

Trading Policy

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FlexiGroup Limited (the "Company")

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Trading Policy

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Trading Policy

1 Purpose

1.1 Scope of this document

This document summarises the law relating to insider trading and sets out the Company's trading policy on buying and selling securities of the Company including shares, options, derivatives, managed investment products and superannuation products ("**Securities**") of the Company.

1.2 Who does the trading policy apply to?

The Company's Board of Directors has adopted this trading policy which applies to all directors, officers, senior management and other employees of the Company ("**Staff**"). It is important to remember that although this trading policy only applies to the persons specified above, the insider trading prohibitions set out in the Corporations Act 2001 (Cwlth) ("**Corporations Act**") and discussed in Part 2 below, apply to **all** persons (including members of your family).

1.3 Further advice

If you do not understand the summary of the law relating to insider trading set out below or this trading policy, or if you are confused as to whether the law applies to you, please contact the Company Secretary on (02) 8905-2045. You may wish to seek your own professional legal advice before dealing in the Company's Securities.

2 Insider trading prohibitions in the Corporations Act

2.1 The insider trading prohibitions

If you have Inside Information (as defined in paragraph 2.2 below) relating to the Company it is illegal for you to:

- (a) deal in (that is, apply for, acquire or dispose of) the Company's Securities or enter into an agreement to do so; or
- (b) procure another person to apply for, acquire or dispose of the Company's Securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate, or cause to be communicated, that information to any other person if you know, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified in paragraphs (a) or (b) above.

These prohibitions apply equally to the application for, grant, exercise or transfer of an option (including any performance rights) over the Company's Securities, and to the Securities of other entities if you possess Inside Information about those entities.

It does not matter how or in what capacity you become aware of the Inside Information. It does not have to be obtained from the Company to constitute Inside Information.

You cannot avoid the insider trading prohibition by arranging for a member of your family or a friend to deal in the Company's Securities nor may you give "tips" concerning Inside Information relating to the Company to others, including customers.

2.2 What is Inside Information?

Inside Information is information relating to the Company which is not generally available but, if the information were generally available, would be likely to have a material effect on the price or value of the Company's Securities ("**Inside Information**"). Inside Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in the Company's Securities.

Examples of Inside Information could be:

- (a) the financial performance of the Company against its budget;
- (b) changes in the Company's actual or anticipated financial condition or business performance;
- (c) changes in the capital structure of the Company, including proposals to raise additional equity or borrowings;
- (d) proposed changes in the nature of the business of the Company;
- (e) changes to the Board of Directors or significant changes in senior management;
- (f) an undisclosed significant change in the Company's market share;
- (g) likely or actual entry into, or loss of, a material contract;
- (h) material acquisitions or sales of assets by the Company;
- (i) a proposed dividend or other distribution or a change in dividend policy; or
- (j) a material claim against the Company or other unexpected liability.

2.3 When is information generally available?

Information is generally available if:

- (a) it consists of readily observable matter or deductions;
- (b) it has been brought to the attention of investors through an announcement to ASX Limited ("**ASX**") or otherwise similarly brought to the attention of investors who commonly invest in securities, and a reasonable period has elapsed since it was announced or brought to investors' attention; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (a) or (b) above.

Examples of possible readily observable matters are:

- (a) a change in legislation which will affect the Company's ability to make certain types of investments; or
- (b) a severe downturn in global securities markets.

2.4 What are the consequences if you breach the insider trading prohibitions?

Breach of the insider trading laws may subject you to:

- (a) criminal liability - penalties include heavy fines and imprisonment;
- (b) civil liability - you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities; and
- (c) civil penalty provisions - the Australian Securities and Investments Commission (“**ASIC**”) may seek civil penalties against you and may even seek a court order that you be disqualified from managing a corporation.

Breach of the law or this trading policy or both will also be regarded by the Company as serious misconduct which may lead to disciplinary action or dismissal.

3 The Company’s Trading Policy

3.1 What does this trading policy apply to?

This trading policy applies to all information relating to the Company’s Securities.

3.2 General prohibitions

If you possess Inside Information concerning the Company’s Securities, you must not:

- (a) deal in the Company’s Securities or enter into an agreement to do so;
- (b) procure another person to do anything specified in paragraph (a); or
- (c) pass on that information to anyone who is likely to engage in the activities specified in paragraphs (a) or (b) above.

These general prohibitions are overriding obligations and apply at all times, despite all other terms of this trading policy.

3.3 Closed Periods

In addition to ensuring compliance with the prohibitions on insider trading, as set out in this policy, “**Key Management Personnel**”, being a director of the Company, the Managing Director, Chief Executive Officer, Chief Financial Officer, any direct reports to the Chief Executive Officer, and such other persons as the Company Secretary nominates (each a “**Designated Person**”) must also not deal in the Company’s Securities during the following Closed Periods:

- (a) the period from the close of trading 30 days before 31 December each year, up to 2 days after the Company’s half-year results announcement is released to the market following its lodgement with ASX;
- (b) the period from the close of trading 30 days before 30 June each year, up to 2 days after the Company’s annual results announcement is released to the market following its lodgement with ASX; and
- (c) any extension to a period referred to in either paragraph (a) or (b) of this paragraph 3.3, or any additional period, as determined by the Board in its absolute discretion and subject to any applicable law.

3.4 Prior notification

If a Designated Person proposes to deal in the Company's Securities (which includes entering into an agreement to deal) they must first:

- (a) complete and forward a "**Notification Form to Deal in the Company's Securities**" in the form of Part A of Schedule 1 to the "**Notification Officer(s)**" (as defined in Schedule 2); and
- (b) receive confirmation in the form of Part B of Schedule 1, signed by the Notification Officer(s) in their discretion, to allow them to deal in the Company's Securities.

The notification must state that the proposed dealing in the Company's Securities is not as a result of access to, nor the receipt of, Inside Information.

Notification of any dealing in the Company's Securities under this paragraph and the completion of Part B of the Notification Form to Deal in the Company's Securities does not constitute approval of the dealing by or on behalf of the Company.

3.5 Confirmation

A confirmation contemplated in paragraph 3.4(b) expires 5 business days from the date it is issued, unless it specifies a different expiry date.

A confirmation contemplated in paragraph 3.4(b) confirms that the proposed dealing by the Designated Person is within the terms of this policy but does not otherwise constitute approval or endorsement by the Company or the Notification Officer for the proposed dealing.

3.6 Notification of the dealing

In addition to providing advance notice under paragraph 3.4, Key Management Personnel must confirm in writing to the relevant Notification Officer(s) when the dealing in the Company's Securities has occurred, the number of Securities affected and the relevant parties to the dealing.

3.7 Extension of trading policy

The Board of Directors may also from time to time extend this trading policy by specifying that Staff are also restricted from dealing in the Securities of other specified companies with which the Company may have a close relationship.

4 Exceptional circumstances

A Designated Person may request, and the Notification Officer may give, prior confirmation for the Designated Person to:

- (a) deal in the Company's Securities during a Closed Period; or
- (b) dispose of the Company's Securities even if otherwise prohibited under paragraph 6,

if there are exceptional circumstances unless this would breach the insider trading prohibitions – see paragraph 2 above.

Exceptional circumstances may include:

- (a) severe financial hardship, for example, a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities;
- (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements; and/or
- (c) other exceptional circumstances as determined by the Chairman or Chief Executive Officer where the Chairman is involved.

If the Notification Officer has any doubt in making a determination of exceptional circumstances, they should exercise the discretion with caution.

If a Designated Person receives confirmation that they may deal in the Company's Securities under this paragraph 4, the requirements of paragraphs 3.4 to 3.6 must be complied with regarding prior notification, confirmation and notification of dealing.

5 Permitted dealings

The following types of dealing are excluded from the operation of paragraph 3 of this policy and may be undertaken at any time without requiring prior notification, approval or confirmation of dealing under this trading policy, subject to compliance with the insider trading prohibitions referred to in paragraph 2 of this policy:

- (a) **(participation in share plans)** participation in any employee incentive scheme (including any share, option or performance rights plan) however, this policy will apply in respect of any subsequent dealing in the Company's Securities which may be provided under those plans. The exercise of an option or right under an employee incentive scheme should only occur outside of the Closed Periods;
- (b) **(SPPs and DRPs)** trading under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by Company's Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue; and
- (c) **(lender disposal)** a disposal of the Company Securities that is the result of a secured lender exercising their rights, however, this does not extend to a disposal under a margin lending agreement.

6 Other prohibitions

6.1 Dealing in financial products issued over the Company's Securities by third parties

Key Management Personnel are not permitted to deal at any time in financial products such as derivatives, options, warrants, futures, forward contracts, swaps, contracts for difference or other financial products issued or created over or associated with the Company's Securities by third parties such as banks and other institutions. An exception may apply where the Company's Securities form a component of a listed portfolio or index product.

6.2 Limiting economic risk

Key Management Personnel are not permitted to enter into transactions in products associated with the Company's Securities which operate to limit the economic risk of their security holding in the Company over unvested entitlements (eg hedging arrangements).

6.3 Securities of other entities

Key Management Personnel are not permitted to deal at any time in Securities of another entity if they possess Inside Information about that entity due to their role within the Company.

6.4 No Margin Lending

Designated Persons are not permitted to enter into margin lending arrangements in relation to the Company's Securities. This is on the grounds that the terms may require the Company's Securities to be sold during a Closed Period or when the Designated Person possesses inside information.

Designated Persons should consult the Company Secretary if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

6.5 No short term or speculative trading

The Company encourages Designated Persons to be long term investors of the Company.

Designated Persons must not engage in short term or speculative trading in the Company's Securities or in financial products associated with the Company's Securities. For the purposes of this trading policy, this means if a Designated Person buys (or sells) the Company's Securities, they must not sell (or buy) any of the Company's Securities until 45 days has passed since that date on which those shares were purchased (or sold).

7 Confidential Information

You must treat all sensitive, non-public information ("**Confidential Information**") about the Company as confidential and belonging to the Company. You must not disclose Confidential Information to others (including family members, relatives, business or social acquaintances) except as authorised or legally required. You must avoid inadvertent or indirect disclosure of Confidential Information. Even within the Company, Confidential Information should be distributed to or discussed with others only on a need-to-know basis, and those people must be told that the information is confidential. Be careful that your conversations are not overheard in elevators, aeroplanes or other public places. Do not leave Confidential Information on conference tables, desks or otherwise unguarded; and take whatever steps which are reasonably necessary to keep Confidential Information from being disclosed except as authorised or legally required.

8 Employment and monitoring of compliance

All new employees will be required to complete an "**Acknowledgment by Employee/Director**" (in the form of Schedule 3) as part of their induction procedure. All new directors will be required to provide this completed form to the Company Secretary.

9 Review and publication of this policy

The Company's Board of Directors will review this policy from time to time. This policy may be amended by resolution of the Board.

A copy of the Company's trading policy will be distributed to all employees and directors (present and future) and will also be available on the Company's website. It is the responsibility of each such person to comply with this policy.

10 Where can I obtain further information?

If you require any further information or assistance, or are uncertain about the application of the law or this trading policy in any situation, please contact the Company Secretary

Trading Policy

Schedule 1 – Notification Form to Deal in the Company’s Securities

Instructions: This form is to be used in conjunction with Company’s trading policy (“**Trading Policy**”) which is available on the Company’s website. Terms defined in the Trading Policy have the same meaning as in this form.

If you have any questions about this form or the Trading Policy, please contact [**the Company Secretary**].

Your Notification Officer is as set out in the table in Schedule 2 of the Trading Policy (unless you are notified otherwise). If under the Trading Policy you are required to notify us of a proposed transaction, please complete Part A and send it to the Notification Officer. If you require confirmation to trade, you must receive Part B completed by the Notification Officer before you trade. If required under the Trading Policy, you must send a notification of dealing and details of your trade to the Notification Officer in the time required.

1.1 Part A - For completion by Designated Person

Name of Designated Person	
Description of Securities (ie number and class of Securities)	
Nature of agreement/dealing (sale/purchase/subscription)	
Proposed date of transaction (ie completion date)	

I confirm that:

- I am not in possession of any unpublished information which, if generally available, might materially affect the price or value of the Company’s Securities; and
- the transaction in the Company’s Securities described above does not contravene the Trading Policy of the Company.

Signed:.....

Dated:

1.2 Part B - For completion by Notification Officer

This confirmation confirms that the proposed dealing by the Designated Person is within the terms of the Trading Policy but does not otherwise constitute an approval or endorsement of the proposed dealing.

Name:

Title:.....

Signature:.....

Dated:

After Part A of this form is completed, this form is to be sent to the Company Secretary or other applicable Notification Officer(s).

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Schedule 2 – Notification Officers

In this policy the relevant Notification Officer(s) for each of the Designated Persons is as set out in the table below:

Designated Person	Notification Officer(s)
Chairman	CEO and the Chairman of the Audit & Risk Committee
Managing Director or Chief Executive Officer	Chairman of the Board
Non-executive Directors	Chairman of the Board
Company Secretary	CEO
All other Designated Persons	CFO and Company Secretary

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Schedule 3 – Acknowledgement by Employee/Director

I have read and understood the FlexiGroup Limited trading policy (“**Trading Policy**”) and agree to be bound by and to comply with the Trading Policy as amended or replaced from time to time.

Signature:.....

Name:.....

Business Unit:.....

Dated:

Please return completed form to the Company Secretary.