

NOTICE OF
MEETING
2010

FLEXIGROUP[®]
ABN 75 122 574 583

FlexiGroup Limited
Level 8, 201 Pacific Highway
St Leonards, NSW 2065

P + 61 2 8905 2000
F + 61 2 8905 1800
www.flexigroup.com.au

14 October 2010

Dear Shareholder

Annual General Meeting 2010

On behalf of the Directors of FlexiGroup Limited ("**FlexiGroup**"), I am pleased to invite you to the FlexiGroup 2010 Annual General Meeting ("**2010 AGM**"). Enclosed is the Notice of Meeting setting out the business of the 2010 AGM.

FlexiGroup's 2010 AGM will be held on 16 November 2010 commencing at 4.00pm (Sydney time) at the Sofitel Wentworth, 61-101 Phillip Street, Sydney NSW 2000. If you decide to attend the 2010 AGM, please bring this letter with you to facilitate registration and entry to the 2010 AGM. If you are unable to attend the 2010 AGM, I encourage you to complete the enclosed proxy form.

Further details relating to the various resolutions proposed at the 2010 AGM are attached to this letter.

Subject to the abstentions noted, all the FlexiGroup Directors recommend that shareholders vote in favour of each of the resolutions proposed to be passed at the 2010 AGM.

I look forward to seeing you at the 2010 AGM.

Yours sincerely



Margaret Jackson
Chairman

Notice of Annual General Meeting

FlexiGroup Limited ABN 75 122 574 583

Notice is hereby given that the 2010 Annual General Meeting ("**2010 AGM**") of FlexiGroup Limited ("**FlexiGroup**" or "**Company**") will be held at the Sofitel Wentworth, 61-101 Phillip Street, Sydney on Tuesday, 16 November 2010, at 4.00pm (Sydney time), to conduct the following business:

Ordinary Business

1 Financial Reporting

To receive and consider the financial statements of the consolidated entity for the financial year ended 30 June 2010 and the reports of the Directors and the Auditor of the consolidated entity.

There is no vote on this item.

2 Remuneration Report

To adopt the Remuneration Report contained in the Company's Annual Report for the year ended 30 June 2010.

Please note that this resolution is advisory only and does not bind the Directors or the Company.

3 Re-Election of Rajeev Dhawan

Rajeev Dhawan will retire as a Director of the Company in accordance with the Company's Constitution and will offer himself for re-election as a Director of the Company.

Special Business

4 Approval of the Issue of Shares on 4 March 2010

To consider and, if thought fit, to pass the following as an ordinary resolution:

That the issue of 11,718,750 ordinary shares in FlexiGroup at \$1.28 per share under an institutional placement on 4 March 2010 (the terms and conditions of which are described in the Explanatory Notes on Items of Business accompanying the Notice of Meeting convening this meeting), is ratified for all purposes including for ASX Listing Rule 7.4.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, FlexiGroup will disregard any votes cast on Item 4 by any person who participated in the issue and any associate of those persons. However, FlexiGroup need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Entitlements

Pursuant to Corporations Regulation 7.11.37 and ASC Settlement Rule 5.6.1, the Directors have determined that the shareholding of each shareholder for the purpose of ascertaining voting entitlements for the 2010 AGM will be as it appears in the Company's share register at 7.00pm (Sydney time) on 14 November 2010.

Proxies

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes, they may appoint two proxies and may specify the percentage or number of votes each proxy is appointed to exercise.

However, if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half of the shareholder's votes. The proxy form, together with any power of attorney or authority under which the proxy form is signed, must be:

- (a) sent by facsimile to Link Market Services on +61 2 9287 0309; or
- (b) sent by post to Link Market Services in the enclosed reply paid envelope.
- (c) online at www.linkmarketservices.com.au

Proxies, together with any power of attorney or authority under which the proxy form is signed, must be received not less than 48 hours before the time of the 2010 AGM (i.e. by 4.00pm (Sydney time) on 14 November 2010) or the time of any adjourned meeting. Any proxy form received after this deadline will be invalid.

By order of the board



David Stevens

Company Secretary

14 October 2010

Explanatory Notes on the business to be transacted at the FlexiGroup Limited 2010 Annual General Meeting

Ordinary Business

Item 1 – Financial Reporting

Section 317(1) of the *Corporations Act 2001* (Cwlth) (“**Corporations Act**”) requires a public company to lay before its annual general meeting, the financial report, the Directors’ Report and the Auditor’s Report for the financial year that ended 30 June 2010, each as set out in the Company’s Annual Report for the financial year ended 30 June 2010.

Shareholders will be given a reasonable opportunity to consider, comment on and ask questions of the Directors and the Auditor of the Company about the management of the Company, the conduct of the audit, and the preparation and contents of the financial statements and reports for the financial year ended 30 June 2010 at the 2010 AGM.

The reports are available on FlexiGroup’s website at www.flexigroup.com.au

There is no vote on this item.

Item 2 – Remuneration Report

In accordance with section 250R(2) of the *Corporations Act*, the remuneration report for the financial year ended 30 June 2010 (“**Remuneration Report**”) is put to the vote of the shareholders for adoption. The Remuneration Report is contained in pages 19–34 of the Company’s Annual Report for the financial year ended 30 June 2010.

The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report at the 2010 AGM.

The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.

Item 3 – Re-Election of Rajeev Dhawan as Director of the Company

Under the provisions in the Company’s Constitution, Rajeev Dhawan will retire as a Director of the Company and offer himself for re-election as a Director of the Company.

Mr Dhawan joined the Board on the incorporation of the Company in November 2006.

Mr Dhawan represented Colonial First State Private Equity managed funds (“**CFSPE**”) on the Board of Flexirent Holdings Pty Limited (“**Flexirent Holdings**”) from February 2003 to December 2004. Upon CFSPE’s exit from Flexirent Holdings in December 2004, Mr Dhawan continued in an advisory capacity to the Flexirent business.

Currently a partner of Equity Partners, Mr Dhawan has 17 years venture capital and private equity experience and has been a director of a number of listed and unlisted portfolio companies.

Prior to offering himself for re-election, Mr Dhawan acknowledged to the Company that he would have sufficient time to properly fulfil his duties to the Company.

The Directors (with Mr Dhawan abstaining and not voting) recommend that shareholders vote in favour of Mr Dhawan’s re-election as a Director of the Company.

Item 4 – Approval of the issue of shares on 4 March 2010

4.1 General

On 4 March 2010, FlexiGroup issued 11,718,750 ordinary shares (“**Placement Shares**”) of approximately five per cent of then issued ordinary shares, at A\$1.28 per share to raise A\$15 million of new capital.

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that FlexiGroup can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12 month period, more than 15 per cent of the number of shares on issue 12 months before the date of the issue.

ASX Listing Rule 7.4 provides that an issue by a company of shares made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1, if the issue did not breach ASX Listing Rule 7.1 when made and the company’s shareholders subsequently approve it. FlexiGroup confirms that the issue of the Placement Shares did not breach ASX Listing Rule 7.1. FlexiGroup has decided to seek shareholder approval under ASX Listing Rule 7.4 for the issue of the Placement Shares.

On 31 March 2010, the Company allotted 19,930,724 ordinary shares at A\$1.28 per share to eligible FlexiGroup shareholders who participated in the non-renounceable rights issue (“**Rights Issue**”) conducted following the placement described above. Under the ASX Listing Rules, these shares are not included in the limit on new share issues under ASX Listing Rule 7.1. The Company is not seeking shareholder approval for the issue of shares under the Rights Issue.

4.2 Why is the Company seeking shareholder approval?

The requirement to obtain shareholder approval for any future issue of equity securities, before the issue, could limit FlexiGroup’s ability to take advantage of current and future market opportunities that may arise.

If shareholder approval is obtained for the issue of the Placement Shares, FlexiGroup will have the flexibility to issue further securities under the annual 15 per cent placement capacity as set out in ASX Listing Rule 7.1 without seeking shareholder approval. Notwithstanding an approval by shareholders of the proposed resolution in Item 4, any future equity raisings would remain subject to the 15 per cent limit set out in ASX Listing Rule 7.1, but the Placement Shares would not reduce the number of shares that can be issued without shareholder approval.

4.3 Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information in relation to the Placement Shares be provided to holders of ordinary securities when seeking an approval for the purposes of ASX Listing Rule 7.4:

- The total number of Placement Shares allotted was 11,718,750 ordinary shares.
- The Placement Shares were issued at a price of A\$1.28 per share.
- The Placement Shares rank *pari passu* with the existing ordinary shares then on issue.
- The Placement Shares were allotted to certain institutional investors following a book build.
- The funds raised will be used to further strengthen the Company’s balance sheet and will enhance its ability to establish new funding arrangements to support growth initiatives, reduce cost of funds and increase its capacity for bolt-on acquisitions.

The Directors unanimously recommend that shareholders vote in favour of this resolution.