

NOTICE OF ANNUAL GENERAL MEETING 2013

FLEXIGROUP^x

18 OCTOBER 2013

Dear Shareholder

On behalf of the Directors of FlexiGroup Limited (“**FlexiGroup**”), I am pleased to invite you to the FlexiGroup 2013 Annual General Meeting (“**2013 AGM**”). Enclosed is the notice of meeting setting out the business of the 2013 AGM (“**Notice of Meeting**”).

FlexiGroup’s 2013 AGM will be held on Wednesday 20 November 2013 commencing at 4.00pm (Sydney time) at the Intercontinental Hotel, 117 Macquarie Street, Sydney NSW 2000. If you decide to attend the 2013 AGM, please bring this letter with you to facilitate registration and entry to the 2013 AGM. If you are unable to attend the 2013 AGM, I encourage you to complete and return the enclosed proxy form.

I encourage you to read the Notice of Meeting (including the explanatory notes) and the proxy form and consider directing your proxy how to vote on each resolution by crossing either the “for” box, the “abstain” box or the “against” box on the proxy form.

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 2013 AGM.

I look forward to seeing you at the 2013 AGM.

Yours sincerely



MARGARET JACKSON
CHAIRMAN

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2013 Annual General Meeting (“**2013 AGM**”) of FlexiGroup Limited (“**FlexiGroup**” or “**Company**”) will be held at the Intercontinental Hotel, 117 Macquarie Street, Sydney on Wednesday 20 November 2013, at 4.00pm, to conduct the following business:

Ordinary Business

1 Financial Reporting

To receive and consider the financial statements of the Company for the financial year ended 30 June 2013 and the reports of the Directors and the Auditor of the Company.

There is no vote on this item.

2 Remuneration Report

To adopt the Remuneration Report contained within the Annual Report of the Company for the year ended 30 June 2013.

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

Voting exclusion statement

For the purposes of sections 250R and 250BD of the Corporations Act 2001 (Cth):

1. subject to paragraph 2, a vote must not be cast (in any capacity) on the resolution in Item 2 by or on behalf of a member of the Company’s key management personnel (including the Directors), details of whose remuneration are included in the Remuneration Report (“**KMP**”) or their closely related parties, whether as a shareholder or as a proxy except that a vote may be cast on the resolution in Item 2 by a KMP, or a closely related party of a KMP, if:
 - (a) the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution in Item 2; and
 - (b) the vote is not cast on behalf of a KMP or a closely related party of a KMP.
2. if you appoint the Chairman of the 2013 AGM as your proxy, and you do not direct your proxy how to vote on the resolution in Item 2 on the proxy form, you will be expressly authorising the Chairman of the 2013 AGM to exercise your proxy even if the resolution in Item 2 is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman of the 2013 AGM.

The Chairman of the 2013 AGM intends to vote undirected proxies in favour of the resolution in Item 2.

3 Re-Election of Rajeev Dhawan as a Director

Rajeev Dhawan will retire in accordance with Article 10.3 of the Constitution and offers himself for re-election as a Director.

4 Election of Anne Ward as a Director

Anne Ward was appointed as Non-Executive Director, effective 1 January 2013, following the last AGM, and therefore offers herself for election as a Director in accordance with Article 10.3 of the Constitution.

Special Business

5 Approval of the Issue of Shares on 13 May 2013

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

That the issue of 11,278,195 ordinary shares in FlexiGroup at \$3.99 per share under an institutional placement on 13 May 2013 (the terms and conditions of which are described in the Explanatory Notes accompanying the Notice of Meeting convening the 2013 AGM) is ratified for all purposes including ASX Listing Rule 7.4.

Voting exclusion statement

In accordance with ASX Listing Rule 14.11, FlexiGroup will disregard any votes cast on the resolution in Item 5 by any person who participated in the issue of shares on 13 May 2013 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 ASX Settlement and Operating Rule 5.6.1, the Directors have determined that the shareholding of each shareholder for the purpose of ascertaining voting entitlements for the 2013 AGM will be as it appears in the Company’s share register at 7.00pm (Sydney time) on 18 November 2013.

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; or
- (c) submitted 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 2013 AGM (i.e. by 4.00pm (Sydney time) on Monday 18 November 2013) or the time of any adjourned meeting.

By order of the Board



DAVID STEVENS
COMPANY SECRETARY

18 OCTOBER 2013

EXPLANATORY NOTES ON THE BUSINESS TO BE TRANSACTED AT THE FLEXIGROUP LIMITED 2013 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 before the annual general meeting.

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 2013.

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 2013 is put to the vote of shareholders for adoption. The Remuneration Report is set out on pages 11 to 28 of the Annual Report.

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 2013 AGM.

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

Item 3 – Re-Election of Rajeev Dhawan as a Director

Under the provisions in the Company’s Constitution for the rotation of Directors, Rajeev Dhawan will retire at the 2013 AGM and offers himself for re-election.

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 to act in an advisory capacity to the Flexirent business.

Currently a partner of Equity Partners, Mr Dhawan has 20 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.

Item 4 – Election of Anne Ward as a Director

Under the provisions in the Company’s Constitution relating to the appointment of additional Directors, Anne Ward will retire at the 2013 AGM and offers herself for election.

Ms Ward was appointed as a Director of the Company with effect from 1 January 2013. Ms Ward is presently Chairman of Colonial First State Investments Ltd, Avanteos Investments Ltd, the Qantas Superannuation Plan, Zoos Victoria and the Centre for Investor Education.

Prior to becoming a professional director, Ms Ward was a commercial lawyer for 28 years advising major corporations on strategic transactions, mergers and acquisitions, capital markets, contract law and regulation and corporate governance. She was General Counsel for National Australia Bank for Australia and Asia and was a partner at national law firms Minter Ellison and Herbert Geer. Prior to submitting herself for election, Ms Ward acknowledged to the Company that she would have sufficient time to properly fulfil her duties to the Company.

The Directors (with Ms Ward abstaining and not voting) recommend that shareholders vote in favour of Ms Ward’s election.

Special Business

Item 5 – Approval of the Issue of Shares on 13 May 2013

5.1 General

On 13 May 2013, the Company issued 11,278,195 ordinary shares (“**Placement Shares**”) representing approximately 3.9 per cent of the then issued ordinary shares in the capital of the Company, at A\$3.99 per share to raise approximately A\$45 million of new capital.

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that the Company can issue or agree to issue without shareholder approval. Generally, a listed company may not, without shareholder approval, issue in any 12 month period, equity securities representing 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 of shares by a company 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. The Company confirms that the issue of the Placement Shares did not breach ASX Listing Rule 7.1. The Company has decided to seek shareholder approval under ASX Listing Rule 7.4 for the issue of the Placement Shares.

EXPLANATORY NOTES ON THE BUSINESS TO BE TRANSACTED AT THE FLEXIGROUP LIMITED 2013 ANNUAL GENERAL MEETING (CONTINUED)

On 13 June 2013, the Company issued 2,507,530 ordinary shares under a Share Purchase Plan without disclosure to investors under Part 6D.2 of the Corporations Act. Under ASX Listing Rule 7.2 (Exception 15), issues of shares under share purchase plans which meet the conditions of that Listing Rule are not required to be counted for the purposes of calculating a listed company's placement capacity under Listing Rule 7.1. Therefore, the shares issued by the Company under the share purchase plan are not counted in determining the Company's placement capacity under Listing Rule 7.1. Therefore, the Company is not seeking shareholder approval for the issue of shares under the Share Purchase Plan.

5.2 Why is the Company seeking shareholder approval?

If the Company does not obtain shareholder approval for the Placement Shares that was completed on 13 May 2013, the Company will be limited in its ability to issue additional equity securities and this could limit the Company'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, the Company will have the flexibility to issue further equity securities within the annual 15 per cent placement capacity limit pursuant to ASX Listing Rule 7.1 without seeking shareholder approval. Notwithstanding an approval by shareholders of the proposed resolution in Item 5, future equity raisings would remain subject to the annual 15 per cent limit set out in ASX Listing Rule 7.1, but the Placement Shares would not be counted for the purposes of determining the number of shares that can be issued without shareholder approval.

5.3 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 when seeking an approval for the purposes of ASX Listing Rule 7.4:

- (a) The total number of Placement Shares allotted was 11,278,195 ordinary shares.
- (b) The Placement Shares were issued at a price of A\$3.99 per share.
- (c) The Placement Shares rank pari passu with the existing ordinary shares then on issue.
- (d) The Placement Shares were allotted to selected professional and sophisticated investors.
- (e) The funds raised were used to fund the acquisition by the Company of Once Credit Pty Limited from Once Pty Limited.

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

FlexiGroup Limited

Level 8, 201 Pacific Highway
St Leonards, NSW 2065

ABN 75 122 574 583

P +61 2 8905 2000

F +61 2 8905 1800

www.flexigroup.com.au