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4 November 2015

NOTICE TO INELIGIBLE SHAREHOLDERS

Dear Shareholder

FlexiGroup Limited – Entitlement Offer

On 27 October 2015, FlexiGroup Limited (**FXL** or **Company**) announced an accelerated non-renounceable entitlement offer (**Entitlement Offer**) of 1 fully paid ordinary share in FXL (**New Share**) for every 4.46 FXL shares held at the Record Date at an issue price of A\$2.20 per New Share. The Record Date for the Entitlement Offer is 7:00pm (Sydney time) on 30 October 2015 (**Record Date**).

This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

The institutional component of the Entitlement Offer has already closed and the results have been announced to the ASX. An offer booklet relating to the retail component of the Entitlement Offer was lodged with the ASX on 4 November 2015 and is being mailed to Eligible Shareholders (as defined below in the section headed "Eligibility Criteria").

Details of the Entitlement Offer

The Entitlement Offer is to be implemented under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission (**ASIC**) Class Order CO 08/35 (**CO 08/35**). The Entitlement Offer will raise up to approximately A\$150 million.

The Entitlement Offer is being made to Eligible Shareholders, on the basis of 1 New Share for every 4.46 FXL shares held at the Record Date at an issue price of A\$2.20 per New Share.

The funds raised under the Entitlement Offer will be applied to fund the acquisition of 100% of the shares in Fisher & Paykel Finance Holdings Limited (**Acquisition**).

Refer to the FXL announcement on 27 October 2015 for more information.

Eligibility Criteria

FXL has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A of the Corporations Act, that it would be unreasonable to make offers to shareholders in all countries in connection with the Entitlement Offer. This determination was made due to legal limitations on making or extending an offer of New Shares in some countries, the relatively small number of shareholders in those countries, the small number of shares they hold and the potential cost of complying with regulatory requirements in those countries.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, FXL wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer.

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are shareholders who:

- (a) are registered as holders of FXL shares as at 7:00pm (Sydney time) on the Record Date;
- (b) as at the Record Date, have a registered address in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

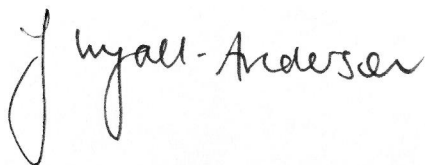
All other shareholders are not eligible to participate in the Entitlement Offer (**Ineligible Shareholders**).

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder stated above, you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent documents relating to the Entitlement Offer.

If you have any queries, please contact the Entitlement Offer information line on 1300 853 481 from 8:30am to 5:30pm (Sydney time) Monday to Friday. For other questions, you should consult your relevant professional advisers.

On behalf of the Board and management of FXL, thank you for your continued support.

Yours Sincerely



Julianne Lyall-Anderson
Company Secretary
FlexiGroup Limited

Important Information

This letter is issued by FXL. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in FXL in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of FXL shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been, or will be, taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933, as amended (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to, persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.