

Finexia Financial Group Limited (FNX:ASX)

Dividend Reinvestment Plan Rules

25 August 2023

FINEXIA

1. Interpretation

- a) The following words have these meanings in these Rules, unless the contrary intention appears:

'ASX' means ASX Limited (ACN 008 624 691) or the market operated by it as the context requires.

'Company' means Finexia Financial Group Limited (ABN 52 106 760 418).

'Direct Credit Instructions' means the nomination by a holder of Shares of an account into which any payments, including dividends, will be paid to that holder by the Company.

'Directors' means the directors of the Company acting as a board or any duly appointed committee of the board.

'Dividend' means a cash dividend or cash component of a dividend in respect of Shares paid by the Company.

'Eligible Member' means, in respect of a particular Dividend, a person who, at the DRP Record Date for that Dividend, is the registered holder of Shares and whose address in the register of members of the Company at that Record Date:

- a) is in Australia, New Zealand, United Kingdom, Singapore, Hong Kong, Malaysia; or
- b) is in a jurisdiction outside of Australia in which the Directors determine, in their discretion, to make the offer of Shares under the Plan for that Dividend,

provided that the Directors may determine that a member, or a class of members, are not Eligible Members if they are, or hold Shares on behalf of other persons who are, resident outside the jurisdiction mentioned in paragraph (a) above and the jurisdictions determined by the Directors under paragraph (b) in respect of a particular Dividend above.

'Eligible Shares' means Shares other than excluded Shares.

'Excluded Shares' has the meaning given in clause 10.

'Market Value' of a Share for a Dividend means:

- a) the amount which is the arithmetic average of the daily volume weighted average sale price for a Share (rounded to four decimal places) sold through a Normal Trade on ASX and Chi-X (or such alternative or additional trading platforms as the Directors may determine from time to time) on the ten trading days commencing on the second trading day following the Record Date for that Dividend or such other commencement date or pricing period as the Directors determine and announce to ASX; or
- b) if, at the absolute discretion of the Directors, the amount calculated in (a) above is not considered to represent the then fair market value of a Share, the amount determined by the Directors as the then fair market value of a Share.

'Normal Trade' means a trade in the ordinary course of trading on ASX and Chi-X (or such alternative or additional trading platforms as the Directors may determine from time to time) excluding any sales that the Directors determine in their absolute discretion should be excluded on the basis that they are not fairly reflective of genuine supply or demand.

'Notice of Dividend Election' means the application, whether written or electronic, to participate in the Plan in respect of a particular shareholding account in the form that the Directors from time to time approve.

'Notice of Variation' means a notice, whether written or electronic, in the form that the Directors from time to time approve for a Participant to notify the Company of the matters specified in clause 7(a).

'Participant' means an Eligible Member whose application to participate in the Plan in respect of a particular shareholding account has been received by the Company (or its share registry), accepted by the Directors and noted in the Register of Participants as provided in clause 5(e).

'Plan' means the Finexia Dividend Reinvestment Plan incorporating these Rules,

as modified from time to time, and subject to the constitution of the Company.

'Plan Account' has the meaning given to that term in clause 6(b).

'Plan Shares' means the Eligible Shares in a particular shareholding account which are designated by a Participant as Shares the dividend on which is to be applied in acquiring Shares under the Plan.

'Rules' means the rules of the Plan, as modified from time to time.

'Record Date' has the same meaning as that term is defined in the official listing rules of ASX as amended or replaced from time to time.

'Register of Participants' has the meaning given in clause 5(e).

'Shares' means fully paid ordinary shares in the capital of the Company.

'Shareholder' means a registered holder of Shares.

A reference to a person includes a corporation and the singular includes the plural and vice versa.

2. The Plan

The Plan and these Rules will commence operation on such date as the Directors in their sole discretion determine.

3. Invitations and applications to participate in the Plan

- a) The Company may from time to time invite Eligible Members to participate in the Plan.
- b) Participation in the Plan is optional and not transferable and subject to these Rules.
- c) An Eligible Member who wishes to participate in the Plan may only apply for participation in respect of the Eligible Shares of which the Eligible Member is the registered holder and by lodging a Notice of Dividend Election with the Company (or its share registry).

- d) If Shares are held jointly and one or more of those joint holders is not an Eligible Member then none of the joint holders can apply to participate in the Plan with respect to the Shares jointly held.
- e) A Notice of Dividend Election must be properly completed in accordance with the instructions contained therein for it to be valid.
- f) A Notice of Dividend Election must be lodged for each shareholding account which the Eligible Member wishes to participate in the Plan, and each shareholding account of an Eligible Member will be treated separately for all purposes under the Plan.
- g) If an Eligible Member who participates in the Finexia Dividend Reinvestment Plan lodges a valid Notice of Dividend Election for a shareholding account and elects:
 - i. full participation, that Eligible Member will be treated as having terminated the participation of all of the Shares in that shareholding account in the Finexia Dividend Reinvestment Plan; or
 - ii. partial participation for a specific number of Shares, that Eligible Member will be treated as having terminated the participation of that number of Shares in the Finexia Dividend Reinvestment Plan as is necessary to allow participation in the Plan of the number of Shares so specified.

4. Degree of participation

- a) An Eligible Member must specify on the Notice of Dividend Election the degree to which the Eligible Member wishes to participate in the Plan in respect of the nominated shareholding account. Participation may be:
 - i. full participation for all the Eligible Shares of which the Eligible Member is the registered holder from time to time however acquired (including Shares allotted or transferred under the Plan); or
 - ii. partial participation for a specific number of Shares (being a number less

than the total number of Eligible Shares of which the Eligible Member is the registered holder) nominated by the Participant together with the Shares subsequently acquired under the Plan and any bonus shares subsequently allotted in respect of Plan Shares. However, if at the Record Date for a Dividend, the number of the Eligible Shares held by the Participant is fewer than the nominated number, then the Plan will apply only to that lesser number for that Dividend.

- b) Notwithstanding anything else in these Rules, the Directors may at any time with written notice to Eligible Members (or any of them) limit participation in the Plan by limiting the amount of Dividend which may be reinvested under the Plan without giving a reason.
- c) Notices of Dividend Election received by the Company (or its share registry) which do not indicate the degree of participation in the Plan will, without notice to the applicant, be deemed to be an application for full participation in the Plan in respect of the nominated shareholding account, or, in the absence of a nominated shareholding account, all Eligible Shares of which the Eligible Member is the registered holder.
- d) Plan Shares that are sold or otherwise transferred to a new registered holder (including successors, assigns, executors and trustees) will cease to be Plan Shares on registration of the transfer.

5. Acceptance of applications

- a) The Directors may in their absolute discretion accept or refuse any Notice of Dividend Election, without being bound to give any reason for doing so.
- b) If the Directors refuse to accept a Notice of Dividend Election pursuant to clause 5(a), the Company must notify the Eligible Member as soon as practicable that the Notice of Dividend Election has been rejected.
- c) If the Directors accept a Notice of Dividend Election pursuant to clause 5(a), the Directors will procure that an appropriate

entry is made in the Register of Participants as soon as practicable after acceptance.

- d) Each Notice of Dividend Election accepted by the Directors will be effective in respect of any Dividend payment after receipt of the Notice of Dividend Election, provided it is received by the Company (or its share registry) by the business day following the Record Date for that Dividend.
- e) The Company (or its share registry) will record for each shareholding account of each Participant in a register (Register of Participants) particulars of:
 - i. the name and address of the Participant; and
 - ii. the number of Plan Shares held by the Participant from time to time, and the Company's (or its share registry's) records will be conclusive evidence of the matters so recorded.

6. Reinvestment of Dividends

- a) Dividends on Plan Shares will be applied by the Company on the Participant's behalf in acquiring Shares. Any Dividends on Plan Shares which the Company is entitled to retain under its constitution or otherwise (including where the Company is entitled to a charge over the Shares or over any dividend payable in respect thereof) will not be available for acquiring Shares. If withholding or other tax is payable in respect of a Dividend, that tax will be deducted and only the balance will be applied in acquiring Shares.
- b) The Company (or its share registry) will establish and maintain a Plan account for each shareholding account of each Participant (Plan Account). At the time of each Dividend payment, the Company will, in respect of each Plan Account:
 - i. determine the Dividend payable in respect of the Plan Shares in that Plan Account as at the Record Date;
 - ii. determine (where applicable) the Australian withholding or other tax deductible by the Company or required to be remitted to the Australian Tax Office in respect of the Dividend payable on the Plan Shares in that Plan Account, and any other sum the Company is

- entitled to retain in respect of those Plan Shares;
 - iii. credit the amount in (i) above and debit any amount in (ii) above to that Plan Account;
 - iv. determine the maximum whole number of Shares which can be acquired under these Rules using the formula in (c) below;
 - v. acquire that number of Shares on behalf of and in the name of the Participant and debit the acquisition price, which is variable 'C' in the formula in (c) below, per Share against the amount in that Plan Account;
 - vi. issue and allot, or transfer (as the case may be), to the Participant that number of Shares and make an appropriate entry in the register of members of the Company; and
 - vii. retain in that Plan Account, without interest, any cash balance remaining after the Plan Account has been debited in accordance with paragraph (v) which cash balance shall be used in the calculation for determining the maximum number of Shares to be acquired under the Plan at the time of payment of the next Dividend.
- c) The number of Shares issued or transferred to each Participant (in respect of each Plan Account) will be the number calculated by the formula:

$$\frac{D - T + R}{C}$$

which if not a whole number will be rounded down to the nearest whole number, where:

'D' is the Dividend payable on the Participant's Plan Shares (in that Plan Account) as at the Record Date for that Dividend;
 'T' is any withholding or other tax or other sum the Company is entitled to retain or required to remit to the Australian Tax Office in relation to that Dividend or the relevant Participant's Plan Shares (in that Plan Account);
 'R' is the cash balance standing to the credit of that Plan Account; and
 'C' is the Market Value of a Share for that Dividend less such discount, if any, as determined by the Directors from time to time.

- d) The Market Value will be calculated by the Directors or a person nominated by the Directors, by reference to any information the Directors or the person nominated by the Directors approves for that purpose. A determination by the Directors or a person nominated by the Directors of the price binds all Participants.
- e) In the event that:
 - i. the Participant ceases to participate in the Plan as a result of the Participant disposing of all of the Participant's Shares;
 - ii. ii) the Participant gives a Notice of Variation to terminate participation in the Plan in accordance with clause 7(a) and then disposes of the Participant's Shares before the next Record Date; or
 - iii. iii) the Directors suspend or terminate the Plan in accordance with clause 8(b), and the Participant then disposes of the Participant's Shares before the next Record Date, and there is a positive cash balance in the Participant's Plan Account, then at the time of payment of the next Dividend:
 - (1) if the cash balance is in excess of \$10, the entire balance will be paid to the Participant in accordance with his or her Direct Credit Instructions or where there are no current Direct Credit Instructions, the entire balance will be withheld along with any withheld dividend payment until a Direct Credit Instruction is received; or
 - (2) if the cash balance is \$10 or less, the entire balance will be donated to charities nominated by the Company.
 - iv. iv) the Participant gives a Notice of Variation to terminate participation in the Plan in accordance with clause 7(a) and then disposes of the Participant's Shares before the next Record Date, and there is a positive cash balance in the Participant's Plan Account, then at the time of payment of the next Dividend:
 - (1) if the cash balance is in excess of \$10, the entire balance will be paid to the Participant in accordance with his or her Direct Credit Instructions or where there are no current Direct Credit Instructions, the entire balance will be withheld along with any withheld dividend payment until a Direct Credit Instruction is received; or
 - (2) if the cash balance is \$10 or less, the entire balance will be donated to charities nominated by the Company.
- f) If:
 - i. the Directors suspend or terminate the Plan in accordance with clause 8(b); or
 - ii. a Participant gives a Notice of Variation to terminate his or her participation in the Plan in accordance with clause 7(a), but the Participant remains a holder of Shares at the next Record Date, any positive cash balance will be added to the next Dividend and returned to the Participant in accordance with his or her Direct Credit Instructions or where there are no current Direct Credit Instructions, the entire balance will be withheld along with any withheld dividend payment until a Direct Credit Instruction is received.

- g) Cash balances in a Participant's Plan Account are not transferrable.
- h) Shares will not be acquired under the Plan if the acquisition would breach any provision of any applicable law, regulation or rules of a relevant securities exchange.
- i) As soon as practicable after each acquisition of Shares under the Plan, the Company will send to each Participant, in respect of each Plan Account, a statement setting out:
 - i. the number of the Plan Shares in that Plan Account on the Record Date for the relevant Dividend;
 - ii. the Dividend payable in respect of that Plan Shares in that Plan Account;
 - iii. the amount of any withholding or other tax or other sum the Company has retained or remitted to the Australian Tax Office in relation to that Dividend or those Plan Shares;
 - iv. the number, acquisition price and issue or transfer date of additional Shares allotted or transferred to that Participant in respect of that Plan Account under the Plan;
 - v. the cash balance standing to the credit of that Plan Account; and
 - vi. the extent to which that Dividend is franked for Australian income tax purposes and the franking credit attached to that Dividend.
- j) All Shares allotted under the Plan will be allotted on the terms disclosed in these Rules, will be subject to the same rights as the Shares issued to all other Shareholders who agree to receive Shares under the Plan and will, from the date of allotment, rank equally in all respects with existing Shares.
- k) Shares to be acquired under the Plan will be issued or transferred within the time required by ASX.
- l) Shares allotted or transferred to a Participant under the Plan will be registered:
 - i. if the Plan Shares already held by the Participant are registered on one register – on that register; or
 - ii. if the Plan Shares already held by that Participant are registered on more than one register – on the register designated by that Participant or, in the absence of a designation, on the register selected by the Company.
- m) The Directors in their absolute discretion will determine with respect to the operation of the Plan for any particular Dividend whether to issue new Shares or to arrange for the purchase and transfer of existing Shares to a Participant, or to apply a combination of both options, to satisfy the Company's obligations under the Plan. If the Directors determine to arrange for the purchase and transfer of Shares to a Participant, the Shares may be acquired in such manner as the Directors consider appropriate.
- n) The Company will make application promptly after each allotment of Shares under the Plan for quotation of those Shares on ASX, if other Shares of the Company are quoted at that time.

7. Variation or termination of participation

- a) A Participant may, by lodging with the Company (or its share registry) a Notice of Variation, convert full participation to partial participation (and vice versa), increase or decrease the number of its Plan Shares specified in respect of partial participation or terminate participation in the Plan. A Notice of Variation must be lodged for each Plan Account.
- b) The provisions of clause 5 apply to a Notice of Variation, reading each reference in that clause to 'Notice of Dividend Election' as a reference to 'Notice of Variation'.
- c) If a Participant disposes of all of the Participant's Shares without giving the Company (or its share registry) a Notice of Variation and is not registered as a holder of any Shares when the Company's share register is next closed for payment of a Dividend, the Participant will be deemed to have terminated participation on the date when the Company last registered a transfer of the Participant's Shares.
- d) When a Participant disposes of some of their Shares, and does not notify the Company (or its share registry) otherwise, the Shares disposed of will, to the extent possible, be taken to be:
 - i. first, Shares which are not Plan Shares; and
 - ii. secondly, Plan Shares.

8. Effect of applying for participation

- a) By lodging a Notice of Dividend Election with the Company (or its share registry), a Shareholder:
- b) warrants to the Company and the Company's share registry that it is an Eligible Member;
- c) authorises the Company to correct any error in, or omission from, any other notice or application provided by it (including, but not limited to, a Notice of Dividend Election and Notice of Variation);
- d) acknowledges that the Company may at any time determine that the Notice of Dividend Election or any Notice of Variation is valid, in accordance with these Rules, even if the Notice of Dividend Election or Notice of Variation is incomplete, contains errors or is otherwise defective;
- e) consents to the establishment of a Plan Account on its behalf;
- f) agrees to the appointment of the Company's share registry, or any other nominee (including a broker) appointed by the Company or its share registry, as the Shareholder's agent to acquire Shares in accordance with clause 5 and agrees to the agent taking all steps necessary to register the Shares in the Shareholder's name, including the execution of any share transfers required;
- g) acknowledges that neither the Company nor its share registry has provided the Shareholder with investment advice, financial product advice or any securities recommendation concerning its decision to lodge a Notice of Dividend Election and that neither has any obligation to provide any such advice or recommendation;
- h) acknowledges that neither the Company nor its share registry (nor any officer of the Company or its share registry) will be liable or responsible to the Shareholder for any loss or disadvantage suffered or incurred by the Shareholder as a result, directly or indirectly, of the establishment or operation of the Plan or participation in the Plan;
- i) unconditionally agrees to the Rules; and

- j) unconditionally agrees to be bound by the Company's constitution in relation to Shares allotted or transferred to it under the Plan.

9. Modification, suspension, recommencement and termination of the Plan

- a) The Plan may be modified by the Directors at any time after giving notice of the change in accordance with clause 16. A Participant's Plan Shares continue to participate in the modified Plan unless the Company (or its share registry) is notified to the contrary by the Participant.
- b) The Plan may be suspended, recommenced or terminated by the Directors at any time after giving notice of the change in accordance with clause 16.
- c) Notice of suspension, recommencement or termination must be given in accordance with clause 16, and the suspension, recommencement or termination will be effective:
 - i. on the date determined by the Directors and notified in accordance with clause 16; and
 - ii. until such time as the Directors resolve either to recommence or terminate the Plan.
- d) Whilst the Plan is suspended, Dividends on Plan Shares will not be applied by the Directors on the Participant's behalf in acquiring Shares under the Plan.
- e) The accidental omission to give notice of modification, suspension, recommencement or termination to any Participant or the non-receipt of any notice by any Participant will not invalidate the modification, suspension, recommencement or termination of the Plan.

10. Excluded Shares

Shares issued in accordance with, or held under, any employee share plan or other similar plan established by the Company cannot be Plan Shares (Excluded Shares), unless the relevant plan does not exclude participation in this Plan and the Board resolves to allow participation in this Plan.

11. Administration of the Plan

This Plan will be administered by the Directors who have the power to:

- a) determine procedures for administration of the Plan consistent with the Rules;
- b) settle in such manner as they think expedient any difficulties, anomalies or disputes, including, without limitation, all questions of fact or interpretation of these Rules, which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Shares and the determination of the Directors is to be conclusive and binding on all Participants and other persons to whom the determination relates;
- c) waive strict compliance with any of the provisions of the Rules;
- d) correct any error in, or omission from, any Notice of Dividend Election and Notice of Variation; and
- e) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan (including the discretion to determine that a sale should be excluded from being treated as being in the ordinary course of trade on the basis that it is not fairly reflective of genuine supply or demand for the purposes of the definition of Normal Trade).

12. Participants to be bound

Participants are at all times bound by the Rules of the Plan as modified from time to time.

13. Costs to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Shares acquired under the Plan.

14. No Liability

Neither the Company nor any officer of the Company shall be liable or responsible to any Participant for any loss or disadvantage suffered

or incurred by a Participant as a result, directly or indirectly, of the establishment or operation of the Plan or participation in the Plan.

15. Taxation

Neither the Company or any of its officers, employees, representatives or agents:

- a) take any responsibility or assume any liability for any taxes or other imposts assessed against or imposed on a Participant; or
- b) represent or warrant that any person will gain any taxation advantage or will not incur a taxation liability or disadvantage as a result of participation in the Plan.

16. Notices

Any notice to be given to Participants or persons registered in the register of members of the Company as the holder of Shares by the Company may be given in any manner which the Directors consider appropriate including, but not limited to, by notice on the Company's website, by way of announcement to ASX or, at the Directors' discretion, may be given in accordance with the provisions regarding the giving of notices to members contained in the Company's constitution.

17. Governing law

The Plan, these Rules and the operation of the Plan are governed by and must be construed in accordance with the laws of New South Wales.