limited as trustee for Peter Clare Family Trust, an entity associated with Mr Clare, by resolution of the Board in April 2015. The Options were subject to vesting conditions which have now been satisfied. This issue of Options was approved prior to Conversion and as such member approval of the transaction was not required.

(f) Issue of Options to Mr Peter Clare, Mr Ashley Shilkin, Mr Ian Leijer and Mr Benjamin Harrison

The issue of Options to each of the four Directors are as follows:

	TYPE 1 OPTIONS	TYPE 2 OPTIONS	TYPE 3 OPTIONS	TOTAL NUMBER OF OPTIONS
Peter Clare	450,000	–	–	**450,000**
Ian Leijer	250,000	–	–	**250,000**
Benjamin Harrison	250,000	–	–	**250,000**
Ashley Shilkin	1,000,000	1,000,000	1,500,000	**3,500,000**

The terms of the Type 1 Options are as follows:

- an exercise price at a 25% premium to the Offer price or 87.5 cents if the Company is not listed on the ASX on or before 30 June 2016; and
- an expiration date of 31 December 2018.

The terms of the Type 2 Options are as follows:

- an exercise price of A$1.50;
- a vesting condition requiring the share price of the Company to reach A$2.00 (trading over a 10 day VWAP of A$2.00); and
- an expiration date of 5 years from the date of issue.

The terms of the Type 3 Options are as follows:

- an exercise price of A$2.35;
- a vesting condition requiring the share price of the Company to reach A$3.00 (trading over a 10 day VWAP of A$3.00); and
- an expiration date of 5 years from the date of issue.

The Type 2 Options and Type 3 Options are also subject to an accelerated vesting condition in the case of a change of control event where a person (or persons acting in concert) obtains Voting Power (as defined in section 610 of the Corporations Act) in excess of 50% in the Company or otherwise obtains the ability to appoint or remove a majority of the Directors of the Company.

The issue of these Director Options has occurred subsequent to Conversion and were approved by the Shareholders of the Company at the April EGM.

(g) Loan Funded Share Plan

The Company has agreed to make loans to Mr Shilkin and Mr Leijer (or entities associated with them) pursuant to the terms of the LFSP.

Details of the LFSP and the loans made to Mr Shilkin and Mr Leijer are set out in Section 7.5.

The loans have been made to enable Mr Shilkin and Mr Leijer to exercise Options issued to Ashley Shilkin as trustee for the Ashley Shilkin Family Trust (an associate of Mr Shilkin) and Nareenen Pty Ltd as trustee for the Leijer Family Trust (an associate of Mr Leijer) in early 2015 with vesting conditions relation to the performance of the Company. These performance conditions have now been satisfied. Details of these Options are set out above in this Section 7.

The provision of the loan to each of Mr Shilkin and Mr Leijer (or entities associated with them) under the operation of the LFSP is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, member approval of the transactions has not been sought. The LFSP was approved by Shareholders at the April EGM, although not with respect to Part 2E of the Corporations Act.

(h) Services Agreement with Unimain Pty Ltd (Ian Leijer)

The Company has entered into a services agreement with Unimain Pty Ltd, a company associated with Mr Leijer, to provide services to the Company with respect to the provision of management and financial accounting services and strategic, commercial and financial advice to the Company. The terms of this agreement are set out in Section 10.5(h). The agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, member approval of the transactions has not been sought.

This agreement replaced a previous services agreement with the Company which had expired. The terms of the current agreement are substantially the same as the previous agreement with regards to remuneration, except for a variation of the bonus provision to implement the conditions for payment of the bonus as set out in Section 10.5(g). The original services agreement was entered into prior to Conversion and as such member approval of the transaction was not required.

(i) Services Agreement with Riverfire Venture Capital Pty Ltd (Ben Harrison)

The Company has entered into a services agreement with Riverfire Capital Ventures Pty Ltd, a company associated with Mr Harrison, to provide services to the Company associated with management of the execution of any capital raising initiative or corporate action contemplated by the Company. The terms of this agreement are set out in Section 10.5(h). The agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, member approval of the transactions has not been sought.

(j) Services Agreement with Shared Runway Pty Ltd (Peter Clare)

The Company has entered into a services agreement with Shared Runway Pty Ltd, a company associated with Mr Clare, to provide services as non-executive Director to the Company. This services agreement was recently varied with the appointment of Mr Clare to the position of chairman of the Company.

The original services agreement was entered into prior to Conversion and as such member approval of the transaction was not required. However, the variation was entered into subsequent to Conversion to reflect the revised remuneration of Mr Clare as chairman and this agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, member approval of the transactions has not been sought.

(k) Executive Employment Agreement

The Subsidiary has entered into an Employment Agreement with Mr Shilkin, as the Managing Director of the Group. The terms of this agreement are set out in Section 10.5(g). The agreement is considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such, member approval of the transactions has not been sought.

This agreement replaced a previous employment agreement with the Company which has been terminated and superseded by the agreement with the Subsidiary. The terms of the current agreement are substantially the same as the previous agreement with regards to remuneration except for a variation of the terms for payment of the bonuses to implement the conditions for payment of a bonus as set out in Section 10.5(g) in conjunction with the implementation of the LFSP. The original employment agreement was entered into prior to Conversion and as such member approval of the transaction was not required.

(l) Non-Executive Director Letters of Appointment

The Company has entered into letters of appointment with each of the non-executive Directors, Mr Harrison and Mr Clare. The terms of these agreements are set out in Section 10.5(i). These agreements were entered into prior to Conversion and as such member approval of the transaction was not required.

(m) Directors' Deeds of Access and Indemnity

The Company has entered into Deeds of Access and Indemnity with each Director. The terms of these agreements are set out in Section 10.5(j). These deeds were entered into prior to Conversion and as such member approval of the transaction was not required.

(n) Deed (Non-compete) with Ashley Shilkin

The Company has entered into a Deed (Non-Compete) with Mr Shilkin. The terms of this agreement are set out in Section 10.5(g). The entry into this deed is considered by the Company to be appropriate, necessary and commercial and at arm's length, and as such, member approval of the transaction has not been sought.

(o) Non-Disclosure Agreement with Ashley Shilkin

The Company has entered into a Non-Disclosure Agreement with Mr Shilkin. No financial benefit is obtained by Mr Shilkin entering into this document and as such, member approval of the transaction has not been sought.

(p) Deed of Assignment (Logo device) with Ashley Shilkin

The Company has entered into a Deed of Assignment with Mr Shilkin in March 2016 with respect to a transfer of ownership of the intellectual property associated with the Chimp Logo. Under the terms of this deed, Mr Shilkin transferred all rights and title to the intellectual property in the Chimp Logo to the Company. No financial benefit is obtained by Mr Shilkin entering into this document and as such, member approval of the transaction has not been sought.

(q) Deed of Assignment (Patent) with Ashley Shilkin

The Company has entered into a Deed of Assignment with Mr Shilkin in October 2015 with respect to a transfer of the patent application associated with the ChimpChange App. Under the terms of this deed, Mr Shilkin transferred all rights and title to the patent to the Company for no consideration. No financial benefit is obtained by Mr Shilkin entering into this document and as such, member approval of the transaction has not been sought.

08.
Corporate Governance

08. Corporate Governance

8.1 INCORPORATION OF CORPORATE GOVERNANCE MATERIAL

For the purposes of this Prospectus, the Company also relies upon the provisions in section 712 of the Corporations Act which enables the Company to incorporate material by reference into this Prospectus. Accordingly rather than contain all the information that may be required to be set out in a standard document of this type in relation to the corporate governance practices of the Company, it incorporates by reference the Corporate Governance Charter of ChimpChange adopted on 29 January 2016 and lodged with the ASIC on Monday, 30 May 2016.

The Corporate Governance Charter can be obtained, at no cost, from the Company's registered office and is also available on the ChimpChange Website www.chimpchange.me/#/corporate-governance.

The following summary is provided pursuant to section 712(2) of the Corporations Act.

8.2 GENERAL

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (**Recommendations**). The Directors will seek, where appropriate, to provide accountability levels that meet or exceed the Recommendations, which are not prescriptions, but guidelines.

The Company's main corporate governance policies and practices are outlined below.

8.3 BOARD OF DIRECTORS

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. It monitors the operational, financial position and performance of the Company and oversees its business strategy, including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices which the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

8.4 COMPOSITION OF THE BOARD

The Board is currently comprised of two non-executive Directors and two executive Directors, including the chairman. Biographies of the Directors are provided in Section 7.1(a).

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately govern the Company's activities determined within the limitations imposed by the Constitution.

In assessing the independence of Directors, the Company has regard to Principle 2 of the Recommendations. The Corporate Governance Charter sets out further matters that the Board will consider when determining the independence of Directors of the Company.

Each Director has confirmed to the Company that he anticipates being available to perform his duties as a non-executive Director or executive Director, as applicable, without constraint from other commitments.

8.5 NOMINATIONS COMMITTEE

The Board has not formally established a nominations committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a nominations committee. The Board considers that it is able to deal efficiently and effectively with Board composition and succession issues without establishing a separate nomination committee and in doing so, the Board will be guided by the Corporate Governance Charter, which can be accessed on the ChimpChange Website under "Corporate Governance". The Company will review this position annually and determine whether a nominations committee needs to be established.

8.6 REMUNERATION COMMITTEE

The Board has not formally established a remuneration committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a remuneration committee. The Board considers that it is able to deal efficiently and effectively with remuneration issues and will initially comprise the remuneration committee. In doing so, the Board will be guided by the Corporate Governance Charter, which can be accessed on the ChimpChange Website under "Corporate Governance". The Company will review this position annually and determine whether a remuneration committee needs to be established. The Company will also provide details in its Corporate Governance Statement, its annual report or on the ChimpChange Website of the processes it employs in relation to setting the level and composition of remuneration for Directors and senior Management and ensuring that such remuneration is appropriate and not excessive.

8.7 IDENTIFICATION AND MANAGEMENT OF RISK

The Company has established an audit and risk committee (**Audit and Risk Committee**) to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company. The Audit and Risk Committee will be responsible for reviewing and making recommendations to the Board in relation to the adequacy of the Company's processes for managing risks and developing an appropriate risk management policy framework to provide guidance to company management.

8.8 ETHICAL STANDARDS

The Company is committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Company has adopted a corporate ethics policy and a corporate Code of Conduct. The Code of Conduct establishes the principles and responsibilities to which the Company is committed with respect to both its internal dealings with employees and consultants, and external dealings with Shareholders and the community at large.

The Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, Shareholders and the broader community.

The responsibilities contained within the Code of Conduct include:

- to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's Shareholders and the financial community;
- compliance with all legislative and common law requirements which affect its business;
- compliance with the applicable legal rules regarding privacy, privileges, private and confidential information; and
- compliance with the laws and regulations of the countries in which its businesses operate and acting in an ethical manner, consistent with the principles of honesty, integrity, fairness and respect.

8.9 DIVERSITY POLICY

Given the relative small size of the Company and its staff, the Board does not consider it appropriate to establish a diversity policy at this time. As the nature and scope of the activities of the Company increase, the Board will review this position and adopt a diversity policy at an appropriate time.

8.10 RISK MANAGEMENT POLICY

The Company has established an Audit and Risk Committee (see Section 8.7).

8.11 SHARE TRADING POLICY

The Company has adopted a trading policy as part of its Corporate Governance Charter (Trading Policy) which is intended to ensure that persons who are discharging managerial responsibilities including but not limited to Directors, do not abuse, and do not place themselves under suspicion of abusing Inside Information that they may be thought to have, especially in periods leading up to an announcement of the Company.

Under the terms of the Trading Policy, a Restricted Person (as identified in the Trading Policy) must not deal with Securities of the Company unless a clearance to deal is obtained in accordance with the Trading Policy or the dealing is an Excluded Dealing (as identified in the Trading Policy). Further, a Restricted Person must not deal with Securities of the Company if such a dealing would involve:

- use of inside information;
- short-term selling;
- short selling; or
- hedging transactions.

8.12 COMPLIANCE WITH RECOMMENDATIONS

The table below summarises how the Company complies with the Recommendations, and, in the case of non-compliance, why not. The Board is of the view that with the exception of the departures from the Recommendations noted below it otherwise complies with all of the Recommendations.

1	LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
PRINCIPLE NUMBER	**BEST PRACTICE RECOMMENDATION**	**COMPLIANCE (YES/NO)**
1.1	Disclose the respective roles and responsibilities of the board and management and those matters expressly reserved to the board and those delegated to management.	Yes
1.2	Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provide security holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director.	Yes
1.3	Have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes
1.4	The company secretary should be accountable directly to the board, through the chair, on all matters to do with the property functioning of the board.	Yes

PRINCIPLE NUMBER	BEST PRACTICE RECOMMENDATION	COMPLIANCE (YES/NO)
1.5	• Have a diversity policy which includes requirements for the board or a relevant committee of the board to set measureable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. • Disclose that policy or a summary of it. • Disclose at the end of each reporting period the measureable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the Company's diversity policy and its progress toward achieving them and either the respective proportions of men and women on the board, in senior executive positions across the whole organisation (including how the entity has defined "senior executive" for these purposes) or if the Company is a relevant employer" under the Workplace Gender Equality Act 2012 (Cth), the Company's most recent "Gender Equality Indicators", as defined in and published under that Act.	No (See Section 8.9) No No
1.6	Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors and disclose whether a performance evaluation was undertaken in accordance with that process.	Yes (to the extent disclosed in the Notes below)
1.7	Have and disclose a process for periodically evaluating the performance of senior executives and disclose whether a performance evaluation was undertaken in accordance with that process.	Yes (to the extent disclosed in the Notes below)

2	STRUCTURE THE BOARD TO ADD VALUE	
PRINCIPLE NUMBER	**BEST PRACTICE RECOMMENDATION**	**COMPLIANCE (YES/NO)**
2.1	Does the Board have a nomination committee. If the Board does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	No (See Section 8.5)
2.2	Have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	No (See Notes below)
2.3	• Disclose the names of the directors considered by the Board to be independent directors. • If a director has an interest, position, association or relationship that might cause doubts about the independence of a director, disclose the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion. • Disclose the length of service of each director.	Yes

PRINCIPLE NUMBER	BEST PRACTICE RECOMMENDATION	COMPLIANCE (YES/NO)
2.4	The majority of the Board should be independent directors.	No (See Notes below)
2.5	The chair of the Board should be an independent director and, in particular, should not be the same person as the chief executive officer.	Yes
2.6	Have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes

3	ACT ETHICALLY AND RESPONSIBLY	
PRINCIPLE NUMBER	**BEST PRACTICE RECOMMENDATION**	**COMPLIANCE (YES/NO)**
3.1	Have a code of conduct for directors, senior executives and employees and disclose that code or a summary of it.	Yes

4	SAFEGUARD INTEGRITY IN CORPORATE REPORTING	
PRINCIPLE NUMBER	**BEST PRACTICE RECOMMENDATION**	**COMPLIANCE (YES/NO)**
4.1	The Board should have an audit committee which: • has at least three members, all of whom are non-executive directors; and • a majority of whom are independent directors; and • be chaired by an independent director who is not the chair of the board; and • disclose the charter of the committee, the relevant qualifications and experience of the members of the committee; and • in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Yes No No (See Notes below) No (See Notes below) Yes Yes
4.2	The Board should, before it approves the entity's financial statements for a financial period, receive from its chief executive officer and chief financial officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes
4.3	Ensure that the Company's external auditor attends the annual general meeting and is available to answer questions from security holders relevant to the audit.	Yes

5	MAKE TIMELY AND BALANCED DISCLOSURE	
PRINCIPLE NUMBER	**BEST PRACTICE RECOMMENDATION**	**COMPLIANCE (YES/NO)**
5.1	Establish a written policy designed to ensure compliance with ASX Listing Rule disclosure requirements and disclose that policy or a summary of it.	Yes

6	RESPECT THE RIGHTS OF SHAREHOLDERS	
PRINCIPLE NUMBER	**BEST PRACTICE RECOMMENDATION**	**COMPLIANCE (YES/NO)**
6.1	Provide information about the Company and its governance to investors via the Company's website.	Yes
6.2	Design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes
6.3	Disclose policies and processes in place to facilitate and encourage participation at meetings of security holders.	Yes
6.4	Give security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.	Yes

7	RECOGNISE AND MANAGE RISK	
PRINCIPLE NUMBER	**BEST PRACTICE RECOMMENDATION**	**COMPLIANCE (YES/NO)**
7.1	Have a committee or committees to oversee risk, each of which has: • at least three members; and • a majority of whom are independent directors; and • are chaired by an independent directors; and • disclose the charter of the committee and the members of the committee; and • at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Yes Yes No (See Notes below) No Yes Yes
7.2	The Board or committee of the board should review the Company's risk management framework at least annually to satisfy itself that it continues to be sound and disclose, in relation to each reporting period, whether such a review has taken place.	Yes
7.3	Disclose if it has an internal audit function, how the function is structured and what role it performs or if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.	Yes
7.4	Disclose whether the Company has any material exposure to economic, environmental and social sustainability risks and if it does, how it manages or intends to manage those risks.	Yes

8	REMUNERATE FAIRLY AND RESPONSIBLY	
PRINCIPLE NUMBER	**BEST PRACTICE RECOMMENDATION**	**COMPLIANCE (YES/NO)**
8.1	The Board should have a remuneration committee which has: • at least three members, all of whom are independent directors; and • is chaired by an independent director; and • disclose the charter of the committee, the members of the committee; and • at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	No (See Section 8.6) No No No No
8.2	Separately disclose policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes
8.3	Have a policy on whether participants are permitted to enter into transactions (whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.	Yes

NOTES:

Recommendation 1.6: Board reviews.

The Board did not conduct a performance evaluation during the last 12 months and has not adopted a performance evaluation policy.

The Company believes that the small size of the Board and the current scale of the Company's activities makes the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.

The Board is provided with the information it needs to discharge its responsibilities effectively. All Directors have access to corporate governance policies and material contracts entered into by the Company. The Directors also have access to the Company secretary for all Board and governance-related issues.

Recommendation 1.7: Management reviews.

The Board did not conduct a performance evaluation of senior executives during the last 12 months and has not adopted a performance evaluation policy.

The Company believes that the small size of the executive team and the current scale of the Company's activities makes the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.

Recommendation 2.2: Board skills matrix.

Details of the current Directors, their skills, experience and qualifications is set out in the Prospectus. These details, plus a record of attendance at meetings, will be included in the Directors' Report within the annual report in future. No specific skills matrix is currently prepared and disclosed as the Company does not believe its current size and scale warrants that level of detail.

Recommendation 2.4: Majority of Directors to be independent.

The Company is of the view that the Board does not consist of a majority of independent Directors. Mr Shilkin is employed in an executive capacity and is a substantial security holder of the Company, Mr Leijer is employed in an executive capacity and Mr Harrison was employed in an executive capacity in the lead up to the Company's IPO (i.e. within the last three years). Mr Clare is the only independent Director.

The Board will consider appointing further independent Directors in the future, when the Company is of sufficient size and having regard to the scale and nature of its activities. In the meantime, the Company believes that given the size and scale of its operations, non-compliance by the Company with this recommendation will not be detrimental to the Company or its Shareholders.

Recommendation 4.1: Audit committee and Recommendation 7.1: Risk committee.

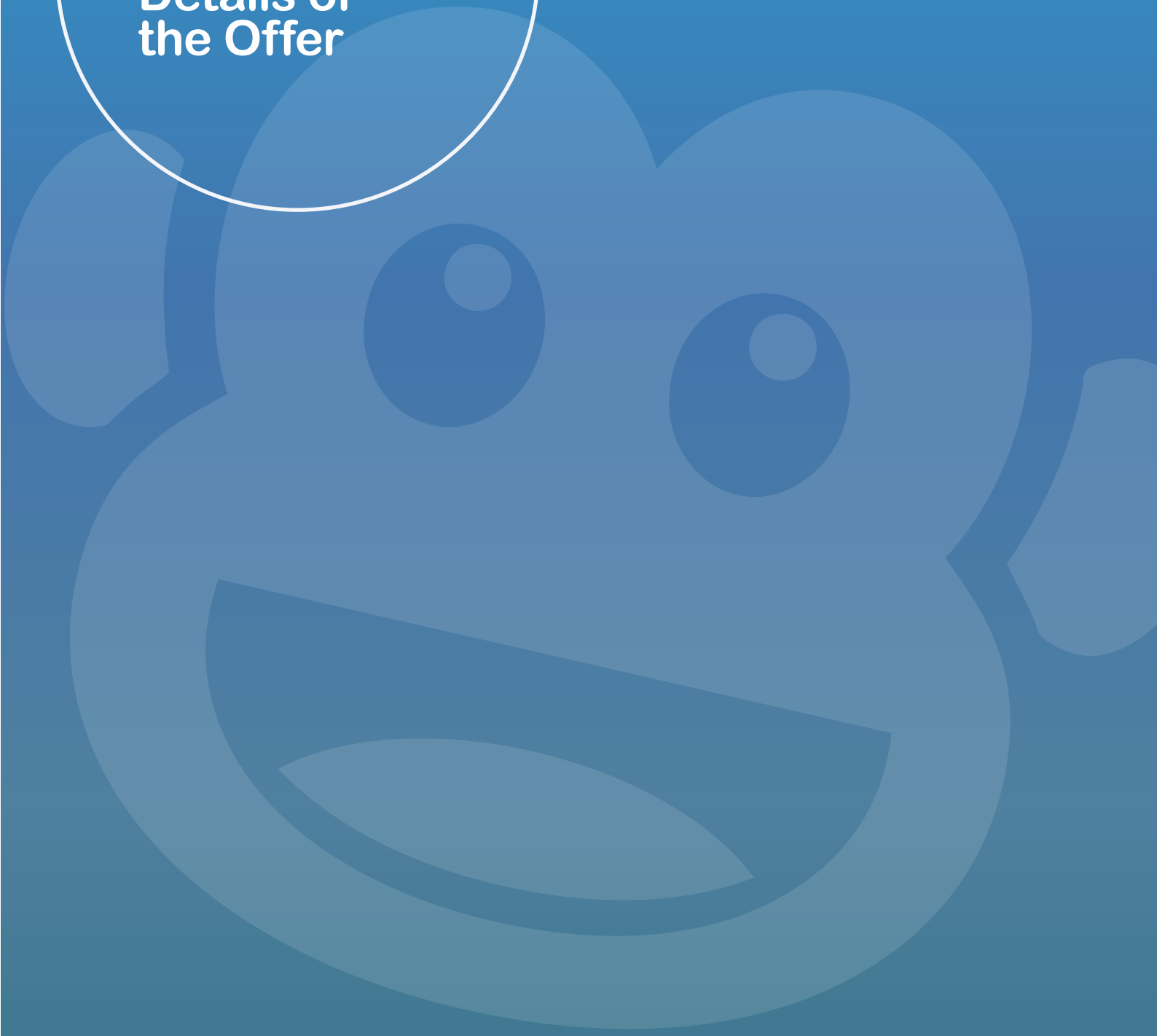
The Board has established an Audit and Risk Management Committee. This committee comprises:

- Mr Benjamin Harrison – Non-Executive Director (Chairman of the Committee);
- Mr Peter Clare – Non-Executive (Independent) Chairman of the Company; and
- Mr Ashley Shilkin – Managing Director.

This committee is not chaired by an independent Director; although he is not the chair of the Board, Mr Harrison is not considered independent.

Recommendation 4.1 states that the audit committee should consist of a majority of independent Directors and all be non-executive Directors. Mr Harrison and Mr Shilkin are not considered to be independent as noted above with regards to Recommendation 2.4. The Company believes that given the size and scale of its operations, non-compliance by the Company will not be detrimental to the Company.

09.
Details of the Offer



09. Details of the Offer

9.1 OVERVIEW

The Company is undertaking a public offer of 18.75 million Shares at A$0.80 per Share to raise A$15.0 million.

This Offer comprises the issue of Shares by the Company in conjunction with an application for admission of the Company to the Official List of the ASX. This Prospectus invites Applications for Shares under the Offer at the Offer Price of A$0.80 per Share.

9.2 PURPOSE OF THE OFFER AND PROPOSED USES OF FUNDS

The Offer is being conducted by the Company to:

- fund ChimpChange App and web development activities;
- fund marketing and customer acquisition activities;
- fund the operating costs of the Company;
- provide a liquid market for the Company's Shares;
- provide ChimpChange with the benefits of an increased profile that arises from being listed; and
- provide ChimpChange with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.

The proposed uses of funds associated with the Offer are as follows:

USES OF FUNDS	A$ MILLION	US$ MILLION[1]	%
Marketing and customer acquisition[2]	5.25	3.94	35.0
App and web development[3]	2.61	1.96	17.4
Operating expenses[4]	3.59	2.69	23.9
Payroll expenses[5]	1.75	1.31	11.7
Working capital	0.41	0.31	2.7
Costs of the Offer	1.39	1.04	9.3
Total uses of funds	**15.00**	**11.25**	**100.0**

Notes:

1. Based on A$:US$ Indicative Exchange Rate of A$1.00:US$0.75.
2. Costs related to marketing (e.g. creative, paid media, etc.), acquisition, customer activation and marketing team.
3. Costs related to Platform development including product development, product and development team wages, consulting/vendor fees and licensing fees.
4. Costs related to Processor and Sponsor Bank partnerships and customer support team.
5. Costs related to payroll excluding marketing, product, development and customer support staff.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales success, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

In addition, the Company notes that the Proceeds of the Offer will be received in Australian dollars and the expenditure of the Company will occur in US Dollars. Accordingly, the amount of the proceeds used for each of the items above will depend on the A$:US$ exchange rate at the time that the funds are converted to US$.

The Board believes that the Company's current cash reserves, its cash flow from existing operations, plus the net Proceeds of the Offer will be sufficient to fund the Company's short-term business objectives. The Board will consider the use of further equity funding if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

9.3 CAPITAL STRUCTURE

The capital structure of the Company at the Prospectus Date and following Completion of the Offer will be as follows:

SHAREHOLDER	NUMBER OF SECURITIES	ORDINARY SHARES % HOLDING BEFORE OFFER	ORDINARY SHARES % HOLDING AFTER OFFER
SHARES			
Ashley Shilkin atf Ashley Shilkin Family Trust	11,901,965[1]	26.61%	18.75%
Avatar Industries Pty Ltd	10,762,463	24.06%	16.95%
Bart Properties Pty Ltd aft Scott Flynn Family Trust	2,777,143	6.21%	4.37%
Nareenen Pty Ltd	2,672,529	5.97%	4.21%
Altor Private Equity Pty Ltd	1,928,571	4.31%	3.04%
Other Existing Shareholders	14,688,712	32.84%	23.14%
New investors under the Offer	18,750,000	–	29.54%
Sub-total (Ordinary Shares)	**63,481,383**	**100.00%**	**100.00%**
OPTIONS			
Existing Option Holders	12,767,731[2,3]	–	–
Avatar Options	1,500,000[4]	–	–
Total (fully diluted share capital)	**77,749,114**[5]	**–**	**–**

Notes:

1. Includes 5,008,303 Shares to be issued under the operation of the LFSP (as detailed in Section 7.5) upon Completion of the Offer. As at the date of this Prospectus, the number of Shares held by Mr Shilkin is 6,893,662.
2. Excludes 5,008,303 Options held by Ashley Shilkin to be exercised prior to Completion of the Offer under the LFSP as detailed in Section 7.5, which Shares (after exercise of those Options) are include under Note 1 above.
3. For full terms and conditions of the Options see Section 10.4 of this Prospectus. Also see Section 7 for Directors' and officers' interests.
4. Avatar Options which the Company has agreed to issue upon the exercise of other existing Options as detailed in Section 10.4.
5. Assuming that all Options referred to in this Prospectus are exercised.

9.4 STRUCTURE OF THE OFFER

The Offer will consist of:

- the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for Shares; and
- the Retail Offer, comprising
  - the Broker Firm Offer, which is open to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their broker; and
  - the Chairman's List Offer, which is open to persons in Australia who have received a Chairman's List Invitation.

The Joint Lead Managers and the Company will determine the allocation of Shares between the Institutional Offer, Broker Firm Offer and the Chairman's List Offer. Consideration will be given to the allocation policy outlined in Section 9.6.

9.5 TERMS AND CONDITIONS OF THE OFFER

TOPIC	SUMMARY
What is the type of security being offered?	Fully paid ordinary Shares in the capital of ChimpChange Limited.
What are the rights and liabilities attached to the securities?	A description of the rights and liabilities attaching to the Shares is set out in Sections 10.1 and 10.2.
What is the Offer Price?	A$0.80 per Share.
What is the Offer Period?	The key dates, including details of the Offer Period relating to each component of the Offer, are set out in the Key Offer Information of this Prospectus.
Is the Offer underwritten?	Yes the Offer is fully underwritten by the Joint Lead Managers. Please see Section 10.5(a) for a summary of the Underwriting Agreement.
Is there a minimum subscription under the Offer?	As the Offer is fully underwritten, the minimum subscription for the Offer is the whole amount of the Offer.
What is the minimum and maximum Application size under the Offer?	Applications under the Offer must be for a minimum of A$2,000 worth of Shares and in multiples of A$500 worth of Shares thereafter. There is no maximum value of Shares that may be applied for under the Offer. The Joint Lead Managers and the Company reserve the right to treat any Applications under the Retail Offer that are from persons who they believe may be Institutional Investors as bids in the Institutional Offer. The Joint Lead Managers and the Company also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about Friday, 1 July 2016.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on or about Thursday, 30 June 2016 on a deferred settlement basis. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from the ChimpChange Offer Information Line, a broker or otherwise.
Are there any escrow arrangements?	Yes. Details are provided in Section 10.3.
Are there any tax considerations?	Yes. See Section 10.7.

TOPIC	SUMMARY
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.
What should I do with any enquiries?	All enquiries in relation to the Broker Firm Offer should be directed to your broker. All other enquiries in the first instance should be directed to your broker or you can contact the Company directly on +61 7 3212 6255 between from 9.00am and 5.00pm AEST, Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether ChimpChange is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

9.6 ALLOCATION POLICY

The Company, in consultation with the Joint Lead Managers, will determine the allocation of Shares between the Institutional Offer and Retail Offer.

The allocation of Shares under the Institutional Offer will be determined by the Company in consultation with the Joint Lead Managers.

For Broker Firm Offer participants, applicable brokers will decide how they allocate Shares among their retail clients, and such brokers (and not the Company nor the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from their broker receive applicable Shares.

The allocation of Shares under the Chairman's List Offer will be determined by the Company.

The Company and the Joint Lead Managers have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or bid, or allocate fewer Shares than the number, or the equivalent dollar amount than applied or bid for.

9.7 HOW TO APPLY UNDER THE OFFER

(a) The Institutional Offer

The Joint Lead Managers have separately advised Institutional Investors of the Application procedures for the Institutional Offer.

(b) The Chairman's List Offer

The Chairman's List Offer consists of an invitation to persons who have received a Chairman's List Invitation. The Joint Lead Managers will separately advise the applicable persons of the Application procedures under the Chairman's List Offer.

(c) Broker Firm Offer

Who may apply?

The Broker Firm Offer is open to persons who have received an allocation from their broker and who are residents of Australia. If your broker has a firm allocation and has offered you an allocation, then you will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. You should contact your broker to determine whether your broker may allocate Shares to you under the Broker Firm Offer.

How to apply?

Investors who have received an allocation of Shares in the Broker Firm Offer must follow instructions provided by their broker.

Those Applicants must complete the Application Form at the back of this Prospectus. By making an Application, you declare that you were given a copy of this Prospectus, together with an Application Form. Please contact your broker if you require further instructions.

Any Application Form must be stamped by a broker so that the correct allocation of Shares is received.

How to pay?

Applicants under the Broker Firm Offer should make payments in accordance with the directions of the broker from whom they received an allocation.

Timing for Applications and confirmation

Applicants under the Broker Firm Offer should send their completed Application Form and Application Monies to their broker by the Closing Date.

The Company, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your broker in connection with your Application.

Closing Date for receipt of Applications

The Offer opens on Tuesday, 7 June 2016 at 9.00am AEST and is expected to close on Friday, 24 June 2016 at 5.00pm AEST. ChimpChange may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer may be closed at any earlier date and time, without further notice. Your broker may also impose an earlier Closing Date.

Applicants applying for Shares under the Broker Firm Offer are encouraged to submit an Application Form and Application Monies to their broker as early as possible in advance of the Closing Date and to allow a sufficient period for mail processing time.

How to obtain a copy of this Prospectus

Please contact your broker for instructions. You may also obtain a copy of this Prospectus as follows:

- you can download a copy at www.chimpchange.me/#/prospectus; or
- request a copy directly from the Company via email to investors@chimpchange.me or by calling +61 7 3212 6255 between 9.00am and 5.00pm AEST, Monday to Friday.

While you may obtain a copy of these documents as set out above, your Application will not be accepted under the Broker Firm Offer if it is not lodged through your broker.

9.8 FEES AND COSTS ASSOCIATED WITH THE OFFER

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

The total estimated costs to the Company in connection with the Offer, including advisory, legal, accounting, listing and administrative fees as well as printing, advertising and other expenses are currently estimated to be approximately A$1.39 million.

9.9 APPLICATION MONIES

The broker, the Share Registry or the Joint Lead Managers, will hold all Application Monies in trust in a separate account, until Shares are issued to successful Applicants.

Application Monies will be refunded to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

9.10 TRADING ON ASX

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares to be granted Official Quotation by ASX. The Company is not currently seeking a listing of its Shares on any other stock exchange.

The admission of the Company to the Official List of ASX and Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Offer.

The ASX takes no responsibility for the contents of this Prospectus.

If permission for quotation of the Shares is not granted within three months after the date of this Prospectus, all Application Monies will be refunded without interest as soon as practicable.

Subject to ASX granting approval for the Company to be admitted to the Official List, the Company will issue the Shares by Thursday, 30 June 2016 to successful Applicants as soon as practicable after the Closing Date. Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around Friday, 1 July 2016.

Trading of Shares on the ASX is expected to commence on Thursday, 30 June 2016 on a deferred settlement basis.

If you sell Shares before receiving an initial holding statement, you may contravene the ASX Listing Rules and do so at your own risk, even if you have obtained details of your holding from your broker or the ChimpChange Offer Information Line.

9.11 CHESS AND ISSUER SPONSORED HOLDINGS

The Company will apply to participate in CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister.

The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

9.12 ESCROW ARRANGEMENTS

Subject to the Company being admitted to the Official List, certain Shares on issue prior to the Offer are likely to be classified by the ASX as restricted securities and will be required to be held in escrow. See Section 10.3 for details.

9.13 OVERSEAS DISTRIBUTION

No action has been taken to register or qualify the offer of Shares under this Prospectus, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia.

This Prospectus does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia, New Zealand, the United Kingdom, Hong Kong and Singapore. Investors in New Zealand, the United Kingdom, Hong Kong and Singapore should refer to the important information in relation to the making of the Offer in those jurisdictions as set out under the "Important Information" section at the start of this Prospectus.

Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on acquisition or distribution of this Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

9.14 DISCRETION REGARDING THE OFFER

The Company may, in consultation with the Joint Lead Managers, withdraw the Offer, or any part of it, at any time before the allotment of Shares to successful Applicants in the applicable part of the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded. No interest will be paid on unsuccessful Applications.

The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid for.

9.15 QUESTIONS OR FURTHER INFORMATION

If you have any queries in relation to this Prospectus, including how to complete the Application Form or how to obtain additional copies, then you can:

- contact your broker;
- contact the Company directly on +61 7 3212 6255 between 9.00am and 5.00pm AEST, Monday to Friday; or
- visit the ChimpChange Website to download an electronic copy of this Prospectus at www.chimpchange.me/#/prospectus.

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial advisor or other independent professional advisor before deciding whether to invest.

10. Additional Information

10. Additional Information

10.1 CONSTITUTION AND RIGHTS ATTACHING TO SHARES

The Company's constitution (the Constitution) is of the kind usually adopted by a public company, with certain provisions taking effect once (and for so long as) the Company is listed on the ASX. A summary of the rights attaching to Shares under the Constitution is set out below. The summary is qualified by the full terms of the Constitution (copies of the Constitution may be inspected at the registered office of the Company during normal business hours by appointment with the Company secretary). These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory, ASX Listing Rules and common law requirements. This summary is not intended to be exhaustive.

10.2 RIGHTS ATTACHING TO SHARES IN THE COMPANY

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them irrespective of the amount paid up or credited as paid up thereon. The Directors may from time to time pay to Shareholders such interim dividends as in their judgement the position of the Company justifies.

(c) Winding Up

Upon paying the Application moneys, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

(d) Transfer of Securities

Generally, the Shares in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

(e) Sale of Non-Marketable Holdings

(1) The Company may take steps in respect of non marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings.

(2) The Company may only take steps to eliminate non marketable holdings in accordance with the Constitution and the ASX Listing Rules.

(3) For more particular details of the rights attaching to Shares in the Company, investors should refer to the Constitution of the Company.

10.3 ESCROW ARRANGEMENTS

A number of Directors and Shareholders will be restricted by the ASX from dealing in their Shares. These restrictions are imposed by the ASX under the Listing Rules.

The ASX Listing Rules require that certain persons or entities such as seed capitalists, promoters and related parties enter into restriction agreements under which they are restricted from dealing in a specified number of their Shares for up to 24 months from the date of quotation of those Shares. The Company anticipates that a minimum of 11,305,905 Shares held by the Directors representing 17.8% of the Shares on issue upon Completion of the Offer and all Options held by the Directors will be restricted in this manner.

The ASX will also impose restrictions on other Shareholders that it considers to be promoters under the Listing Rules.

Other seed capitalists who are not related parties or promoters and who:

- have held their shares for less than 12 months; and
- acquired their shares at an issue price less than 80% of the Offer Price,

will also be restricted by ASX from dealing in a specified number of their Shares for up to 12 months from the date of issue of those Shares.

The restriction agreements will be in the form required by the ASX Listing Rules over such number of Shares and for such period of time as determined by the ASX, and restrict the ability of the holder of the Shares from disposing of, creating any security interest in or transferring effective ownership or control of such Shares.

The Company will make submissions to ASX with respect to the Securities to be classified as restricted Securities, however the number and length will ultimately be determined by ASX.

In addition, all Shareholders who are employees, officers or Directors of the Company, and certain other people, will be restricted from dealing in Shares in accordance with the Trading Policy contained in the Company's Corporate Governance Charter as set out in Section 8.11.

10.4 OPTIONS

Upon Completion of the Offer, the Company will have on issue or have agreed to issue 14,267,731 Options over Shares as follows:

NUMBER	ISSUE DATE	EXERCISE PRICE	REMAINING VESTING CONDITIONS	EXPIRY DATE
1,487,136	1 December 2014	A$0.49	Nil	1 December 2017
1,500,000	31 December 2014	A$0.40	Nil	31 December 2019[7]
1,500,000 (**Avatar Options**[7])	Issue is subject to exercise of 1,500,000 existing Options held by the holder	A$0.80	Nil	5 years from date of issue
50,000	1 April 2015	A$0.49	Nil	1 April 2018
50,000	1 April 2015	A$0.49	Nil	20 October 2018
100,000	1 April 2015	A$0.49	See Note[2]	20 October 2019
100,000	1 April 2015	A$0.49	See Note[3]	20 October 2020
150,000	16 April 2016	See Note[1]	Nil	Earlier of 31 December 2018 or 3 months from cessation of employment
1,950,000	16 April 2016	See Note[1]	Nil	Earlier of 31 December 2018 or 3 months from cessation of directorship
1,000,000	16 April 2016	A$1.50	See Notes[4 & 6]	Earlier of 5 years from date of issue or 3 months from cessation of directorship
1,500,000	16 April 2016	A$2.35	See Notes[5 & 6]	Earlier of 5 years from date of issue or 3 months from cessation of directorship
1,870,000	16 April 2016	See Note[1]	See Note[8]	3 years from date of issue See Note[9]
1,000,000	16 April 2016	See Note[10]	See Note[10]	Earlier of 3 years from date of issue or 3 months from termination of consultancy agreement
1,500,000 See Note[11]	20 April 2016	25% premium to the Offer price	Listing on the ASX	Three years from date of issue
510,595	29 April 2016	A$0.52	Nil	30 June 2017

Notes:

1. Exercisable at a 25% premium to the Offer price or A$0.875 if the Company is not listed on the ASX on or before 30 June 2016;
2. The holder of the option (Clayton Fossett) must remain employed by the Subsidiary on 20 October 2016;
3. The holder of the option (Clayton Fossett) must remain employed by the Subsidiary on 20 October 2017;
4. These Options will vest when the Company's Share price reaches A$2.00 (trading over a 10 day VWAP of A$2.00);
5. These Options will vest when the Company's Share price reaches A$3.00 (trading over a 10 day VWAP of A$3.00;
6. These Options will vest in the event of a prior change of control event where a person (or persons acting in concert) occurs where a person (or persons acting in concert) obtains Voting Power in excess of 50% in the Company or otherwise obtains the ability to appoint or remove a majority of the Directors of the Company and "Voting Power" means voting power as defined in section 610 of the Corporations Act.

7. The Company has issued 1,500,000 Options to Avatar Industries Pty Ltd (having an exercise price of $0.40 and an expiry date of 31 December 2019). The grant of these Options include provision for the issue of an additional 1,500,000 "piggy back" Options (Avatar Options) in the event of the exercise of the initial 1,500,000 Options. If issued, the Avatar Options will have an exercise price of A$0.80 and an expiry date of 5 years from the date of issue.
8. Of the Options issued under the ESOP on 16 April 2016, 250,001 Options vested immediately on issue while the balance remaining will vest either upon the 1st, 2nd or 3rd anniversary of employment for the recipient or upon satisfaction of specified performance milestones for the recipient.
9. The expiry date will arise earlier under the terms of the ESOP in the event of cessation of employment due to either an Uncontrollable Event (the earlier of the expiration date or 6 months from the date of the event) or a Controllable event (the earlier of the expiration date or 3 months from the date of the event) as defined in the ESOP (see Section 7.6).
10. 25% premium to the Offer price or A$0.875 if not listed on the ASX on or before 30 June 2016. These 1,000,000 Options will vest in the following manner:
    a. 100,000 immediately on issue;
    b. 100,000 upon establishment by the consultant of an advisory board for the Company;
    c. 50,000 for each transaction introduced by the consultant which comprises an agreement with an agreed specified smaller partner or delivery of a an agreed specified outcome involving a specified smaller partner;
    d. 100,000 for each transaction introduced by the consultant which comprises an agreement with an agreed significant partner– in respect of each such transaction; and
    e. 200,000 for each transaction introduced by the consultant which comprises delivery of an agreed specified outcome involving an agreed significant partner – in respect of each such transaction,

    (not exceeding the 1,000,000 Options issued for this purpose). These options will also vest in the event of a change of control event within 18 months of the issue of the options if the option holder is the effective cause of the change of control event and the change of control event values the Company at more than US$500 million.
11. The Company has issued 1,500,000 Options to CCZ to vest upon successful quotation of the Company. See Section 10.5(a) for a summary of the mandate letter with CCZ.

10.5 MATERIAL CONTRACTS

The Board considers that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisors would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section 10.5 contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

(a) Underwriting Agreement

The Company has entered into the Underwriting Agreement with Moelis Australia Advisory Pty Ltd (**Moelis**) and CCZ Corporate Finance Pty Ltd (**CCZ**) (being the Joint Lead Managers and in this section together referred to as the **Underwriters**) dated on or about the Prospectus Date.

The Company exclusively appoints the Underwriters to be the underwriters of the Offer, which is to be fully underwritten. The Underwriters may appoint sub underwriters to sub-underwrite the whole of the Offer.

In the event of a shortfall, the Underwriters must lodge with the Company, valid Applications for all shortfall New Shares. It should be noted that the Underwriters could potentially subscribe for up to 18,750,000 New Shares. Once issued, the Underwriters may hold up to a 29.5% interest in the issued capital of the Company.

Set out below is a summary of the material terms of the Underwriting Agreement:

- The Company has agreed to pay the Underwriters:
  - an underwriting fee of 6% of the amount underwritten by the Underwriters, namely the amount to be raised by the Offer (to be shared equally between Moelis and CCZ); and
  - a selling fee of 0.6% of the amount underwritten by the Underwriters for managing the Offer (payable to Moelis only) (**Underwriting Fee**).

The Company has also agreed to pay the Underwriters' reasonable expenses.

- The Company has agreed to indemnify the Underwriters, in respect of all costs of and incidental to the Issue, and indemnify the Underwriters and its related corporations, officers, employees, agents and servants (Indemnified Party) against all liabilities, losses, damages, costs or expenses arising out of the Offer, the Prospectus and associated documents, except where that indemnity would be illegal, void or unenforceable, or arose out of negligence or bad faith of the Indemnified Party.

- Completion of the Underwriting Agreement is conditional upon:
  - lodgement of the Prospectus;
  - satisfactory completion of due diligence enquiries and delivery to the Underwriters of a due diligence report in a form acceptable to the Underwriters;
  - the Underwriters being satisfied that sufficient Applications have been received for Shares offered under the Chairman's List Offer;
  - each material contract summarised in the Prospectus having been executed or adopted as applicable by all relevant parties in a form acceptable to the Joint Lead Managers by, or on, lodgement of the Prospectus;
  - delivery to the Underwriters before lodgement of the Prospectus of a closing certificate from the Company in the required form; and
  - the Company receiving the required ASX, ASIC or other regulatory approvals required to conduct the Offer.
- Additionally the Underwriter's commitment to subscribe for the underwritten shares is conditional upon;
  - Satisfaction of the conditions noted in (3) above;
  - the Company confirming that it is entitled to accept Applications in accordance with section 727(3) prior to 9.00am on the Opening Date;
  - delivery to the Underwriters before settlement of the Offer of a closing certificate from the Company in the required form;
  - delivery to the Underwriters before settlement of the Offer of a new circumstances sign-off from the due diligence committee in the required form;
  - no withdrawal, qualification (other than by customary conditions) or withholding of any of the ASX, ASIC or other regulatory approvals;
  - ASX indicating in writing that it will grant permission for quotation of the Shares (subject only to customary pre-quotation listing conditions);
- The Underwriters may terminate its obligations to underwrite the Offer upon the happening of the following:
  - **(compliance with law)** the Prospectus does not comply with the Corporations Act (including if a statement in the Prospectus is or becomes misleading or deceptive, or a matter required to be included is omitted from the Prospectus), the Listing Rules or any other applicable law or regulation;
  - **(new circumstances)** there occurs a new circumstance that arises after the Prospectus is lodged, that would have been required to be included in the Prospectus if it had arisen before lodgement (as applicable);
  - **(supplementary prospectus)** the Company issues or, in the reasonable opinion of the Joint Lead Manager seeking to terminate, becomes required to issue a supplementary prospectus to comply with section 719 or the Company lodges a supplementary prospectus with ASIC in a form that has not been approved by the Joint Lead Managers in circumstances required under the agreement;
  - **(market fall)** if at any time before the Settlement Date of the Offer the S&P/ASX 300 Index is more than 10% below the level as at the close of trading on the trading date before lodgement of the Prospectus;
  - **(listing and quotation)** approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to the Company's admission to the Official List of ASX or the quotation of the New Shares on ASX;
  - **(notifications)** any of specified notifications are made in respect of the Offer by ASIC or other specified third parties;
  - **(certificate)** the Company does not provide a certificate as required by the Underwriting Agreement as and when required by the agreement;
  - **(withdrawal)** the Company withdraws the Prospectus or the Offer;
  - **(ASX waivers)** ASX withdraws, revokes or amends a waiver issued;

- **(applications and proceedings)** any person makes an application for an order under Part 9.5, or to any government agency, in relation to the Prospectus or the Offer or ASIC commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or the Prospectus or any government agency commences or gives notice of an intention to hold, any enquiry;
- **(prosecution)** any of the following occur:
  - a Director of the Company is charged with an indictable offence;
  - any government agency commences any public action against the Company or any member of the Group or any of the Company's Directors in their capacity as a Director of the Company, or announces that it intends to take such action;
  - any Director is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
  - the Company or any member of the Group or any of their respective Directors or officers engage, or are alleged to have been engaged in, any fraudulent conduct or activity, whether or not in connection with the Offer;
- **(unable to issue or transfer)** the Company is prevented from allotting or issuing the Offer Shares within the timetable agreed with the Underwriters, the Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, an order of a court of competent jurisdiction or a government agency
- **(insolvency events)** any member of the Group is or becomes insolvent or there is an act or omission which may result in any member of the Group becoming insolvent;
- **(timetable)** the Offer is not conducted in accordance with the timetable agreed with the Underwriters or any event specified in that timetable is delayed for more than 1 Business Day without the prior written consent of the Underwriters;
- **(chairman and chief executive officer)** the chairman, the chief executive officer or chief financial officer of the Company is removed from office or replaced;

- The Underwriters may also terminate its obligations to underwrite the Offer upon the happening of a number of events if the event has had or is likely to have a materially adverse effect on the ability of the Underwriters to promote the Offer or on the outcome of the Offer, or has given or would be likely to give rise to a liability for the Underwriters, including (among others):
  - **(compliance with law)** any Offer document (excluding the Prospectus), public information or aspect of the Offer does not comply with the Corporations Act, the Listing Rules or any other applicable law or regulation;
  - **(adverse change)** there is a material adverse change, including any material adverse change in the assets, liabilities, financial position or performance, profits, losses, or forecasts from those respectively disclosed in Offer documents or public information;
  - **(disclosures in due diligence report)** the due diligence report or verification material or any other information supplied by or on behalf of the Company to the Underwriters in relation to the Group or the Offer is or becomes false or misleading or deceptive or likely to mislead or deceive, including by way of omission in respect of a material matter or circumstance;
  - **(change in Management)** a change in senior Management or the board of Directors (other than in relation to the chairman, chief executive officer or chief financial officer) of the Company occurs;
  - **(compliance)** a contravention by the Company or any entity in the Group of the Corporations Act, the Competition and Consumer Act 2010 (Cth), ASIC Act, the Constitution, or any of the Listing Rules;
  - **(default)** a default by the Company occurs in the performance of any of its obligations under the agreement and is not remedied within 3 Business Days;
  - **(representations and warranties)** a representation or warranty contained in this agreement on the part of the Company is breached, becomes not true or correct or is not performed in respect of a material matter or circumstance;
  - **(material contracts)** any material contract is varied, terminated, rescinded or altered or amended without the prior consent of the Underwriters or is breached or is or becomes void, voidable, illegal, invalid or unenforceable or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;

- **(hostilities)** hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States, the United Kingdom, Hong Kong, Singapore, or any member state of the European Union or any diplomatic, military, commercial or political establishment of any of those countries or a major terrorist act is perpetrated anywhere in the world; or
- **(financial disruption)** there is a general moratorium on commercial banking activities declared in, any adverse effect on the financial markets in or a material disruption in commercial banking or security settlement or clearance services in Australia, New Zealand, the United States, the United Kingdom, Hong Kong, Singapore or any Member State of the European Union or if trading in all securities quoted or listed on the ASX, the New Zealand Exchange, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect.

The Company has also agreed under a capital raising mandate with CCZ dated 15 April 2015 (as varied by the amendment letter with the Company dated 13 April 2016) to pay to CCZ:

- an IPO management fee of A$5,000 per month payable from the completion of a pre-IPO capital raise for a period of 3 months (capped at $15,000) (which amounts have been paid by the Company after completion of the pre-IPO capital raising in December 2015);
- an IPO success fee, subject to the Company being admitted to Official Quotation, in consideration for achieving a successful listing of the Company on the ASX, by the issue to CCZ of 1,500,000 Options with an exercise price to be calculated as a 25% premium to the Offer price and an expiry date of three years from the date of issue, and
- an on-going corporate advisory fee of $7,500 per month for a minimum of 12 months from completion of the Offer, subject to the Company being admitted to Official Quotation.

The Company is prevented for a period of 180 days after completion of the Offer from issuing securities, disposing of any material assets, acquiring any material assets or altering its capital structure without the consent of the Underwriters or unless otherwise permitted by the Underwriting Agreement.

(b) TransCard LLC

The Subsidiary has entered into a Retail Sales Organisation Agreement (**RSOA**) dated 7 March 2014 with TransCard, a Nevada limited liability company. The RSOA has been varied by the First Amendment to the Retail Sales Organisation Agreement dated 26 March 2015.

Under the RSOA, TransCard is engaged to act as the prepaid card Processor for ChimpChange's prepaid and debit card programs and services and to provide transaction authorisation, processing, settlement and reconciliation for such cards, as well as other value added products and services for use in connection with such cards (**Services**). This includes the provision of Services in support of a program with a bank, as issuer, to agree to issue, and to permit TransCard and ChimpChange to distribute, a private label or branded or non-branded debit card or other prepaid card – such as the ChimpChange Debit Card (**Card**) – as approved by that bank (**Program**).

It is pursuant to this agreement that ChimpChange procures the issue of the ChimpChange Debit Card to ChimpChange Customers.

The key terms of the RSOA are set out below.

- The RSOA is for a period of three (3) years from 7 March 2014, with automatic renewal for successive one (1) year periods (**Term**), unless either party gives written notice of non-renewal to the other at least ninety (90) days prior to the end of the then current Term.
- ChimpChange is granted a non-exclusive right to market the Programs and Services in the US for the Term.
- ChimpChange will conduct business with good business ethics in a manner that will reflect favourably on the goodwill and reputation of TransCard, and the bank and association issuing the Card.
- ChimpChange must at all times adhere with protocols specified by TransCard.
- ChimpChange will be solely responsible for enrolling Card recipients.
- TransCard will comply with all legal requirements, bylaws and operating rules in providing the Services.
- TransCard may outsource or otherwise subcontract with third parties to provide any of the Services.

- TransCard reserves the right at any time to modify the scope of Services, the manner of delivery, or other characteristics of the Card and Services, at any time without notice to ChimpChange or cardholders provided that such modifications do not materially limit the ability of ChimpChange or the cardholders to utilise Cards that have been previously purchased. TransCard will provide notice to ChimpChange prior to any modification in the scope of Services for any Program.
- TransCard will modify Services for any Program to comply with legal requirements, bylaws and operating rules unless such modification is necessitated in whole or in part by:
  - a modification or custom feature/function requested by ChimpChange; or
  - a combination of the Services with technology or service supplied by ChimpChange, or a supplier of ChimpChange;

  TransCard may terminate the RSOA (with ninety (90) days' notice) without penalty if, in its reasonable discretion, TransCard determines that the cost of such a modification would substantially impact any Program's profitability to TransCard.
- TransCard will use its best efforts to locate a financial institution to serve as an issuer of the Card and negotiate in good faith with ChimpChange and the issuer regarding terms and conditions applicable to each Program.
- TransCard will establish an account for ChimpChange enabling ChimpChange to transfer funds to cardholder accounts.
- ChimpChange must pay a range of fees to TransCard for the delivery of the Services at commercial rates specified in the RSOA.
- ChimpChange will receive payments from TransCard at commercial rates specified in the RSOA on account of net interchange fees actually received by TransCard in connection with the ChimpChange Debit Card.
- TransCard will be solely responsible for:
  - TransCard's own costs and expenses incurred in connection with providing the Services, and its own monitoring of the Program;
  - any fees and penalties assessed by an association or any regulatory authority against TransCard in connection with TransCard's conduct or the conduct of any third party retained by TransCard, other than ChimpChange, or the employees, contractors or agents thereof; and
  - the costs of its own overheads.
- TransCard will secure licences and permissions necessary for ChimpChange to use the trademarks and other marks of banks and associations used in connection with the Card and ChimpChange will comply with all restrictions placed by the bank and association with such use.
- TransCard indemnifies ChimpChange for any claims in breach of cardholder privacy requirements, breaches of the RSOA or any negligence or wilful misconduct in providing the Services.
- The RSOA can be terminated by either party during the Term in specified circumstances, such as gross negligence or fraud, appointment of a receiver, a default unremedied for 30 days or as deemed necessary by a party to comply with legal requirements, by-laws and operating rules of the bank or association.

The RSOA is governed by the laws the State of Tennessee, US.

(c) Central Bank of Kansas City

ChimpChange and the Subsidiary have entered into a Service Provider Agreement (**SPA**) dated 11 April 2016 with the Central Bank of Kansas City to record the business relationship between ChimpChange and CBKC with regards to CBKC acting as a Sponsor Bank for the purposes of the conduct of the ChimpChange MasterCard program (via the ChimpChange Debit Card). ChimpChange guarantees the performance of the Subsidiary's obligations under the SPA.

Upon completion of the transition arrangements described in Section 3.12, CBKC will be the provider of the banking infrastructure necessary to facilitate the issue and function of the ChimpChange Debit Card.

Under the terms of the SPA, CBKC will develop and establish and maintain the terms and conditions under which Customers of ChimpChange may obtain a card (such as the ChimpChange Debit Card) (**Card**) from the Company or

other distributors (**Program**) and will retain full oversight and control of the Program. CBKC can approve or deny new Programs or distributors at its reasonable discretion.

The SPA is for a term of four years commencing from 11 April 2016. The term will automatically extend for additional terms of one year each unless a notice of non-renewal has been given by a party at least one hundred and eighty days prior to the expiration of the initial term or the renewed term.

Key terms of the SPA are set out below.

- CBKC will obtain all approvals or consent required which may be necessary to issue Cards under a Program.
- CBKC will maintain membership in good standing with payment and load networks (such as MasterCard) necessary to facilitate the issuance of Cards and transactions on the Cards.
- CBKC will work with the Subsidiary to develop and enhance the Programs.
- CBKC exercises primary oversight and control over the Programs and retains decisional authority and control over the Cards and Programs, including to take any action that it deems necessary and appropriate to ensure the proper operation of the Cards and Programs and to protect CBKC from undue financial, reputational, operational or regulatory risk.
- The terms, eligibility criteria and fees applicable to the Programs and the Cards are established by CBKC and are specified in the agreement. The Subsidiary cannot modify those terms, criteria or fees without the consent of CBKC, which CBKC can reject in its commercially reasonable discretion. CBKC can, at its sole discretion, establish, charge and collect Card fees.
- CBKC retain ownership of all Cards, Programs, cardholder data and other Program and marketing materials arising from the provision of their services.
- The Subsidiary must deal exclusively with CBKC with regards to the issue of pre-paid debit cards for a period of 18 months. After that period, the Subsidiary can introduce a second card issuer in specified circumstances, such as where CBKC will not support new features or products of the Subsidiary which are available on cards offered by competitors, where the Subsidiary cannot renegotiate commercially reasonable terms with its Processor and proposes to move to a new Processor that CBKC will not approve, or where the number of Cards or aggregate balance on the Cards exceeds the maximum allowed by CBKC.
- CBKC will be entitled to all revenues generated from the Cards and Programs, including card and interchange fees.
- The Subsidiary will be entitled to receive from those revenues a service provider fee at an agreed commercial rate as detailed in the SPA (**Service Fee**).
- CBKC is required to receive a minimum amount of transaction fees per month as specified in the terms of the agreement (**Minimum Amount**). If the Minimum Amount is not achieved, then CBKC can deduct the difference from the Service Fee, the Subsidiary's operating account or from the Reserve.
- The Subsidiary must maintain a reserve account of an amount reasonably required by CBKC from time to time so as to be available to satisfy and enforce all obligations and liabilities of ChimpChange under the SPA but being not less than an amount determined by reference to specified formulas contained in the SPA (**Reserves**). The Reserves will be available to meet payment of any payments due to CBKC including failed settlement transactions on a Card, satisfaction of the Minimum Amount or other non-performance of payments by the Subsidiary.
- The Subsidiary must enter into and maintain an agreement with a CBKC-approved processor to provide the transaction processing services. CBKC acknowledges that the initial transaction processing services will be provided by TransCard (as the Processor) and CBKC will enter into its own agreement with the Processor with regards to those services. The Subsidiary can provide its own transaction processing services with the prior approval of CBKC.
- The Subsidiary must ensure that services provided by it or other third parties it engages are provided in compliance with applicable laws and CBKC's specified policies and the Subsidiary will be liable for loss or liability incurred by CBKC (unless caused by the gross negligence or wilful misconduct of CBKC). Where the loss or liability arises from the conduct of the Processor and can be enforced by CBKC under its agreement with CBKC, CBKC must first take reasonable efforts to enforce its rights under that agreement to recover those losses or liabilities to the extent that the Subsidiary does not have similar rights available under its agreement with the Processor.

10. Additional Information

- The Subsidiary must maintain various insurances including general liability of $1,000,000 per occurrence and aggregate (included under the umbrella insurance), umbrella liability of US$2,000,000 per occurrence and aggregate, professional liability of US$1,000,000 and cyber risk/data security of not less than US$1,000,000. As registered users and amounts deposited increase, these insurance levels will be increased in the manner provided for in the SPA up to agreed maximum amounts.
- The Subsidiary must pay all costs and expenses incurred by CBKC in providing the services and the Program including identified transaction costs and fees, application/approval fees, network fees and compliance fees at the commercial rates specified in the SPA and also including the costs for marketing and advertising of the Programs, charges imposed by a Processor or third party network provider, compliance training provided by CBKC, CBKC's costs incurred in handling complaints and providing customer service, CBKC's reasonable costs in establishing disclosure programs, fines and penalties requested by regulatory authorities relating to the Programs (unless due to CBKC's actions or inactions not attributable to the Subsidiary), CBKC's reasonable costs incurred in compliance with new laws or regulations applicable to the Cards or Programs, fees payable to third party network providers for registration or sponsorship of the Subsidiary.
- If after 18 months from commencement of the SPA, the revenue generated for CBKC from transaction costs fails to meet the Minimum Amount for three consecutive months, CBKC may immediately or thereafter wind-down the Program(s).
- A party can terminate the SPA in the event of a material non-performance of any obligations for 30 days after notice of the breach has been given so long as the non-performance is not due to the actions or omissions of the other party and the non-performance is not likely to cause the other party immediate material harm. The 30 day period can be extended by a further 30 days if the non-performance is non-monetary in nature, cannot be cured within 30 days and the non-performing party has undertaken diligent efforts to cure the non-performance.
- Where the non-performance does not involve payment of monies owed and, at the sole discretion of the non-defaulting party, is likely to cause immediate material harm to that party, a shorter notice period for termination may be specified or, if performance is not reasonably practicable, termination may be specified without the non-performing party having an opportunity to cure the non-performance.
- If the Subsidiary fails to maintain the Reserves or settlement of a transaction has failed to occur in accordance with the SPA and the failure is not rectified within five business days of notification from CBKC, then CBKC can terminate immediately by written notice to the Subsidiary, provided that the five business notice is not required if CBKC reasonably believes that insufficient Reserves exist.
- Either party may terminate the SPA if:
  - required to do so by a regulatory authority or network service provider;
  - if any change in or the application of any applicable law would substantially alter a significant obligation or benefit of a party or the underlying purpose of the business contemplated by the SPA and the other party refuses to agree to changes to the SPA necessary to address the change within 60 days of receiving notice of the change; or
  - a change in applicable law would render a party's continued participation illegal or in breach of the applicable laws provided that the parties have first sought, in good faith, to determine if the agreement can be modified to enable continued performance.
- Either party can terminate the SPA (or any Program or Cards) immediately if:
  - the other party's practices, conduct or circumstances creates a substantial risk of loss or harm to the other party or a network provider, including without limitation illegal activity; or
  - a party reasonably determines that the other parties financial condition, activities or operations create an unreasonable risk in continuing to provide or service the Programs or represents an undue financial, reputational or regulatory risk.
- In the event of termination, the Subsidiary has the right to nominate a successor Sponsor Bank to enable the transfer of any Programs under a transition plan reasonably acceptable to CBKC and upon CBKC entering into an agreement with the successor bank containing reasonable terms commercially consistent with banking industry practice, CBKC's consent being contingent upon CBKC being reasonably satisfied that the successor bank and transition plan is acceptable to CBKC and in the best interests of cardholders. CBKC can, in good faith, decline a request to transition a Program to a Sponsor Bank in the event of termination by CBKC for cause. The parties otherwise agree in good faith to ensure an orderly wind-down or transition of Programs in the event of termination or non-renewal of the SPA.

- CBKC have a right of termination in the event that:
  - there is a change of control of either the Company or the Subsidiary or to a third party which is determined to be a mission critical party under the operation of the agreement; and
  - the change represents an undue financial, reputational or regulatory risk to the CBKC (as reasonably determined in good faith).

  ChimpChange has the same rights in the event of a change in control of CBKC.

  A change of control arises where a party obtains voting power of 51% or more in the party or where there is a change to the majority of the directors of a party across a two year period.
- The Subsidiary (and ChimpChange pursuant to the guarantee) is liable for all losses and liabilities in connection with the Cards or the Programs caused by a failure to discharge its obligations under the SPA, including settlement failures, cardholder or transactions disputes, refunds and fraud.
- Each party's cumulative aggregate liability under the SPA will not exceed US$2,000,000 plus $2,000,000 for each 100,000 active cards (as determined for the month preceding the event or occurrence resulting in the liability excluding liability arising due to breach of confidentiality or data security obligations, breach of applicable laws, other indemnification provisions under the SPA or gross negligence or intentional misconduct. No party is liable for loss of goodwill or for special, consequential or indirect loss.
- ChimpChange guarantees the performance of the Subsidiary's obligations under the SPA.

The SPA is governed by the laws of the State of Missouri, US.

(d) Eagle Bank and Trust

The Subsidiary has entered into a memorandum of understanding (**MOU**) dated 3 March 2015 with Eagle Bank and Trust Company of Missouri to record the business relationship between ChimpChange and Eagle Bank with regards to Eagle Bank acting as a Sponsor Bank for the purposes of the conduct of the ChimpChange MasterCard program (via the ChimpChange Debit Card).

Eagle Bank has been the provider of the banking infrastructure necessary to facilitate the issue and function of the ChimpChange Debit Card.

Under the MOU:

- Eagle Bank will perform all activities associated with the role of bank sponsor for the ChimpChange GPR MasterCard program; and
- ChimpChange pays fees to Eagle Bank on commercial rates specified in the agreement.

The Company is undertaking the transition from Eagle Bank to CBKC as Sponsor Bank as described in Section 3.12. Eagle Bank is co-operating with the transition of Customer Accounts to CBKC and upon completion of the transition arrangements, the Company will approach Eagle Bank to formally terminate the MOU.

(e) Software Development Agreements

The Company and the Subsidiary have entered into agreements with several software developers for the purposes of having those software developers perform specified software development services.

The software development services performed include development of source code for the ChimpChange App and services related to the integration of the ChimpChange Platform and ChimpChange App with the Processor or other third parties and an on-going monitoring, maintenance and development update role.

Under the terms of these software development agreements, the Company obtains all intellectual property rights in the deliverables supplied by these software developers subject to:

- background intellectual property rights retained by the software developers, comprising the intellectual property rights which are created independently of this agreement or any statement of work between the parties; and
- any third party content (comprising software (including source code or object code), intellectual property rights, documentation, algorithms, rules or any other materials which is owned by a third party and includes (but is not limited to) open source software).

The Company otherwise retains a licence from the software developers to use the background intellectual property rights and third party content for the purposes of the continued commercial exploitation of the Company's intellectual property rights.

These agreements operate so that they are either for an indefinite period (until terminated by the Company or the other party) or operate until the completion of the specified services (subject to earlier termination).

(f) Customer Agreements

The Subsidiary has a customer agreement with every Customer who registers to use the ChimpChange Platform (**Terms of Service**). Acceptance of these Terms of Service by the Customer takes place at the time of registration.

Under the Terms of Service:

- the Subsidiary obtains consent to use information and data obtained from the user for the purposes of providing the services and ensuring compatibility between services;
- the Subsidiary obtains consent to provide data and information obtained from the Customer to the Processor and Sponsor Bank to initiate and provide services;
- the Subsidiary obtains authority to send emails and SMS notifications to the Customer in support of the services;
- the Subsidiary can suspend or terminate the contract with the Customer at the Company's discretion;
- the Customer may close their Customer Account at any time;
- the Subsidiary disclaims, to the extent permitted by law, any warranty by the Company with regards to the accuracy of or access to the services, including implied warranties as to merchantability and fitness for purpose;
- the Subsidiary disclaims liability for service interruptions and compatibility with or the operation of mobile services; and
- the Subsidiary disclaims, to the extent permitted by law, all direct and indirect liability for that may result from use of the ChimpChange Platform, including as a result of loss of data, viruses or unauthorised use of an account.

(g) Employment Agreements

The Company (itself or via the Subsidiary) has entered into employment agreements with the following key employees:

- Ashley Shilkin – Managing Director;
- Clayton Fossett – Chief Operating Officer; and
- Nick Roberts – Chief Marketing Officer.

Details of the contracts entered into with employees are summarised below.

Ashley Shilkin

The Subsidiary has entered into an employment agreement with Mr Shilkin dated 30 March 2016 as Managing Director of the Group located in the US where the Group operations are based. This agreement replaced and supersedes an employment contract as Managing Director previously held between the Company and Mr Shilkin dated 24 February 2015 to reflect Mr Shilkin's role in managing the Group from the operational base in Los Angeles, California.

The period of employment commenced on 24 February 2015 (the date from which the agreement with the Company commenced) and continues until terminated in accordance with the terms of the agreement.

Mr Shilkin is entitled to base remuneration of US$180,000 per annum plus US$10,000 to contribute towards 401(k) Retirement Payments and other benefits, and US$10,000 for car allowance. Salary is reviewed annually.

Mr Shilkin is also entitled to reimbursement of certain travel and other expenses.

Mr Shilkin can also participate under the ESOP.

Under a separate continuing obligation with the Company, Mr Shilkin is entitled to a bonus for the achievement of specified performance hurdles by the Company since the commencement of Mr Shilkin's engagement. The bonus is for an amount of A$1,359,000 (**Shilkin Bonus**) as a result of the Company having achieve 50,000 Customer registrations.

The payment of the Shilkin Bonus by the Company is subject to Mr Shilkin attending to repayments of the Shilkin Loan under the terms of the LFSP. The Company can make an initial payment of a portion of the Shilkin Bonus to Mr Shilkin equal to the amount of any tax which may be assessed for Mr Shilkin under Division 7A of the Income Tax Assessment Act 1936 (Cth) prior to 30 June 2017. Otherwise, the Company may make payments of part of the Shilkin Bonus as Mr Shilkin reduces the amount of the Shilkin Loan, provided that the balance of the Shilkin Loan is at no time greater than the outstanding Shilkin Bonus. If Mr Shilkin fails to repay any of the Shilkin Loan under the terms of the LFSP, then the entitlement to the balance of the Shilkin Bonus will lapse.

Details in relation to the provision of the Shilkin Loan under the LFSP are set out in Section 7.5.

The employment agreement may be terminated during its term:

- by the Subsidiary giving 6 months' notice in writing without cause (or 6 months payment in lieu of notice);
- by the Subsidiary giving immediate notice in the event of specified circumstances such as serious misconduct, persistent breach or conviction of a criminal offence; or
- by Mr Shilkin giving 6 months' notice in writing without cause.

If the employment is terminated by the Subsidiary without cause, Mr Shilkin is also entitled to an additional 12 months payment in lieu of notice calculated from the last date of employment.

In support of the Subsidiary contract, Mr Shilkin has also entered into a non-disclosure agreement with the Subsidiary dated 20 January 2016.

Mr Shilkin is employed under the laws of the State of California, US.

Mr Shilkin has also entered into a Deed of Non-Compete with the Company dated 16 March 2016 which prevents Mr Shilkin from conducting or assisting a competing business during his term of engagement and for up to 12 months after cessation of his employment.

Clayton Fossett (Chief Operating Officer)

The Subsidiary has entered into an employment agreement dated 27 March 2015 with Mr Clayton Fossett in his engagement as the chief operating officer of the Subsidiary. Mr Fossett is responsible for the day-to-day running of the Subsidiary, planning directing and co-ordinating the operations of the Subsidiary.

The agreement is for an unspecified term from 1 April 2015.

The base remuneration under this agreement is US$132,000 per annum including statutory payments. Salary is reviewed annually.

Mr Fossett is also entitled to reimbursement of specified expenses incurred in his employment.

Mr Fossett can also participate under the Company ESOP.

The Company is required to issue 300,000 Options to Mr Fossett having an exercise price of A$0.49 and an expiry date of 3 years from the date of vesting, with these Options to vest in the following manner on condition of remaining an employee of the Subsidiary:

- 50,000 Options immediately upon issue;
- 50,000 Options upon the first year anniversary of joining the Subsidiary (October 20, 2015, accordingly these Options have already vested);
- 100,000 Options upon the second year anniversary of joining the Subsidiary (October 20, 2016); and
- 100,000 Options upon the third year anniversary of joining the Subsidiary (October 20, 2017).

These Options have been issued to Mr Fossett, together with an additional 100,000 Options under the ESOP.

This agreement operates until terminated by either party in accordance with its terms. The agreement may be terminated:

- by the Subsidiary giving one months' notice in writing without cause (or payment in lieu of notice);
- by the Subsidiary giving immediate notice in the event of specified circumstances such as gross negligence, serious misconduct, persistent breach or conviction of a criminal offence; or
- by Mr Fossett giving one months' notice in writing without cause.

Mr Fossett has also entered into a non-disclosure agreement with the Subsidiary and signed an acknowledgment of accept of further terms of the employment under the Employee Handbook, both dated 20 January 2016.

Mr Fossett is employed under the laws of the State of California, US.

Nick Roberts (Chief Marketing Officer)

The Subsidiary has entered into an employment agreement dated 24 January 2016 with Mr Roberts in his engagement as the Chief Marketing Officer of the Subsidiary. Mr Roberts is responsible for setting overarching marketing strategy and participating in setting specific goals for the strategy together with devising and executing marketing programs and developing B2B partnerships that drive member growth, engagement and retention, and extend brand awareness.

The agreement is for an unspecified term from 8 February 2016.

The base remuneration under this agreement is an initial amount of US$10,000 per month increasing to US$160,000 per annum from 1 May 2016 including statutory payments. Salary is reviewed annually commencing on 1 May 2016.

Mr Roberts is also entitled to reimbursement of specified expenses incurred in his employment including 401(k) Retirement Payments, plus medical benefits up to US$1,000 per month.

Mr Roberts will receive a bonus of US$40,000 if the Subsidiary reaches 25,000 account holders, each depositing US$500 or more in any one month within 1 year from the start date of the agreement. Future bonus entitlements will be determined annually in consultation with the Subsidiary on the basis of targets for following 12 month periods.

Mr Roberts can also participate under the ESOP. The Company is required to issue, and has issued, 600,000 Options to Mr Roberts under the ESOP with 300,000 to vest across the 1st, 2nd and 3rd anniversaries of commencement of employment (100,000 Options vest per anniversary) and 300,000 to vest across achievement of performance milestones of 50,000 Customers, 75,000 Customers and 100,000 Customers depositing US$500 per month (100,000 Options vest per milestone). These Options will have an exercise price being 25% greater than the Offer price and an expiry date of three years from the date of issue. These Options have been issued by the Company.

This agreement is on an at-will basis and operates until terminated by either party in accordance with its terms. The agreement may be terminated:

- by the Subsidiary giving two months' notice in writing without cause (or payment in lieu of notice);
- by the Subsidiary giving immediate notice in the event of specified circumstances such as gross misconduct or negligence, persistent breach or conviction of a criminal offence; or
- by Mr Roberts giving two months' notice in writing without cause.

If Mr Roberts employment is terminated within the first 12 months of employment without cause, the Subsidiary must give Mr Roberts three months' notice (or payment in lieu) and allow 50,000 Options to vest.

Mr Roberts is employed under the laws of the State of California, US.

(h) Consultancy Agreements

Riverfire Capital Ventures Pty Ltd (Benjamin Harrison)

The Company has entered into a services agreement dated 16 January 2016 with Riverfire Capital Ventures Pty Ltd (**RCV**), a company associated with Mr Harrison, a Director, to provide services to the Company associated with management of the execution of any capital raising initiative or corporate action contemplated by the Company, together with such other services as are required by the Company within the expertise of RCV, including corporate governance, strategy, and other activities not associated with capital raising or corporate action.

The agreement commenced on 16 January 2016 for a term of 12 months unless terminated in accordance with its terms. The term will be automatically extended for additional periods of one month each until terminated or a new agreement is entered into.

The Company pays to RCV a fee of A$1,500.00 per day for these services, together with reimbursement of out of pocket expenses incurred in providing the services.

Either the Company or RCV can terminate the agreement by giving one months' notice in writing or by giving immediate notice in the event of a breach. The Company also has immediate rights to terminate the agreement in identified circumstances.

Prior to this agreement RCV was previously contracted by the Company under a services agreement dated 16 January 2015 on substantially the same terms.

Unimain Pty Ltd (Ian Leijer)

The Company has entered into a services agreement dated 11 April 2016 with Unimain Pty Ltd (**Unimain**), a company associated with Mr Leijer, a Director, to provide services to the Company associated with respect to the provision of management and financial accounting services and strategic, commercial and financial advice to the Company.

The agreement commenced on 11 April 2016 for a term of 6 months or unless terminated in accordance with its terms. The term will be automatically extended for additional periods of one month each until terminated or a new agreement is entered into.

The base remuneration under this agreement is A$2,000 per day. The number of days that services are provided vary as required by the Company from time to time but cannot exceed two days per week without the approval of the Company. The Company must also reimburse Unimain for all out of pocket expenses incurred in providing the services.

Unimain is also entitled to receive a bonus payment under the agreement as a result of the achievement of performance hurdles by the Company since its initial engagement. The bonus is for an amount of A$340,000 (**Unimain Bonus**) as a result of the Company having achieve 50,000 Customer registrations.

The payment of the Unimain Bonus is subject to Mr Leijer attending to repayment of the Leijer Loan under the terms of the LFSP. The Company can make an initial payment of a portion of the Unimain Bonus to Unimain equal to the amount of any tax which may be assessed under Division 7A of the Income Tax Assessment Act 1936 (Cth) prior to 30 June 2017. Otherwise, the Company can make payments of part of the Unimain Bonus as Mr Leijer reduces the amount of the Leijer Loan, provided that the balance of the Leijer Loan is at no time greater than the Unimain Bonus. If Mr Leijer fails to repay any part of the Leijer Loan under the terms of the LFSP, then the entitlement to the balance of the Unimain Bonus will lapse.

Details in relation to the provision of the Leijer Loan under the LFSP are set out in Section 7.5.

The agreement may be terminated during its term:

- by either party giving 1 months' notice in writing without cause;
- by either party immediately in the event of a breach of the agreement; or
- by the Company giving immediate notice in the event of specified circumstances such as serious misconduct, persistent breach or conviction of a criminal offence.

Prior to this agreement Unimain was previously contracted by the Company under a services agreement dated 16 January 2015 on substantially the same terms.

(i) Non-Executive Directors' Letters of Appointment

The Company has entered into letters of appointment with Mr Harrison and Mr Clare in respect of each of their appointments as non-executive Directors of the Company. The letters of appointment are each in a standard form and detail the nature of each non-executive Directors' appointment, their duties and their remuneration entitlements (as set out in Section 7.7(n)).

(j) Access Deeds

Each of the Directors of the Company have entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors and to effect and maintain insurance in respect of Directors and officers liability and provide certain indemnities to each of the Directors, to the extent permitted by law.

10.6 LITIGATION

As at the date of this Prospectus, the Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against ChimpChange.

10.7 AUSTRALIAN TAXATION IMPLICATIONS OF INVESTING UNDER THE OFFER

The following general taxation comments consider the Australian taxation implications for Australian tax residents only. The tax implications for holders of Shares in the Company relate to the receipt of dividends and potential gains on the disposal of Shares.

The comments do not purport to provide tax advice to any particular investor and should not be relied upon as the tax position of each investor may vary depending on the specific circumstances of the investor. The Company recommends that each investor seeks their own independent income tax advice based on their particular circumstances. All current or potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares.

To the maximum extent permitted by law, the Company, its officers, Directors, and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of Shares issued under this Prospectus.

Dividends

For Australian resident individual investors, dividend income should be treated as assessable income in the year in which the dividend is paid. As detailed below, if the relevant dividend is 'franked', the amount of taxable payable in relation to the receipt of that dividend income may be reduced.

In this regard, Australian tax resident companies, such as ChimpChange, can pay dividends to Shareholders on a fully, partly or un-franked basis.

To 'frank' a dividend, means to attach franking credits to that dividend. Franking credits are, broadly, generated from the payment of Australian corporation tax. The overarching objective of franking credits is, inter alia, to give recipient Shareholders credit for corporation tax already paid in relation to the dividend(s) received (to the extent that those dividends are franked), so that the recipients' income tax liability in relation to those dividends is reduced accordingly.

This means that a company, as a result of paying company tax in Australia, can allocate the tax paid to its Shareholders by issuing franking credits attached to the dividend received by Shareholders.

It should be noted that the general entitlement to franking credits can be impacted in certain circumstances. For example, over a de minimis threshold, shareholders must own their shares for at least 45 days (or 90 days for preference shares) in order to benefit from franking credits.

The business operations currently undertaken by ChimpChange are based in the US and the majority of income is currently sourced outside Australia. ChimpChange is therefore expected to be predominately taxable in the US and not in Australia. Payments of foreign tax do not give rise to franking credits. Accordingly, for so long as the operations of the Company are conducted primarily in the US and the majority of its taxable income continues to be attributable to these US operations, the Company is not expected to be in a position to attach franking credits to the dividends it pays to its Shareholders (if any such dividends are paid).

Until such time as the Company begins to earn sufficient taxable income in Australia to pay Australian corporation tax, franking credits are unlikely to be generated, and accordingly it is expected that any dividends paid by the Company until this time will be un-franked.

For completeness, we note that for non-resident (for tax purposes) investors, another impact of the franking regime is to impact the extent to which dividends paid to non-resident investors should be subject to dividend withholding tax (**DWT**). In this regard:

- dividends paid to non-resident shareholders that are franked should not be subject to DWT (only to the extent of the franking of those dividends); and
- to the extent that the dividends paid to non-resident investors are unfranked:
  - prima facie, those dividends should be subject to a DWT rate of 30%; however
  - this rate may be reduced to the extent that the investor is a resident of a country that is subject to a Double Taxation Agreement (**DTA**) with Australia. For example, for a US resident investor who owns less than 10% of the Company, the DWT rate on unfranked dividends would be reduced to 15%.

Such investors may also be taxable in their country of tax residence on receiving such dividends, and, depending upon the laws of the relevant country, a credit may be available in relation to any withholding tax suffered in relation thereto.

Disposal of Shares

Please note that the below comments relate to Australian resident investors who hold their shares on capital account only. For any sophisticated investors who actively trade in shares, or investors who have purchased their shares solely to derive profit on their re-sale in the short to medium term, please seek independent advice as it is likely that any gains made on the sale of shares may be subject to income tax on revenue account, without any capital gains tax (**CGT**) discounts available.

Capital Gains Tax

To the extent that the shares are held on capital account (which is required to be determined on a case by case basis, and independent advice should be sought in relation to this issue), the disposal of Shares by a Shareholder would be a CGT event.

For Australian resident investors, a capital gain will arise where the capital proceeds on disposal exceed the cost base of the Shares (broadly, the amount paid to acquire the Shares plus any transaction costs incurred in relation to the acquisition or disposal of the Shares). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the Shares.

A CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustee (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses. A capital loss will be realised where the reduced cost base of the Shares exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

For completeness, we note that given it is not expected that ChimpChange will invest in Australian real property (or mining rights), we would not expect that foreign resident shareholders holding their shares on capital account should be subject to Australian CGT in relation to any such sale. However, such investors may be subject to tax on such a sale in their jurisdiction of tax residence.

Goods and Services Tax (GST)

No GST should be payable in respect of the acquisition or disposal of the Shares. Further, no GST should be payable in respect of dividends paid.

Stamp Duty

On the issue or allotment of the Shares as part of the offer, no stamp duty should be payable. No stamp duty should be payable in respect of the acquisition or disposal of the Shares that are quoted on the ASX at the time of the Listing.

10.8 INTERESTS OF EXPERTS AND ADVISORS AND REMUNERATION

Other than as set out below, no person named in this Prospectus as providing professional or advisory services in connection with the preparation of this Prospectus or any firm in which any such person is a partner:

- has or had at any time during the two years preceding the date of this Prospectus, any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company or the Offer; or
- has been paid or agreed to be paid any amount or given or agreed to be given any other benefit for services rendered by them in connection with the formation or promotion of the Company or the Offer.

ChimpChange has engaged the following professional advisors:

- HopgoodGanim Lawyers has acted as Australian legal advisor to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately A$195,000 (excluding disbursements and GST), for these services. Further amounts may be paid to HopgoodGanim Lawyers in accordance with time-based charges;
- Pitcher Partners has acted as the Australian Investigating Accountant and has prepared the Investigating Accountant's Report. The Company has paid, or agreed to pay, approximately A$15,000 (excluding disbursements and GST) for these services;
- Moelis Australia Advisory Pty Ltd has acted as Joint Lead Manager in relation to the Offer. The Company has paid, or agreed to pay, approximately A$540,000 of the Offer Proceeds for these services; and
- CCZ Corporate Finance Pty Ltd has acted as Joint Lead Manager in relation to the Offer. The Company has paid, or agreed to pay, approximately A$465,000 of the Offer Proceeds for these services. CCZ Corporate Finance Pty Ltd has also received 1,500,000 Options with an exercise price at a 25% premium to the Offer price and an expiration date of three years from the date of issue which will vest upon quotation of the Shares on ASX.

These amounts, and other expenses of the Offer, will be paid out of funds raised under the Offer or cash otherwise available to ChimpChange.

10.9 COSTS OF THE OFFER

The total estimated costs to the Company in connection with the Offer, including advisory, legal, accounting, tax, listing and administrative fees, as well as printing, advertising and other expenses, are currently estimated to be approximately A$1.39 million as follows:

ITEM OF EXPENDITURE	AMOUNT OF EXPENDITURE (EXCLUDING GST)
ASX and ASIC fees	A$107,791
Legal and Due Diligence	A$195,000
Accounting	A$15,000
Joint Lead Manager/Underwriting Fees	A$1,005,000
Other capital raising costs	A$40,000
Printing and registry costs	A$23,545
Total costs of the Offer	**A$1,386,336**

10.10 CONSENTS

Each of the following parties has given and has not, before the issue of this Prospectus, withdrawn its written consent to being named in this Prospectus and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent. None of the parties referred to below has caused the issue of this Prospectus.

NAME OF ENTITY	NAME AS	REPORTS OR STATEMENTS
HopgoodGanim Lawyers	Legal Advisor	–
Pitcher Partners	Investigating Accountant	Investigating Account's Report in Section 5
CCZ Corporate Finance Pty Ltd	Joint Lead Manager	–
Moelis Australia Advisory Pty Ltd	Joint Lead Manager	–

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors of the Company, persons named in this Prospectus with their consent as proposed Directors of the Company, any Underwriters, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described above.

10.11 LIABILITY OF OTHER PERSONS NAMED IN THIS PROSPECTUS

Notwithstanding that they may be referred to elsewhere in this Prospectus:

- HopgoodGanim Lawyers are named in the Corporate Directory as Solicitors to the Issue. They have been involved in the process of reviewing this Prospectus for consistency with the material contracts. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They
do not make any other statement in this Prospectus.
- Pitcher Partners are named in the Corporate Directory as Investigating Accountants to the Company. They were involved in the preparation of the Investigating Accountants Report set out in 5 of this Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any other statement in this Prospectus.
- Link Market Services Limited (Link) has given its written consent to be named as the Share Registry in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus within ASIC. Link has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in this Prospectus.
- There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.
- There are statements contained in this Prospectus which have been sourced from third parties as described in the footnotes to Sections 2 and 3 of this Prospectus. The sources and authors of these statement have not given their consent to the inclusion of that statement in this Prospectus and have not authorised or caused the issue of this Prospectus.

10.12 ASX WAIVERS AND CONFIRMATIONS

The Company has not sought any waivers from ASX prior to the date of this Prospectus.

The Company's application for admission to the Official List of ASX will seek:

- confirmation from ASX that the Avatar Options (as described in Note 7 of the Notes to the table in Section 10.4) are an appropriate and equitable class of securities for the purposes of Listing Rule 6.1 and a waiver from Listing Rule 7.1 to the extent necessary to allow the Company to issue the shares on exercise of those piggy-back options without utilising its 15% placement capacity under that Listing Rule; and
- a waiver from ASX from the requirement for the Company to provide financial statements for the last three full financial years.

10.13 WORKING CAPITAL STATEMENT

The Board believes that the Company's current cash reserves plus the net proceeds of the Offer will be sufficient to fund the Company's stated business objectives. These business objectives comprise:

- growing its Customer base and transaction volumes; and
- building out technology and features to diversify into additional business verticals beyond a transactional bank account.

The Board will consider the use of further equity funding or placements if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

10.14 SUBSEQUENT EVENTS

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- the operations of the Company;
- the results of those operations; or
- the state of affairs of the Company.

10.15 INSPECTION OF DOCUMENTS

Copies of following documents may be inspected free of charge at the registered office of the Company and at the offices of HopgoodGanim Lawyers, Level 8, 1 Eagle Street, Brisbane QLD 4000, during normal business hours:

- the Material Contracts in Section 10.5 of this Prospectus;
- the Constitution of the Company;
- the consents referred to in Section 10.10 of this Prospectus; and
- the Corporate Governance Charter.

10.16 GOVERNING LAW

This Prospectus and (unless otherwise specially stated) the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Queensland and each Applicant submits to the exclusive jurisdiction of the courts of Queensland.

10.17 CONSENT TO LODGEMENT

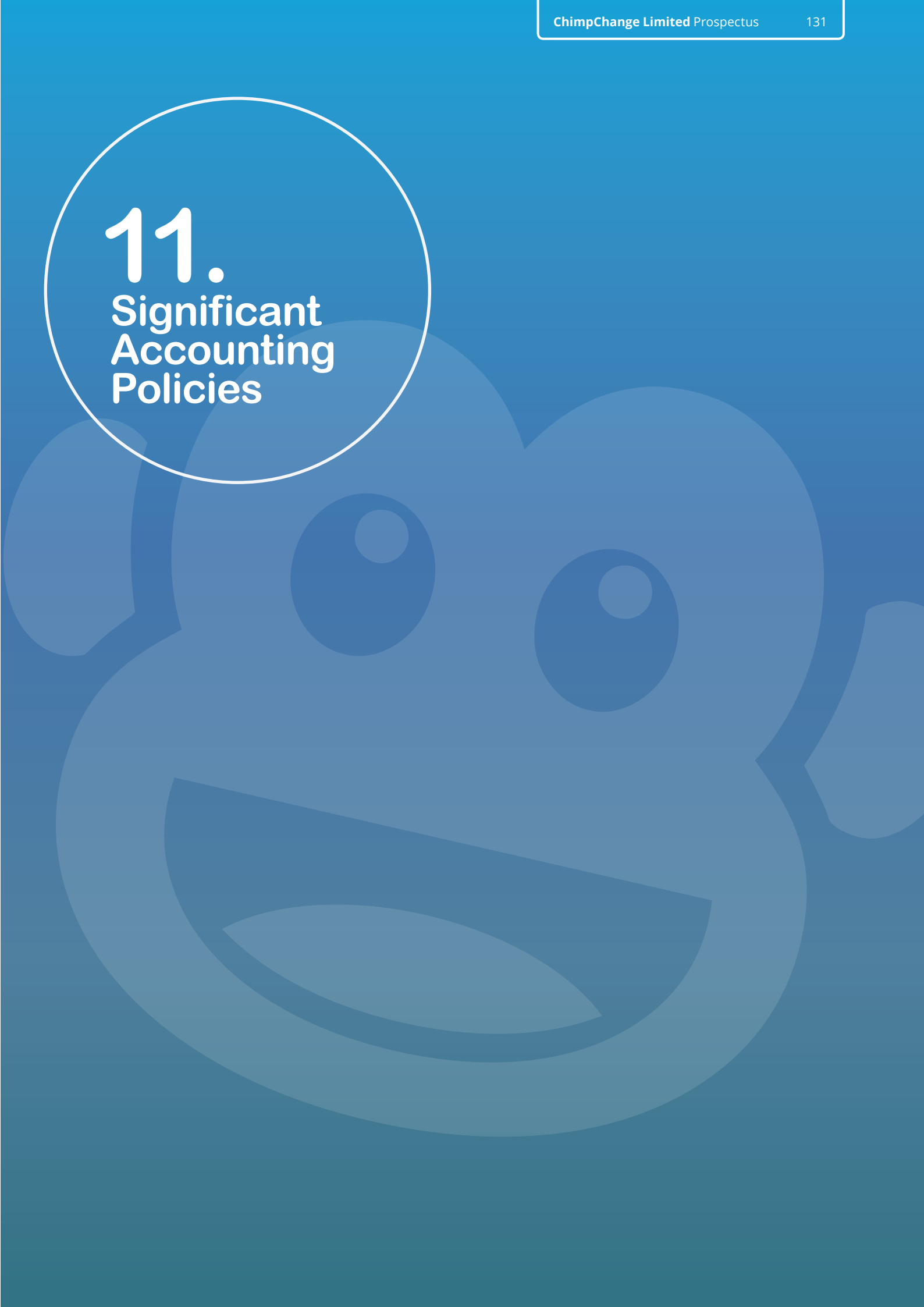
The issue of this Prospectus has been authorised by each Director. Each Director has consented to lodgement of the Prospectus and issue of the Prospectus and has not withdrawn that consent.

Signed on behalf of the Company by:



Ashley Shilkin
Founder and Managing Director

11. Significant Accounting Policies



11. Significant Accounting Policies

11.1 SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information is for ChimpChange as an individual entity and ChimpChange and its subsidiaries (for this purpose, collectively the "**Consolidated Entity**").

The following is a summary of the material accounting policies adopted by the Company in the preparation of the Historical Financial Information contained in Section 4. The accounting policies have been consistently applied unless otherwise stated.

The Historical Financial Information is in compliance with the recognition and measurement requirements of Australian Accounting Standards – Reduced Disclosure Requirements, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act.

(a) Basis of Preparation of the Historic Financial Information

Historical Cost Convention

The Historical Financial Information has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Going Concern

The Historical Financial Information has been prepared on a going concern basis.

(c) Principles of Consolidation

ChimpChange consolidates the financial statements of the Company and its Consolidated Entity.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intercompany balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Consolidated Entity and are de-recognised from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

(d) Foreign Currency Translations and Balances

Functional and Presentation Currency

The financial statements of each entity within the Consolidated Entity are measured using the currency of the primary economic environment in which that entity operates (i.e. the functional currency). The consolidated financial statements are presented in US Dollars which is the Consolidated Entity's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies of entities within the Consolidated Entity are translated into the functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re statement are recognised as revenues and expenses for the financial year.

Entities that have a functional currency different from the presentation currency are translated as follows:

- assets and liabilities are translated at the closing rate on reporting date;
- income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- all resulting exchange differences are recognised in other comprehensive income.

(e) Revenue

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of GST.

(f) Income Tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) Financial Instruments

Non Derivative Financial Instruments

Non derivative financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After initial recognition, non-derivative financial instruments are measured as described below.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including intercompany balances and loans from or other amounts due to Director related entities.

Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(h) Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and Equipment

Plant and equipment is measured on a cost basis.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

CLASS OF FIXED ASSET	DEPRECIATION RATES	DEPRECIATION BASIS
Motor vehicles under lease	12.5%	Straight line
Office equipment at cost	25%	Straight line
Computer equipment at cost	25%	Straight line

(i) Research and Development Expenditure

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the entity has sufficient resource; and intent to complete the development and its costs can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of its estimated useful life commencing when the intangible asset is available for use. The asset carrying value is reviewed for impairment annually and amounts are written off to the extent that realisable future benefits are considered to be no longer probable.

Other development expenditure is recognised as an expense when incurred.

(j) Impairment of Non-financial Assets

Intangible assets not yet ready for use are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

For an asset measured at cost, an impairment loss is recognised in profit or loss where the carrying amount of the asset exceeds its recoverable amount.

(k) Employee Benefits

Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Long term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

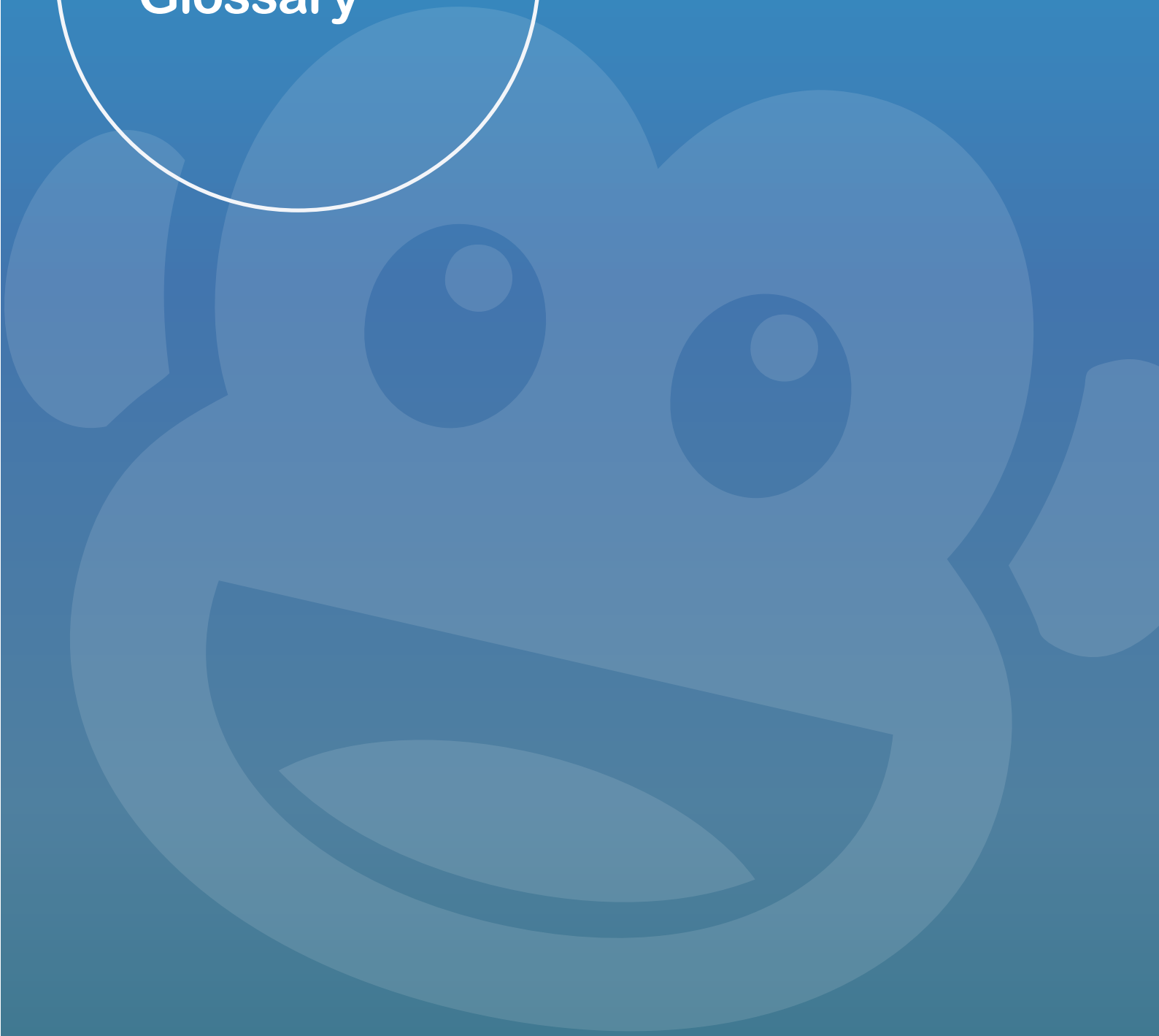
Employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(l) Goods and Services Tax

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

12. Glossary



12. Glossary

TERM	DESCRIPTION
401(k) Retirement Payments	Payments into a tax-qualified, defined-contribution pension account defined in subsection 401(k) of the Internal Revenue Code in the US
A$	Australian Dollars
AEST	Australian Eastern Standard Time
Agnostic	In a technology context, something that is generalised so that it is interoperable among various systems
Allotment Date	The date on which Shares are allotted under the Offer
Applicant	A person applying for Shares offered by this Prospectus
Application	A valid application to subscribe for a specified number of Shares under the Offer
Application Form	The form to be completed by Applicants as provided at the end of this Prospectus
Application Monies	Monies that are payable in accordance with the terms of the Offer by an Applicant when submitting an Application
April EGM	The extraordinary meeting of Shareholders of the Company held on 7 April 2016
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the securities exchange it operates, as the context requires
ASX Listing Rules or **Listing Rules**	The Official Listing Rules of the ASX as amended or waived from time to time
ASX Settlement	ASX Settlement Pty Limited (ABN 98 008 504 532)
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Limited
ATM	Automatic Teller Machine
Audit and Risk Committee	A committee established by the Company to assist the Board in discharging its responsibility to exercise due care, diligence and skill
Avatar Options	1,500,000 new Options to be issued to Avatar Industries Pty Ltd in the event of the exercise of 1,500,000 existing Options held to Avatar Industries Pty Ltd. See Section 10.4 for details.
Baby Boomers	Persons aged between 51 and 70 years of age
Board	The Board of Directors of the Company
Broker Firm Offer	The Offer under this Prospectus to Australian resident Retail Investors and Sophisticated Investors who have received a firm allocation from their broker
business day	Has the meaning ascribed to it in the ASX Listing Rules
CBKC	Central Bank of Kansas City, being the new Sponsor Bank of ChimpChange
CFPB	Consumer Financial Protection Bureau, an agency of the US government
CGT	Capital Gains Tax
Chairman's List Invitation	An invitation under this Prospectus to selected investors in Australia nominated by the Chairman of the Company to participate in the Chairman's List Offer on a firm basis up to the allocation of Shares nominated by the Chairman of the Company

12. Glossary

TERM	DESCRIPTION
Chairman's List Offer	The offer under this Prospectus to persons who receive a Chairman's List Invitation
CHESS	The Clearing House Electronic Sub-Register System of share transfers operated by ASX Settlement
Chimp Logo	Means the trade-marked logo used by the Company depicting the face of a chimp
ChimpChange App or **App**	The smartphone banking application developed by ChimpChange, which is opened via the mobile application
ChimpChange Debit Card or **Debit Card**	The prepaid MasterCard debit card issued to ChimpChange Customers
ChimpChange Platform or Platform	The ChimpChange digital banking platform
ChimpChange Website	www.chimpchange.me or a subdomain or subdirectory thereof
Closing Date	The date on which the Offer closes, and which is expected to be Friday, 24 June 2016 unless the Company, in conjunction with the Joint Lead Managers, exercise their right to vary that date
Company or **ChimpChange**	ChimpChange Limited (ABN 34 150 762 351)
Completion	Completion of the initial public offering contemplated under this Prospectus
Consolidated Entity	The Company and its subsidiaries
Constitution	The Constitution of the Company
Conversion	Conversion of the Company to a public company on 18 September 2015
Corporate Governance Charter	The corporate governance charter adopted by the Company on 29 January 2016 and lodged with ASIC on Monday, 30 May 2016
Corporate Governance Principles and Recommendations	The corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus
Corporations Act	The *Corporations Act 2001* (Commonwealth)
Customer Account or **Account**	The FDIC insured transactional bank account held by a Customer
Customer or **ChimpChange Customer**	As applicable, the customers of the ChimpChange Platform and associated products and offerings, aged 18 years and older
Directors	Members of the Board of Directors of the Company
DTA	Double Taxation Agreement
DWT	Dividend withholding tax
Eagle Bank	Eagle Bank and Trust Company of Missouri, being the incumbent Sponsor Bank
ESOP	The Employee Share Option Plan implemented by the Company
Existing Shareholders	A holder of Shares as at the date of this Prospectus
Exposure Period	The period of 7 days commencing on the date of lodgement of this Prospectus with ASIC as extended by up to a further 7 days
Fed	The Federal Reserve System, the central bank of the US

12. Glossary

TERM	DESCRIPTION
FDIC	Federal Deposit Insurance Corporation, an agency of the US government
Generation X	Persons aged between 36 and 50 years of age
Group	ChimpChange and the Subsidiary
GST	Goods and Services Tax
HIN	Holder Identification Number
Historical Financial Information	Has the meaning given in Section 4
Indicative Exchange Rate	A$1.00 = US$0.75, being the exchange rate relied upon when preparing this Prospectus
Institutional Investors	Investors who are (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act; or (b) institutional investors in certain other jurisdictions, as agreed by the Company and the Joint Lead Managers, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one which the Company is willing in its discretion to comply)
Institutional Offer	An invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for Shares under this Prospectus
Investigating Accountant	Pitcher Partners
Investigating Accountant's Report	The report prepared by the Investigating Account
Joint Lead Managers	Moelis Australia Advisory Pty Ltd (ACN 142 008 446) (AFS Licence No. 345499) and CCZ Corporate Finance Pty Ltd (ACN 113 867 486)
KYC	Know Your Customer
Leijer Loan	The loan by the Company to Ian Leijer under the LFSP
LFSP	The loan funded share plan implemented by the Company
Listing	Acceptance on to the Official List of the ASX
m	Million
Management	The Company's management team
MasterCard	The card network of the prepaid ChimpChange Debit Cards
Millennial	Persons aged between 15 and 35 years of age (or born between 1980 and 2000)
New Shares	Ordinary shares in the Company to be issued under this Offer
OCC	The Office of the Comptroller of the Currency, an office in the US Treasury Department (the latter being an agency of the US government)
Offer	The invitation in this Prospectus to subscribe for Shares
Offer Period	The period during which the Offer is open, being from the Opening Date to the Closing Date
Offer Price	A$0.80 per Share

12. Glossary

TERM	DESCRIPTION
Official List	The Official List of entities that ASX has admitted and not removed
Official Quotation	Official quotation in the market operated by the ASX
Opening Date	The date the Offer opens, Tuesday, 7 June 2016
Options	An option to acquire a Share
P2P	Peer-to-peer
PCI Compliant	Compliant with Payment Card Industry Data Security Standards
Proceeds of the Offer or **Offer Proceeds**	The money raised by the Company pursuant to the Offer, which is expected to be A$15.0 million
Processor	TransCard or such other company engaged by the Company from time to time to provide the services of "Processor" as described in Section 3.4(b)
Prospectus	This Prospectus, dated Monday, 30 May 2016 for the issue of 18.75 million Shares
Prospectus Date	Monday, 30 May 2016
Retail Investors	An investor who is not an Institutional Investor
Retail Offer	The Broker Firm Offer and the Chairman's List Offer
RSOA	Has the meaning given in Section 10.5(b)
SEM	Search Engine Marketing
SEO	Search Engine Optimisation
Shareholders	Holders of Shares in the Company
Shares	Fully paid ordinary shares in the capital of the Company
Share Registry or **Link**	Link Market Services Limited
Shilkin Loan	The loan by the Company to Ashley Shilkin under the LFSP
Sophisticated Investors	Investors who are persons in Australia who are "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act
Sponsor Bank	Eagle Bank, CBKC or such other bank appointed by the Company or a Processor from time to time to provide an FDIC insured bank account for the issue of the ChimpChange Debit Card
SRN	Security Registration Number
Subsidiary	ChimpChange LLC
Terms of Service	The customer agreement with every Customer who registers to use the ChimpChange Platform
TransCard	TransCard LLC, the entity which provides the infrastructure and services required for the processing, settlement and reconciliation of transactions using the ChimpChange Debit Card
Unbanked	Persons who do not have an account at a FDIC-member financial institution
Underbanked	Persons who have a cheque and/or savings account but rely on alternative financial services such as non-bank money orders, non-bank cheque-cashing services, non-bank remittances, payday loans, rent-to-own services and short-term loans from non-bank providers

12. Glossary

TERM	DESCRIPTION
Underwriters	Moelis Australia Advisory Pty Ltd and CCZ Corporate Finance Pty Ltd
Underwriting Agreement	The underwriting agreement between the Joint Lead Managers and the Company dated on or about the Prospectus Date
US or United States	The United States of America, its territories and provinces, any state of the United States of America and the District of Colombia
US Dollars or **US$**	United States Dollars

References in this Prospectus to Sections and paragraphs are to Sections and paragraphs of this Prospectus.

Corporate Directory

BOARD OF DIRECTORS

Peter Graham Clare – Non-Executive Chairman

Ashley Shilkin – Managing Director

Ian Leijer – Director/Chief Financial Officer

Benjamin William Harrison – Non-Executive Director

CHIMPCHANGE OFFICES

Registered Office

Corporate Administration Services Pty Ltd
Level 5, 10 Market Street
BRISBANE QLD 4000

Telephone: +61 7 3212 6255
Fax: +61 7 3212 6250

Email: investors@chimpchange.me
Website: www.chimpchange.me

Principal Place of Business

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Los Angeles, US

Customer Service: +1 855 HI-CHIMP
+1 855 442 4467

Email: support@chimpchange.me
Website: www.chimpchange.me

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Telephone: +61 2 8288 5555
Fax: +61 2 8288 5550
Website: www.moelis.com

CCZ Statton Equities Pty Ltd
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Telephone: +61 3 8605 7901
Fax: +61 3 8605 7907
Website: www.ccz.com.au

AUDITOR AND INDEPENDENT ACCOUNTANT

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Fax: +61 7 3024 0300
Website: www.hopgoodganim.com.au

SHARE REGISTRY

Link Market Services Limited

Telephone: 1300 554 474
Website: www.linkmarketservices.com.au

