



Insignia™
Financial

Insignia Financial Ltd
(ACN 100 103 722)

Features of the Insignia Financial Dividend Reinvestment Plan

Insignia Financial has established a Dividend Reinvestment Plan (“DRP”) to enable Eligible Shareholders (as defined in the DRP Rules) to reinvest all or part of their dividends into additional Insignia Financial shares.

This booklet contains information in relation to the DRP. Please read this booklet carefully. The DRP Rules are set out in the DRP Rules document, available on the Insignia Financial website at www.insigniafinancial.com.au, which you should also read carefully before deciding whether to participate in the DRP.

Any information provided by Insignia Financial in this booklet is of a general nature only and does not take into account your personal circumstances. If you are in any doubt as to whether you should participate in the DRP, you should consult your legal, financial or other appropriately licensed professional adviser. You should also seek your own taxation advice before deciding whether to participate in the DRP.

1 Key features of the DRP

Reinvestment of dividends

If you are an Eligible Shareholder, the DRP offers a convenient way for you to increase your shareholding in Insignia Financial by reinvesting some or all of your dividends in additional Insignia Financial shares.

Insignia Financial shares will be allocated at an Offer Price (as defined in the DRP Rules) based on the volume weighted average daily market price of all Insignia Financial shares sold over a period of up to 10 trading days, as determined by the Insignia Financial Board in accordance with the DRP Rules.

Participation in the DRP is voluntary

If you don't want to participate in the DRP, you don't have to do anything and you will continue to be paid your dividends in cash.

If you do apply to participate in the DRP, you can change your level of participation, or cancel your participation in the DRP at any time and from time to time, by giving notice by 5.00pm (Melbourne time) on the first business day following the record date for the relevant dividend.

Tailoring to individual circumstances

The DRP provides you with flexibility to choose the way in which you receive the benefit of your Insignia Financial dividends in respect of which the DRP applies. If the DRP applies to a dividend, you will have the option of receiving additional Insignia Financial shares, a combination of Insignia Financial shares and cash, or cash only.

No additional cost to participate

You do not have to appoint a broker and you do not have to pay any brokerage, commission or other transaction costs to participate in the DRP.

Residual amounts are carried forward

You will only receive a whole number of additional Insignia Financial shares under the DRP. Where the allocation calculation would otherwise result in a fraction of an additional Insignia Financial share being allocated to you, the residual cash amount attributable to that fraction will be retained (without interest) in your DRP account as a residual positive balance. The total residual positive balance in your DRP account will be carried forward on your behalf to the next dividend in respect of which the DRP applies, for the purposes of calculating the number of additional Insignia Financial shares to be allocated to you under the DRP in respect of that later dividend.

If you cancel your participation in the DRP, any residual positive balance in your DRP account will be paid to you.

Equal ranking

All additional Insignia Financial shares allocated under the DRP will rank equally in all respects with existing Insignia Financial shares.

DRP statement

A DRP statement will be provided to you as soon as practicable after the time of a dividend payment in respect of which the DRP applies. Your DRP statement will include details of (among other things) any additional Insignia Financial shares allocated to you under the DRP and any residual positive balance carried forward in your DRP account.

DRP Rules

The rules of the DRP are set out in the DRP Rules booklet, available on the Insignia Financial website at www.insigniafinancial.com.au. This 'Key features of the DRP' section of this booklet is only a summary of some of the features of the DRP. Nothing in this section or the 'DRP Election Form' itself is intended to modify or otherwise affect the DRP Rules.

2 Where to find the DRP Election Form / Notice of Variation

You must use a copy of the DRP Election Form / Notice of Variation to apply to participate in, or vary your participation in, the DRP.

You can elect to participate or vary your participation in the DRP electronically via the website of Insignia Financial's share registry, Boardroom (the "Share Registry") at www.investorserve.com.au. Alternatively, you can request a copy of the DRP Election / Notice of Variation Form at any time by contacting the Share Registry on 1300 552 203 (within Australia) or +61 2 8196 2893 (outside Australia) or by email to insigniafinancial@boardroomlimited.com.au and then complete and sign the DRP Election Form and return it to the Share Registry.

3 Frequently asked questions

3.1 What is the Plan?

The Plan allows holders of ordinary Shares in Insignia Financial to elect to apply for some or all of your dividends to the purchase of additional shares in Insignia Financial instead of receiving cash. It is a convenient and cost effective method to increase your shareholding in Insignia Financial over time.

3.2 Is participation in the Plan voluntary?

Yes. If you do not want to participate in the Plan, you do not have to do anything and you will continue to be paid your dividends.

3.3 How do I participate in the Plan?

Participation in the Plan is entirely voluntary. All that you need to do is to complete the DRP Election Form and return it to the Share Registry at the address shown on the DRP Election Form.

Additional forms can be downloaded from www.investorserve.com.au or you can contact our Share Registry on 1300 552 203 (within Australia) or +61 2 8196 2893 (outside Australia) to request a DRP Election Form.

3.4 Do I have to pay to participate in the Plan?

No. You do not have to appoint a broker and you do not have to pay any brokerage, commission or other transaction costs to participate in the Plan.

3.5 Who is eligible to participate in the Plan?

As a general rule, ordinary shareholders in Insignia Financial who have a registered address in Australia or New Zealand are eligible to participate in the Plan unless they hold Shares on behalf of another person who resides outside Australia.

Please see the Plan Rules for further information about eligibility.

3.6 If I hold ordinary Shares in Insignia Financial as a nominee or custodian of a foreign beneficiary, am I eligible to participate in the Plan on behalf of that foreign beneficiary?

Insignia Financial is not required to determine whether or not any Eligible Shareholder is acting as a nominee or custodian, or the identity or residence of any beneficial owners of shares in Insignia Financial.

Where any Eligible Shareholder is acting as a nominee or custodian for a foreign person, that Eligible Shareholder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the DRP is compatible with applicable foreign laws.

Eligible Shareholders who are nominees or custodians should seek independent advice as to how to proceed.

3.7 When do I have to return my DRP Election Form by if I want to participate in the Plan?

For your DRP Election Form to be effective for a particular dividend in respect of which the Plan applies, it must be received by the Share Registry (either in paper format or completed electronically) by 5.00pm (Melbourne time) on the first

business day following the record date for determining Insignia Financial shareholders' entitlements to that dividend.

If your DRP Election Form is received after this time, it will not become effective until the following dividend in respect of which the DRP applies.

3.8 When will my participation in the Plan begin?

Participation begins with the first Dividend after receipt of your DRP Election Form if it is received before 5.00pm (Melbourne time) on the business day after the record date for that Dividend.

3.9 How is the Offer Price of the Plan Shares calculated?

Offer Price is defined in the Plan Rules. It is based on the average market price of Shares sold on ASX and the market known as 'Cboe Australia' during a period of not more than 10 trading days, commencing two trading days after the record date (or as the Board determines) in respect of the Dividend. The Directors may decide that you can acquire the Shares at a discount.

3.10 Do all my Shares have to participate in the Plan?

Eligible shareholders may elect to participate in the Plan for all or part of their holding, subject to any minimum and/or maximum number of Shares to participate in the Plan as the Directors may specify. There is currently no minimum or maximum number of Shares set for participation in the Plan.

3.11 How many Shares will I receive?

The number of Shares you receive will be calculated by multiplying the number of participating Shares you hold at the relevant record date by the Dividend, deducting any withholding tax or other applicable deductions and then dividing this amount by the Offer Price of the Plan Shares.

Any applicable residual positive balance will be carried forward for you.

3.12 How will I know how many Shares I receive under the Plan?

All participants in the Plan will be sent a statement on the Dividend payment date. This statement will include:

- the number of Plan Shares you held at the record date for the Dividend;
- the Dividend payment calculation (including any withholding tax or other deductions);
- the Offer Price of the Plan Shares; and
- the number of Plan Shares acquired by you and the amount of any applicable residual positive balance.

If you are a partial Participant, you will receive your cheque or direct credit payment advice in a separate letter.

3.13 How will my Plan Shares be treated for the subsequent dividend payments?

If you choose to participate fully in the Plan, all Shares held by you at each record date for a Dividend will be treated as participating in the Plan for that Dividend.

If you choose partial participation, only the number of Shares you have specified will be Plan Shares.

3.14 What if I have more than one shareholding in Insignia Financial?

You will need to lodge a separate DRP Election Form for each shareholding registered under different names or each shareholding bearing different shareholder reference numbers or holder identification numbers.

3.15 Can the Plan be changed, suspended or terminated?

The Directors may vary the Rules or suspend or terminate the Plan at any time. If this occurs, the Directors will make a public announcement and information will be available at *asx.com.au* under Insignia Financial's ASX announcements and also on Insignia Financial's website at *www.insigniafinancial.com.au*.

3.16 How can I change my Plan participation?

You can change your participation or withdraw from the Plan by completing a Notice of Variation and lodging it with the Share Registry. The Notice of Variation must be received before the next record date to be active for the next Dividend. Details on how to obtain a Notice of Variation are contained at paragraph 2 above.

3.17 Can I sell my Plan Shares?

You can sell your Plan Shares any time after you acquire them. If you sell all your Shares between a record date and the Dividend payment date, your Dividend in respect of your Plan Shares will still be reinvested in the Plan.

However, if you sell all of your Shares before the record date, you will not receive Shares under the Plan or any other payment on the Dividend payment date.

3.18 What happens if I am participating in the Plan and sell some or all of my Shares in Insignia Financial?

Unless you have given sufficient notice to the contrary beforehand, the shares disposed of will be treated, to the extent possible, as coming from any Insignia Financial shares that do not participate in the Plan and the balance, if any, will be treated as coming from your Insignia Financial shares that do participate. If you have ceased to hold any Insignia Financial shares by the time of a record date in respect of which the Plan applies, you are deemed to have terminated your participation in the Plan at that record date.

3.19 If I cancel my participation in the Plan or sell my shares in Insignia Financial, or if Insignia Financial terminates the Plan, what happens to any balance in my DRP account?

If Insignia Financial terminates the Plan, if you cancel your participation in the Plan or if you sell all of your shares in Insignia Financial, any residual positive balance in your DRP account will be paid to you.

3.20 What is the taxation treatment?

Dividends reinvested into Shares are usually treated as dividends received in the hands of the shareholder for Australian tax purposes. Insignia Financial cannot, however, advise on the taxation implications of participating in the Plan. If you have any questions regarding taxation implications, please consult your stockbroker, accountant or professional adviser.

3.21 Enquiries

If you have further enquiries (other than concerning taxation) about how the Plan operates and how you can participate, please contact Insignia Financial's Share Registry at:

E-mail: insigniafinancial@boardroomlimited.com.au

Phone: 1300 552 203 (within Australia) or +61 2 8196 2893 (outside Australia)
