



4 June 2018

The Manager
Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

MORTGAGE CHOICE LIMITED FRANCHISEE REMUNERATION STRUCTURE REVIEW

Mortgage Choice Limited (ASX:MOC) ("Mortgage Choice") advises that it has been consulting with its franchisees regarding a more competitive remuneration model to underpin the long-term sustainable growth of the Company and its existing franchisees, as well as attracting new, high quality businesses to the franchise network.

The purpose of an updated remuneration model is to increase franchisee remuneration and reduce franchisee income volatility to allow them to grow their businesses and assist more customers with their home loan needs. Mortgage Choice will continue to provide support services to its network including technology, marketing, compliance and training. Subject to completion of discussions with franchisees and Mortgage Choice Board approval, the new model is expected to be introduced early FY2019.

As part of an extensive and collaborative process, Mortgage Choice management is conducting a further series of state-based workshops with franchisees over the coming weeks to discuss the merits of a new model. Management and the Board have considered a number of different alternatives and commissioned comprehensive independent market analysis.

The final terms of the new remuneration model are still being finalised. To partially offset the impact of any increase in the average payout rate to franchisees, Mortgage Choice will initiate a program to improve operating efficiencies across its business. In addition, the Company will continue to invest in new technology which will improve franchisee productivity and the customer experience.

"These changes are designed to support the long term sustainable growth of Mortgage Choice, increase franchisee remuneration and attract new high-quality franchisees to our network," said Susan Mitchell, chief executive officer of Mortgage Choice. "We want to continue to help Australians with their financial services needs for many years to come and having thriving, growing franchises that have the confidence to invest in their business is critical to achieving this."

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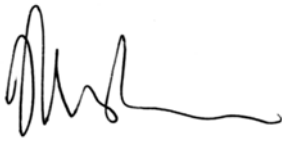
Mortgage Choice Limited ABN 57 009 161 979. Australian Credit Licence 382869. Mortgage Choice Financial Planning Pty Limited ABN 97 158 645 624. AFSL 422854.

Mortgage Choice expects to finalise the new remuneration model in July 2018 and implement on an opt-in basis across the network in August 2018. We will advise the market on the key features of revised remuneration structure once it has been determined and approved.

A change in the remuneration model does not affect the FY2018 cash result. Market updates will include guidance on a one off adjustment to the FY2018 IFRS result based on the change in the average payout rate to franchisees once this is known.

Yours faithfully

MORTGAGE CHOICE LIMITED



DAVID HOSKINS

COMPANY SECRETARY