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23 May 2017

The Manager  
ASX Market Announcements  
Australian Securities Exchange  
Sydney NSW 2000

Dear Sir / Madam

## **FLEXIGROUP TRADING POLICY**

FlexiGroup Limited attaches its updated trading policy which has been amended in line with ASX *Guidance Note 27* and the Governance Institute of Australia's *Good Governance Guide*.

Yours sincerely

**Melissa Robinson**  
**Company Secretary**

# Trading Policy

Dated 30 November 2006

FlexiGroup Limited (**Company**)

Updated December 2010, April 2014 and May 2017

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# Trading Policy

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# Trading Policy

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## 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 any securities of the Company including shares, options, derivatives, managed investment products and superannuation products (**Securities**) of the Company and other financial products issued or created over or associated with Securities by third parties that are able to be traded on a financial market. The ban on insider trading also applies to the securities of other entities if you possess Inside Information about those entities.

The Chairman may also extend this trading policy by specifying that Designated Persons are restricted from dealing in the securities of other specified entities with which the Company may have a relationship.

### 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).

This trading policy also applies to Associates of Designated Persons (being family and closely connected persons and entities (being entities and/or people over whom a Designated Person has, or may be expected to have, investment control and influence)), except that the parts of this trading policy regarding prior notification, confirmation and notification of dealing apply as appropriate to the circumstances. If relevant, a Designated Person must:

- (a) inform their Associates about this trading policy; and
- (b) communicate on behalf of their Associates with the Notification Officer for the purposes of this trading policy.

If you are in doubt as to whether a person is an Associate and the application of this trading policy to them, you should contact the General Counsel of the Company who will make a determination on the issue.

### 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 or General Counsel. You may wish to seek your own professional legal advice before dealing in the Company's Securities.

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## 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 is also illegal to trade in the securities of other entities if you have 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 or increase debt;
- (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 or other key personnel;
- (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 penalties for a conviction 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 including dismissal.

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# **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 on 31 December each year until midday of the day 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 on 30 June each year until midday of the day 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.

Designated Persons may deal in Securities at other times subject to complying with the ban on insider trading and the requirements of this trading policy.

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## 4 Clearance procedures

### 4.1 Prior notification

If a Designated Person proposes to deal in the Company’s Securities (which includes entering into an agreement to deal) at any time 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.

### 4.2 Confirmation

A confirmation contemplated in paragraph 4.1(b) expires 5 business days from the date it is issued, unless it specifies a different expiry date.

A confirmation contemplated in paragraph 4.1(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.

Even if confirmation is granted, a Designated Person remains personally responsible for their own investment decisions and assessing whether the ban on insider trading applies to them.

### 4.3 Notification of the dealing

In addition to providing advance notice under paragraph 3.3, Designated Persons must confirm in writing to the relevant Notification Officer(s), within 3 business days from when the dealing in the Company's Securities has occurred, the number of Company Securities affected and the relevant parties to the dealing.

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## 5 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 prohibited period (being a period which is a Closed Period or any additional period when an entity's key management personnel are prohibited from trading, which are imposed by an entity from time to time when it is considering matters which may be the subject of continuous disclosure) (**Prohibited Period**); or
- (b) dispose of the Company's Securities even if otherwise prohibited under paragraph 7,

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 5, the requirements of paragraphs 4.1 to 4.3 must be complied with regarding prior notification, confirmation and notification of dealing.

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## 6 Permitted dealings

Certain types of dealing are excluded from the operation of part 3 of this trading policy and may be undertaken at any time (**subject to** the ban on insider trading). They are permitted primarily on the basis that the trading is passive, restrictive, outside of the individual's control or there is no underlying change in beneficial owner.

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 Prohibited 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;
- (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;
- (d) **(superannuation)** transfers of Securities which are already held by a Designated Person into a superannuation fund or other saving scheme in which the Designated Person is a beneficiary;
- (e) **(third parties)** an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (f) **(other trustees)** where a Designated Person is a trustee, trading in Company Securities by the respective trust provided the Designated Person is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the Designated Person;
- (g) **(takeover)** undertakings to accept, or the acceptance of, an announced takeover offer;
- (h) **(incentive scheme)** the exercise (but not the sale of Securities following exercise) of an option or right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the Designated Person could not reasonably have been expected to exercise it at a time when free to do so; and
- (i) **(trading plan)** trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
  - (i) the Designated Person did not enter into the plan or amend the plan during a Prohibited Period; and
  - (ii) the trading plan does not permit the Designated Person to exercise any influence or discretion over how, when, or whether to trade.
- (j) However, this trading policy does not allow the Designated Person to cancel the trading plan or cancel or otherwise vary the terms of their participation in the trading plan during a Closed Period other than in exceptional circumstances.

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## **7 Other prohibitions**

### **7.1 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.

### **7.2 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).

### **7.3 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.

### **7.4 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.

### **7.5 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).

#### ***Examples of prohibited arrangements:***

- a put option on incentive remuneration;
- a short position on shares that forms part of the incentive remuneration. A short position is a position in relation to shares in a listed company where the quantity of the shares that a person has is less than the quantity of the shares that the person has an obligation to deliver; and
- an income protection insurance contract in which the insurable risk event affects the financial value of remuneration or equity or an equity-related instrument for the key management personnel.

#### ***Examples of arrangements that are not prohibited:***

- an income protection insurance contract in which the insurable risk event is death, incapacity or illness of any of member of the key management personnel; and
- a foreign currency risk arrangement.

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## 8 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. You must ensure that your conversations are not overheard in elevators, aeroplanes or other public places. You must not leave Confidential Information on conference tables, desks or otherwise unguarded; and must take whatever steps which are reasonably necessary to keep Confidential Information from being disclosed except as authorised or legally required.

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## 9 Notifying interests and updating registers

The Company, its Directors and Company Secretary will comply with requirements regarding notifying Directors' interests and updating Company registers including:

- disclosure obligations under the ASX Listing Rules (such as under ASX Listing Rules 3.1 and 3.19A);
- notifying ASIC of a substantial shareholding or change to that holding (under section 671B the Corporations Act);
- for notifications, requests and clearances under this policy; and
- for Directors' material personal interests and standing notices (under Ch 2D div 2 of the Corporations Act).

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## 10 Awareness and training

The highest standards of corporate conduct are critical to the Company's reputation. The Company Secretary will instigate induction and on-going training, and set up appropriate processes, to promote compliance with this policy. A copy of this policy will be available on the Company's intranet site. It will be distributed to all Designated Persons and made available to employees and other persons as relevant.

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## 11 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.

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## 12 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.

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### **13 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 or General Counsel.

# 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 or General Counsel.

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).**

## 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:

<b>Designated Person</b>	<b>Notification Officer(s)</b>
Chair	CEO and the Chair of Risk Committee
Managing Director or Chief Executive Officer	Chair of the Board
Non-executive Directors	Chair of the Board
Company Secretary	CEO
All other Designated Persons	CFO and Company Secretary

# Trading Policy

## 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.**