

RETAIL ENTITLEMENT OFFER BOOKLET

Details of a 1 for 5.2 pro rata accelerated non-renounceable entitlement offer of new shares at a price of A\$1.20 per new share to raise approximately A\$73.3 million.

Retail Entitlement Offer closes at 5:00pm (Sydney time)
Monday, 17 October 2016

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities & Investments Commission (**ASIC**).

Please call your professional adviser or the Cover-More Shareholder Information Line on 1300 551 346 (within Australia) or +61 1300 551 346 (outside Australia) from 8:30am to 5:30pm (Sydney time) Monday to Friday during the Retail Offer Period if you have any questions.

Underwriter



TABLE OF CONTENTS

1. Chairman's letter 2
2. Key Dates 4
3. Entitlement Offer overview 5
4. What should you do? 6
5. How to apply 7
6. ASX Announcements and Investor Presentation 10
7. Additional Information 39
8. Glossary 50
9. Corporate directory IBC

IMPORTANT NOTICE

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

Defined terms used in these important notices have the meaning given in this Retail Entitlement Offer Booklet.

This Retail Offer Booklet is important and requires your immediate attention.

You should read this document carefully and in its entirety before deciding whether or not to participate in the Retail Entitlement Offer.

This Retail Offer Booklet relates to the Retail Entitlement Offer which is part of the Entitlement Offer by Cover-More Group Limited (**Cover-More**) of New Shares to raise approximately \$73.3 million. The Retail Entitlement Offer is being made in Australia pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows entitlement offers to be made to retail investors without a prospectus. The Retail Entitlement Offer is also being made to Eligible Retail Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand), allowing this Retail Offer Booklet to be prepared in compliance with Australian law and not requiring an investment statement, prospectus or product disclosure statement under New Zealand law.

As this offer is not being made under a prospectus, investment statement or product disclosure statement, it is important for Eligible Retail Shareholders to read carefully and understand this Retail Offer Booklet and the information about Cover-More and the Retail Entitlement Offer that is made publicly available. In particular, please refer to the materials in this Retail Offer

Booklet (including the Investor Presentation and ASX Announcements in Section 6, Cover-More's interim and annual reports and other announcements made available at www.covermore.com.au and announcements which may be made by Cover-More after publication of this Retail Offer Booklet.

Forward Looking Statements

This Retail Offer Booklet contains certain 'forward looking statements'. Forward looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. Any forward looking statements, opinions and estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Cover-More, including the risks and uncertainties described in the 'Key risks' section of the Investor Presentation included herein. This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends and other estimates. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of Cover-More business strategies.



The success of any of these strategies is subject to uncertainties and contingencies beyond Cover-More's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and except as required by law or regulation, Cover-More assumes no obligation to update these forward looking statements. To the maximum extent permitted by law, Cover-More and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward looking statement or any event or results expressed or implied in any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

Past performance

Investors should note that past performance, including the past share price performance of Cover-More and the pro forma historical information in the ASX Announcements included in Section 6 of this Retail Offer Booklet, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Cover-More performance including future share price performance. The pro forma historical information is not represented as being indicative of Cover-More's views on its future financial condition and/or performance.

Times and Dates

Times and dates in this Retail Offer Booklet are indicative only and subject to change. Refer to Section 2 for more details.

Jurisdictions

The information in this Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand.

This Retail Offer Booklet or material accompanying it may not be released or distributed in the United States. This Retail Offer Booklet or material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a person in the United States and the New Shares may not be offered or sold in the United States or to, or for the account or benefit of, a person in the United States, except in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.

1. CHAIRMAN'S LETTER



29 September 2016

Dear Shareholder,

On behalf of the Board of Cover-More Group Limited (**Cover-More**), I am pleased to invite you to participate in a 1 for 5.2 fully underwritten pro rata accelerated non-renounceable entitlement offer of new shares in Cover-More (**New Shares**) at an offer price of A\$1.20 (**Offer Price**) per New Share (**Entitlement Offer**).

Eligible Retail Shareholders (as defined in Section 5) are entitled to subscribe for 1 New Share at the Offer Price for every 5.2 existing ordinary shares in Cover-More (**Existing Shares**) held at 7:00pm (Sydney time) Thursday, 29 September 2016 (**Record Date**) (**Entitlement**).

The Offer Price of \$1.20 per New Share represents a discount of 16.7% to the last closing price of Cover-More before announcement of the Entitlement Offer and a 14.4% discount to the theoretical ex-rights price (TERP) of \$1.40.

Use of Proceeds

As announced on Tuesday, 27 September 2016, Cover-More has entered into a binding agreement to acquire 100% of Travelex Insurance Services Inc. for cash consideration of US\$105 million, which is approximately A\$138 million.¹

Travelex Insurance Services Inc. is the third largest retail travel insurance specialist in the USA. Travelex Insurance Services Inc. is an excellent strategic fit for Cover-More, providing accelerated entry into North America and a platform for further expansion.

The proceeds of the Entitlement Offer will be used partially to fund Cover-More's acquisition of Travelex Insurance Services Inc., with the balance funded through the drawdown of a corporate bank debt facility.

Entitlement Offer

The Entitlement Offer was announced to the ASX on Tuesday, 27 September 2016. The Entitlement Offer comprises an institutional component of approximately A\$61.8 million (**Institutional Entitlement Offer**), and a retail component to raise approximately A\$11.5 million (**Retail Entitlement Offer**). The Entitlement Offer is fully underwritten by Macquarie Capital (Australia) Limited (**Underwriter**) (see Section 7.16).

The Institutional Entitlement Offer was successfully completed on Wednesday, 28 September 2016, receiving strong support from existing institutional shareholders.

The Retail Entitlement Offer opens at 9:00am (Sydney time) Tuesday, 4 October 2016 and closes at 5:00pm (Sydney time) Monday, 17 October 2016.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or otherwise transferable. This means that Eligible Retail Shareholders who do not take up their Entitlements will not receive any value for those Entitlements and their proportionate interest in Cover-More will be diluted.

1. Based on a A\$/US\$ exchange rate of 0.76.



Other information

This Retail Offer Booklet contains important information about the Retail Entitlement Offer, including:

- Key Dates;
- How to Apply;
- Investor Presentation and ASX Announcements; and
- Additional Information.

Accompanying this Retail Offer Booklet is your personalised entitlement and acceptance form (**Entitlement and Acceptance Form**). It details your Entitlement and is to be completed in accordance with the instructions provided on the form and the instructions in this Retail Offer Booklet under “How to Apply”.

To participate, you must ensure that you have completed your application by paying application monies (**Application Monies**) by BPAY® OR by lodging your completed Entitlement and Acceptance Form with your Application Monies paid by cheque, so that they are received by the Registry (registry details are in Section 5.6) before 5:00pm (Sydney time) Monday, 17 October 2016.

Further information and application instructions

Further details of the Entitlement Offer, as well as the risk associated with investing in the Entitlement Offer are set out in this Retail Offer Booklet (including the Investor Presentation in the “Key Risks” section) which you should read carefully and in its entirety.

If you require further assistance, please do not hesitate to contact the Cover-More Shareholder Information Line on 1300 551 346 (within Australia) or +61 1300 551 346 (outside Australia) from 8:30am to 5:30pm (Sydney time) Monday to Friday during the Retail Offer Period.

On behalf of the Board of Cover-More, I thank you for your continued support of Cover-More and for your ongoing support of the company.

Yours faithfully,



Louis Carroll
Chairman

29 September 2016

2. KEY DATES

Event	Date (Sydney time)
Announcement of Entitlement Offer	Tuesday, 27 September 2016
Record Date for Entitlement Offer	7:00pm (Sydney time) Thursday, 29 September 2016
Retail Entitlement Offer opens	9:00am (Sydney time) Tuesday, 4 October 2016
Settlement of New Shares issued under Institutional Entitlement Offer	Monday, 10 October 2016
Allotment and trading of New Shares issued under Institutional Entitlement Offer	Tuesday, 11 October 2016
Retail Entitlement Offer closes	5:00pm (Sydney time) Monday, 17 October 2016
Announcement of outcome under the Retail Entitlement Offer	Thursday, 20 October 2016
Settlement of New Shares issued under the Retail Entitlement Offer	Friday, 21 October 2016
Allotment of New Shares issued under the Retail Entitlement Offer	Monday, 24 October 2016
Trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 25 October 2016

Dates and times in this Retail Offer Booklet are indicative only and subject to change.

Cover-More, with the consent of the Underwriter, reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Cover-More reserves the right to extend the Closing Date, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible after the Retail Entitlement Offer opens.

The commencement of quotation of New Shares is subject to confirmation from the ASX.

Enquiries

If you have any questions, please call the Cover-More Shareholder Information Line on 1300 551 346 (within Australia) or +61 1300 551 346 (outside Australia) from 8:30am to 5:30pm (Sydney time) Monday to Friday during the Retail Offer Period, or consult your stockbroker, accountant or other independent professional adviser.



3 ENTITLEMENT OFFER OVERVIEW

Eligible Shareholders are being offered the opportunity to subscribe for 1 New Share for every 5.2 Existing Shares held at 7:00pm (Sydney time) Thursday, 29 September 2016, at the Offer Price of \$1.20 per New Share.

The Entitlement Offer comprises two parts:

- **The Institutional Entitlement Offer** – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer (Institutional Entitlements) were non-renounceable. This process was completed on Tuesday, 27 September 2016. Institutional Entitlements not taken up and Entitlements to ineligible institutional shareholders were sold through a bookbuild process on Wednesday, 28 September 2016. Shares taken up under the Institutional Entitlement Offer (including through the bookbuild) are to be issued on Tuesday, 11 October 2016; and
- **The Retail Entitlement Offer** – Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the nearest whole number of New Shares.

The Entitlement Offer is fully underwritten by the Underwriter on the terms and conditions of the Underwriting Agreement (see Section 7.16 for more details).

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

Please refer to the ASX Announcement and the Investor Presentation set out in Section 6 for information on the purpose of the Entitlement Offer, the application of the proceeds of the Entitlement Offer and for information on Cover-More's business, performance and strategy. You should also consider other publicly available information about Cover-More, including information available at www.asx.com.au and www.covermore.com.au.



4. WHAT SHOULD YOU DO?

4.1 What should you do?

This Retail Offer Booklet and the accompanying personalised Entitlement and Acceptance Form contain important information about the Retail Entitlement Offer. You should read them carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

The Retail Entitlement Offer is not being made under a prospectus or product disclosure statement. Rather, the Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues and related issues to be made by providing certain confirmations to the market on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the Retail Entitlement Offer, when read with this Retail Offer Booklet and the accompanying information, is publicly available. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand the publicly available information on Cover-More and the Offer (for example, available on <http://www.covermore.com.au> or www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Shares.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

4.2 Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to the “Key Risks” section of the Investor Presentation.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Cover-More, including possible loss of income and principal invested. Cover-More does not guarantee any particular rate of return or the performance of Cover-More, nor does it guarantee the repayment of capital from Cover-More or any particular tax treatment. In considering an investment in New Shares, investors should have regard to (amongst other things) the “Key Risks” section of the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet.

4.3 Decide what you want to do

If you are an Eligible Retail Shareholder, you may subscribe for all, some or none of your Entitlement (see Section 5.2 for further details).

Eligible Retail Shareholders who do not participate in the Retail Entitlement Offer, or participate for an amount less than their Entitlement, will have their percentage holding in Cover-More reduced.



5. HOW TO APPLY

5.1 Eligibility to participate

The information in this Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*.

Eligible Retail Shareholders are persons who are registered as a holder of Existing Shares as at the Record Date of 7:00pm (Sydney time) Thursday, 29 September 2016 and who:

- have an address on the share register in Australia or New Zealand;
- are not in the United States or acting for the account or benefit of a person in the United States;
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer; and
- were not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer.

Eligible Retail Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement which accompanies this Retail Offer Booklet. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Not all Cover-More shareholders will be eligible to participate in the Entitlement Offer. Please read the “Additional Information” section for further details in this regard (refer to Section 7.3).

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States.

Cover-More may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

5.2 Choices available to Eligible Retail Shareholders

As an Eligible Retail Shareholder you may:

- a. take up all or part of your Entitlement (refer to Section 5.3); or
- b. take no action and allow your Entitlement to lapse (refer to Section 5.4)

5.3 Take up all or part of your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 5.2 Existing Shares you held as at the Record Date of 7:00pm (Sydney time) Thursday, 29 September 2016. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you wish to take up all or part of your Entitlement, you may either:

- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies; or
- pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form.

5. HOW TO APPLY continued

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, you will be issued your New Shares on Monday, 24 October 2016. The New Shares will rank equally in all respects with existing shares.

Cover-More will treat you as applying for as many New Shares as your payment will pay for in full. Eligible Retail Shareholders are not able to apply for New Shares in excess of their Entitlement as set out in their personalised Entitlement and Acceptance Form.

Any surplus Application Monies received for more than your final allocation will be refunded after the close of the Retail Entitlement Offer. No interest will be paid to Eligible Retail Shareholders on any Application Monies received or returned (wholly or partly).

5.4 If you wish to do nothing

If you are an Eligible Retail Shareholder and you do nothing, the Entitlements in respect of your Existing Shares will lapse. You should also note that, if you do not take up all or part of your Entitlement, then your percentage holding in Cover-More will be diluted to the extent that New Shares are issued to other Shareholders and Institutional Investors.

5.5 Payment Methods

Payment by BPAY

To apply and pay via BPAY you should follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique reference number). You should make your payment in respect of your Application Monies via BPAY for the number of New Shares you wish to subscribe for (being the issue price of A\$1.20 per New Share multiplied by the number of New Shares you are applying for). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution.

You should check the processing cut off-time for BPAY transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by 5:00pm (Sydney time) Monday, 17 October 2016.

If you choose to pay via BPAY you **do not** need to send in the personalised Entitlement and Acceptance Form, but you are taken to make the declarations on that personalised Entitlement and Acceptance Form and as set out in this Retail Offer Booklet.

If you have multiple holdings of Shares you will have multiple BPAY reference numbers. To ensure you receive your Entitlement in respect of each holding, you must use the reference number shown on each personalised Entitlement and Acceptance Form when paying for New Shares that you wish to apply for in respect of that holding. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which that reference number relates.

Payment by cheque

For payment by cheque, you should:

- complete your personalised Entitlement and Acceptance Form accompanying this Retail Offer Booklet in accordance with the instructions on the form; and
- return the form to the Registry accompanied by a cheque which must be:
 - in respect of your Application Monies, for an amount equal to A\$1.20 multiplied by the number of New Shares that you are applying for; and
 - in Australian currency drawn on an Australian branch of a financial institution; and
 - made payable to “Cover-More Group Limited” and crossed “Not Negotiable”.

You need to ensure that your completed Entitlement and Acceptance Form and cheque in respect of the full Application Monies is received by the Registry by 5:00pm (Sydney time) Monday, 17 October 2016 at the following postal address:

Mailing Address

Cover-More Group Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001
Australia

Hand Delivery Address

Cover-More Group Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(Please do not use this address for mailing purposes)

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount for your cheque for Application Monies is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form.

Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Registry by no later than 5:00pm (Sydney time) Monday, 17 October 2016 (subject to variation). Cash payments will not be accepted. Receipts for payment will not be issued.

5.6 Implications of making an Application

Returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Shares via BPAY will be taken to constitute a representation by the Eligible Retail Shareholder that they:

- a. have received a copy of this Retail Offer Booklet accompanying the Entitlement and Acceptance Form, and read it in its entirety;
- b. make the Eligible Retail Shareholder declarations included as part of this information pack; and
- c. acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

5.7 No withdrawals

You cannot withdraw your application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares. Cover-More reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares to Eligible Retail Shareholders, in which case Cover-More will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION

Cover•More

GROUP LIMITED

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. NEWSWIRE SERVICES

ASX announcement

Acquisition of Travelex Insurance Services Inc. by Cover-More Group and Entitlement Offer

Sydney, 27 September 2016: Cover-More Group Limited (ASX:CVO), a specialist, integrated travel insurance provider, has entered into a binding agreement to acquire 100% of Travelex Insurance Services Inc. ("**Travelex Insurance Services**") for cash consideration of US\$105 million, approximately A\$138 million¹ ("**Acquisition**").

Travelex Insurance Services is the third largest retail travel insurance specialist in the USA. Travelex Insurance Services is an excellent strategic fit for Cover-More, providing accelerated entry into North America and a platform for further expansion.

On a pro forma basis, Travelex Insurance Services generated approximately US\$124 million and US\$9.5 million in Gross Written Premium and EBITDA respectively for the 12 months ended 30 June 2016.²

Excluding cost synergies, the transaction is expected to be low single digit EPS accretive based on FY16 pro forma financials calculated as though Travelex Insurance Services had been owned for the full FY16 financial year.³ In addition, cost synergies of A\$0.5 to A\$1.5 million per annum are expected to be generated in future years with full run-rate benefits achieved in FY18. Cover-More also expects significant new revenue sources as a result of the acquisition.

The Acquisition will be funded through a fully underwritten, pro-rata, accelerated non-renounceable entitlement offer to raise approximately A\$73.3 million ("**Entitlement Offer**") with the balance funded through the drawdown of a corporate bank debt facility. The Acquisition is subject to closing conditions and is expected to complete in late 2016.

New Underwriting Arrangement – Final Stages

Following the update provided to the market at the release of Cover-More's FY16 Financial Results announcement on 19 August 2016, Cover-More intends to enter a new long term underwriting arrangement in the near-term.

Cover-More is in the final stages of negotiating heads of agreement with two international insurers with the intention of creating a two-party underwriter panel. If implemented, Cover-More expects that the key elements of the arrangement will be as follows:

- It will enable Cover-More to distribute in all global markets (with the exception of the USA which will be covered by other arrangements described below)
- In the USA Travelex Insurance Services will provide underwriting through Transamerica (also Cover-More's current underwriter for Flight Centre in the USA). Berkshire Hathaway would continue to provide underwriting for Cover-More Direct in the USA

¹ Based on a A\$/US\$ exchange rate of 0.76.

² Based on TIS management accounts for the 12 months ended 30 June 2016. Pro-forma revenue and EBITDA should be read in conjunction with the Risk Factors described in the Investor Presentation.

³ EPS accretion calculation has been performed at the NPATA level based on pro forma financial information for Cover-More and TIS (including Cover-More estimates of additional standalone costs) for the financial year ended 30 June 2016, excluding expected synergies, transaction related and other one-off costs, as well as the impact of amortisation of identifiable intangibles arising from the acquisition. It has also been adjusted for the theoretical ex-rights price (TERP) resulting from the Entitlement Offer.

Cover•More

GROUP LIMITED

- The new arrangement would include the replacement of Cover-More's current underwriting agreement with Munich Re's Great Lakes Australia
- Commercial terms would be consistent with the existing arrangement with Great Lakes Australia (including the use of Generalised Linear Modeling to determine risk premiums)
- Cover-More would benefit from a smaller, limited and capped participation in any increase in claims costs as compared with the current Great Lakes Australia agreement. There will however also be a reduced opportunity for profit share if claims costs reduce
- Cover-More will continue to keep shareholders informed in accordance with continuous disclosure requirements and further announcements will be made if and when either of the binding Heads of Agreement is signed. In the event that negotiations with either of these parties are unsuccessful then we will continue with the selection process with a corporate broker.

Trading Update – In Line

Given trading for the first two months of the current financial year, our current forecast for the full year EBITDA result is in line with market consensus, which is in the range of A\$48.1 – A\$52.9 million.

Group revenue is growing year-on-year supported by the benefit of price increases and new revenue sources in Australia and New Zealand Travel Insurance segments. Current indications are that September will be positive.

Revenues in India continue to grow strongly and, having commenced operations in Q4 FY16, our USA business is making an increasing contribution.

As noted in our FY16 financial result announcement, we are also changing our operating model to improve our sales focus along global industry lines. As a consequence, we have removed senior staff from operations in certain offshore markets as well as restructured back office functions. This will reduce costs and better align relevant functions with the new operating model. These changes should start to make a positive impact on financial performance from the second half of FY17. There are also further initiatives underway to improve margins and reduce operating costs.

A further trading update will be provided at the Annual General Meeting on 10th November 2016.

Acquisition of Travelex Insurance Services

Cover-More will acquire 100% of Travelex Insurance Services for a cash consideration of US\$105 million, approximately A\$138 million.⁴

Travelex Insurance Services is the third largest retail travel insurance specialist provider in the USA, accelerating Cover-More's entry into North America and providing a platform for further North American expansion. Travelex Insurance Services:

- Develops and distributes a comprehensive suite of travel protection products for travel suppliers, tour operators, cruise lines, vacation clubs and timeshare operators
- Has over 3,400 distribution partners, 70 specialty risk clients and 85 insurance programs
- Insured 1.3 million travelers in 2015 and has licences in all 50 USA states.

The Acquisition provides strong strategic benefits to Cover-More. Following the Acquisition, Cover-More expects to unlock substantial incremental value by combining Travelex Insurance Services and Cover-More's operations and capabilities:

- Significant cost synergy opportunities include:
 - the removal of duplicated costs in Cover-More's existing USA start-up
 - reduced operating costs to support existing Cover-More customers in North America

⁴ Based on a A\$/US\$ exchange rate of 0.76.

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Cover-More

GROUP LIMITED

- leveraging Cover-More's medical assistance and operations capabilities in other geographies
 - leveraging 'follow-the-sun' cost efficiencies in medical assistance and operations arising from a presence in Australia, India and the USA
- Substantial additional revenue sources from:
 - strengthened conversion of current pipeline opportunities for both organisations
 - opportunities to build new partnerships with travel, aviation and financial institutions
 - increased on-line and direct distribution opportunities leveraging the Travelex Insurance Services name and market profile
 - increased insurance attachment rates in Travelex Insurance Services by deploying IMPULSE technology
 - build-out of medical assistance customers in USA resulting from Travelex Insurance Services name and reputation
 - providing a platform to expand across North America including in Canada and Mexico
- Cover-More management believes the Acquisition will result in annual cost synergies of A\$0.5-A\$1.5 million per annum and significant new revenue sources.

Excluding cost synergies, the transaction is expected to be low single digit EPS accretive based on FY16 pro forma financials calculated as though Travelex Insurance Services had been owned for the full FY16 financial year. In addition, cost synergies of A\$0.5 to A\$1.5 million per annum are expected to be generated in future years with full run-rate benefits achieved in FY18.

The Acquisition is subject to closing conditions, including:

- Change in control consent from the underwriter, Transamerica;
- Anti-trust approval being given by US regulators pursuant to the Hart-Scott-Rodino Antitrust Improvements Act.

Funding of the Acquisition

The Acquisition is being funded through a combination of proceeds of approximately A\$73.3 million raised from the Entitlement Offer, with the balance funded through the drawdown of a corporate bank debt facility of approximately A\$72.7 million.

The funding structure results in a pro-forma net debt / EBITDA ratio of 2.0x, expected to decline as Travelex Insurance Services is integrated with Cover-More.

Sources (A\$m)		Uses (A\$m) ⁵	
Entitlement Offer	73.3	Transaction Consideration	138.2
Debt facility	72.7	Transaction Costs	7.8
Total Sources	146.0	Total Uses	146.0

Entitlement Offer

Cover-More is undertaking a fully underwritten Entitlement Offer to raise approximately A\$73.3 million through the issue of new Cover-More shares ("**New Shares**").

The pro-rata, accelerated non-renounceable Entitlement Offer is comprised of:

- An accelerated institutional component to be conducted today and tomorrow ("**Institutional Entitlement Offer**"); and

⁵ Assumes A\$/US\$ exchange rate of 0.76.

- A retail component which is anticipated to open on Tuesday, 4 October 2016 and close on Monday, 17 October 2016 ("**Retail Entitlement Offer**").

The Entitlement Offer is fully underwritten by Macquarie Capital (Australia) Limited.

The Offer Price and number of New Shares to be issued will be determined and announced following the results of the Institutional Entitlement Offer. The New Shares will rank equally with existing Cover-More shares on issue at the time of this announcement.

Institutional Entitlement Offer

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer will be offered to eligible institutional investors at the Offer Price through a bookbuild process.

New Shares under the Institutional Entitlement Offer will be issued on Tuesday, 11 October 2016. Cover-More will, upon issue of the New Shares under the Institutional Entitlement Offer, seek quotation of the New Shares on ASX.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand as at the Record Date of 7.00pm (Sydney time), Thursday, 29 September 2016 ("**Eligible Retail Shareholders**"), have the opportunity to take up their entitlement of New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to Eligible Retail Shareholders on or around Tuesday, 4 October 2016. The Retail Entitlement Offer is anticipated to close on Monday, 17 October 2016. New Shares issued under the Retail Entitlement Offer will be offered at the same price as that determined by the Institutional Entitlement Offer.

New Shares under the Retail Entitlement Offer will be issued on Monday, 24 October 2016. Cover-More will, upon issue of the New Shares under the Retail Entitlement Offer, seek quotation of the New Shares on ASX.

Please note that Shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer.

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Cover•More

GROUP LIMITED

Key Dates of the Entitlement Offer

Event	Date
Trading Halt commences	Monday, 26 September 2016
Announcement of the Acquisition and Entitlement Offer	Tuesday, 27 September 2016
Institutional Entitlement Offer conducted	Tuesday, 27 September 2016 to Wednesday, 28 September 2016
Announcement of Completion of the Institutional Entitlement Offer, Entitlement Offer Ratio and Offer Price	Thursday, 29 September 2016
Shares recommence trading on ASX on an "ex-entitlement" basis	Thursday, 29 September 2016
Record Date for determining entitlement to subscribe for New Shares	7.00pm (Sydney time) on Thursday, 29 September 2016
Retail Entitlement Offer opens	Tuesday, 4 October 2016
Retail Offer Booklet despatched	Tuesday, 4 October 2016
Settlement of New Shares issued under the Institutional Entitlement Offer	Monday, 10 October 2016
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Tuesday, 11 October 2016
Retail Entitlement Offer closes	5.00pm (Sydney time) on Monday, 17 October 2016
Allotment of remaining New Shares issued under the Retail Entitlement Offer	Monday, 24 October 2016
Commencement of trading of New Shares issued under the Retail Entitlement Offer on a normal basis	Tuesday, 25 October 2016
Despatch of holding statements for New Shares	

All dates and times referred to are based on Sydney time and are subject to change. Cover-More and the Lead Manager reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer, please do not hesitate to contact the Offer Information Line on 1300 554 474 (local call cost within Australia) or +61 1300 554 474 (from outside Australia) at any time between 8.30am and 5.30pm (Sydney time), Monday to Friday.

Nothing contained in this announcement constitutes investment, legal tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

Further Information

Grant Samuel is acting as financial adviser to Cover-More. Macquarie Capital (Australia) Limited is acting as sole lead manager and bookrunner to the Entitlement Offer.

Further details about the Acquisition and Entitlement Offer are contained in a separate investor presentation lodged with the ASX today.

ENDS

For investor relations contact Michael Brown, +61 400 248 080

For media enquiries contact Peter Brookes, +61 407 911 389

IMPORTANT NOTICES

Nothing in this announcement constitutes an offer of securities for sale or an offer to purchase any securities, or an invitation to any person to make such an offer in any jurisdiction.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration. This announcement contains “forward-looking statements” and “forward-looking information”, including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Cover-More, industry growth and other trend projections. Such “forward-looking statements” and “forward-looking information” includes statements regarding the proposed Equity Raising, including the amount to be raised and timing and the use of the funds raised. Often but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management’s expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cover-More and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of gold and silver, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns. Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Cover-More believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Cover-More does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Not for release or distribution in the United States



Acquisition of Travelx Insurance Services

Investor Presentation

27 September 2016

Cover-More

GROUP LIMITED

Important notice and disclaimer

This investor presentation (**Presentation**) has been prepared by Cover-More Group Limited (ACN 003 114 145) (**Cover-More**) in relation to a potential renounceable entitlement offer (**Entitlement Offer**) of new ordinary shares in Cover-More (**New Shares**) under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Summary information

This Presentation contains summary information about Cover-More and its activities as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information that a prospective investor may require in evaluating a possible investment in Cover-More nor does it contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act.

Cover-More's historical information contained in this Presentation is, or is based on, information that has been released to the Australian Securities Exchange (**ASX**). This Presentation should be read in conjunction with Cover-More's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

Not an offer

This Presentation is not a prospectus, disclosure document or offering document under Australian law (and will not be lodged with ASIC) or any other law. It is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

The retail offer booklet for the retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet in deciding whether to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the retail offer booklet and the entitlement and acceptance form.

This Presentation and the information contained in it do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Presentation have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. The release, publication or distribution of this Presentation in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Presentation may not be copied by you, or distributed to any other person.

Future performance

This Presentation contains certain forward looking statements. Forward looking statements should or can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "forecast", "estimate", "will", "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include earnings guidance and statements of intention about future matters and the outcome and effects of the equity raising. Indications of, and guidance or outlook on, future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Cover-More, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Except as required by law, Cover-More assumes no obligation to update or revise such information to reflect any change in expectations, beliefs, hopes, intentions or strategies. No representations, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward looking statements in this Presentation will actually occur. See the "Key Risks" section of this Presentation for a discussion of certain risks that may impact the outcome of matters discussed in forward looking statements. There can be no assurance that actual outcomes will not differ materially from these forward looking statements.

Except as required by law or regulation (including the ASX Listing Rules), Cover-More undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or likewise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Past performance

Investors should note that past performance, including past share price performance of Cover-More and pro forma historical information in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Cover-More performance including future share price performance

Not investment advice

The information contained in this Presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used as the basis for making an investment decision. This Presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any person. Investors should obtain their own professional, legal, tax, business and/or financial advice before making any investment decision, and should make their own enquiries and investigations regarding all information in this Presentation including, but not limited to, the assumptions, uncertainties and contingencies which may affect future operations of Cover-More and the impact that different future outcomes may have on Cover-More.

Important notice and disclaimer (continued)

Investment risk

An investment in Cover-More shares is subject to known and unknown risks, some of which are beyond the control of Cover-More. Cover-More does not guarantee any particular rate of return or the performance of Cover-More. Investors should have regard to the risk factors outlined in this Presentation when making their investment decisions.

Financial data

The pro forma financial information and past financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Cover-More's view on its future financial condition or performance.

Disclaimer

To the maximum extent permitted by law, Cover-More, the underwriter and their respective affiliates, related bodies corporate, officers, employees and representatives (including agents and advisors), make no representation or warranty, express or implied, as to the currency, accuracy, completeness or reliability of the information contained in this Presentation. To the maximum extent permitted by law, no person, including Cover-More, the underwriter and their respective affiliates, related bodies corporate, officers, employees and representatives (including agents and advisors), accepts any liability or responsibility for any expenses, losses, damages or costs incurred by an investor as a result of their participation in the Entitlement Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

None of the underwriter nor any of its or Cover-More's advisers or any of their respective affiliates, related bodies corporate, officers, employees or agents have authorised or caused the issue, lodgement, submission, dispatch or provision of this Presentation and none of them make or purport to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by them. None of the underwriter nor any of its or Cover-More's advisers or any of their respective affiliates, related bodies corporate, officers, employees or agents take any responsibility for any information in this Presentation or any action taken by investors on the basis of such information. To the maximum extent permitted by law, the underwriter and any of its affiliates, related bodies corporate, officers, employees and representatives (including agents) do not accept any liability or responsibility for any expenses, losses, damages or costs incurred by an investor as a result of their participation in the Entitlement Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise, make no representation or warranty, express or implied, as to the currency, accuracy, completeness, reliability, fairness or correctness of the information contained in this Presentation and take no responsibility for any part of this Presentation. None of the underwriter nor any of its or Cover-More's advisers or any of their respective affiliates, related bodies corporate, officers, employees or agents make any recommendations as to whether investors or their related parties should participate in the Entitlement Offer nor do they make any representations or warranties to investors concerning this Entitlement Offer, or any such information and investors represent, warrant and agree that they have not relied on any statements made by any of the underwriter, any of its or Cover-More's advisers or any of their respective affiliates, related bodies corporate, officers, employees or agents in relation to the issue of new shares or the Entitlement Offer generally.

Determination of eligibility of investors for the purposes of the institutional and retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Cover-More and the underwriter. Each of Cover-More, the underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Underwriter disclaimer

Macquarie Capital (Australia) Limited has acted as lead manager and underwriter of the Entitlement Offer. Macquarie Capital (Australia) Limited has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this offer document and there is no statement in this offer document which is based on any statement made by Macquarie Capital (Australia) Limited or by any of its affiliates, officers or employees. To the maximum extent permitted by law, Macquarie Capital (Australia) Limited and each of its respective affiliates, officers, employees and advisers expressly disclaims all liabilities in respect of, and make no representations regarding, and takes no responsibility for, any part of this offer document other than references to its name and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this offer document.

Statements in this Presentation are made only as of the date of this Presentation, the information in this Presentation remains subject to change without notice. Cover-More reserves the right to withdraw or vary the timetable for the proposed Entitlement Offer without notice.

Agenda

Transaction Overview

Overview of Travelex Insurance Services

Underwriting and Trading Update

Transaction Funding and Pro Forma Financials

Entitlement Offer Summary

Appendices

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Transaction overview and trading update

Transaction Details	<ul style="list-style-type: none"> Cover-More to acquire 100% of Travelex Insurance Services (“TIS”) for cash consideration of US\$105m; equivalent to approximately A\$138m¹ (“Transaction”) TIS is the third largest retail travel insurance specialist provider in the USA
Strategic Rationale	<ul style="list-style-type: none"> Compelling acquisition which accelerates Cover-More’s North American expansion <ul style="list-style-type: none"> Broad distribution base with opportunities to achieve greater penetration by leveraging Cover-More’s expertise Provides a platform to expand across North America including in Canada and Mexico Creates a genuine global platform <ul style="list-style-type: none"> New opportunities across Cover-More’s ‘go-to-market’ verticals (Travel & Aviation; Financial Institutions & Direct; and Medical Assistance) Establishes three global hubs enabling 24/7 Medical Assistance capabilities and operational efficiencies Significant new revenue sources and cost synergies² <ul style="list-style-type: none"> A\$0.5 million to A\$1.5 million in cost synergies expected to be generated in future years from removal of duplication and Cover-More USA start-up savings³ Potential new revenue sources from new distribution partners, direct distribution, underwriting and assistance
Funding	<ul style="list-style-type: none"> Transaction to be funded by: <ul style="list-style-type: none"> A fully underwritten, pro-rata, accelerated non-renounceable entitlement offer, to raise approximately A\$73.3 million (“Entitlement Offer”) Balance funded through the drawdown of corporate bank debt facility

¹ A\$/US\$ exchange rate of 0.76.

² Forward-looking statements are provided as a general guide only and are not indications, guarantees or predictions of future performance. Please see Risk Factors in the Appendix to the presentation for a non-exhaustive summary of certain general and specific risks that may affect Cover-More.

³ Cover-More management has estimated that cost synergies with an EBITDA impact of A\$0.5 million to A\$1.5 million per annum will be generated post transaction, with the full run-rate benefit achieved in FY18. Refer to slide 11 Strategic Rationale for further detail on expected synergies.

Transaction overview and trading update

Financial Impact	<ul style="list-style-type: none"> Excluding cost synergies, the Transaction is expected to be low single digit EPS accretive based on FY16 pro forma financials calculated as though TIS had been owned for the full FY16 financial year¹ Pro forma net debt / pro forma EBITDA of 2.0x.² Expected to decline as TIS is integrated
Trading Update	<ul style="list-style-type: none"> Given trading for the first two months of FY17, our current forecast for the full year EBITDA result is in line with market consensus, which is in the range of A\$48.1–A\$52.9 million Group revenue is growing year-on-year supported by the benefit of price increases and new revenue sources in Australia and New Zealand Travel Insurance services Revenues in India continue to grow strongly, USA business is making an increasing contribution As noted at the FY16 Financial Results, Cover-More is changing its operating model to improve sales focus along global industry lines
Underwriting Agreement Update	<ul style="list-style-type: none"> Cover-More is in the final negotiation of heads of agreement with two international insurers with the intention of creating a two-party underwriter panel The arrangement would enable Cover-More to distribute in all global markets (excluding USA) The new arrangements include the early replacement of Cover-More’s current underwriting agreement with Munich Re’s Great Lakes Australia Further announcements will be made if and when either of the binding Heads of Agreement has been signed

¹ EPS accretion calculation has been performed at the NPATA level based on pro forma financial information for Cover-More and TIS (including Cover-More estimates of standalone costs) for the financial year ended 30 June 2016, excluding expected synergies, transaction related and other one-off costs, as well as the impact of amortisation of identifiable intangibles arising from the acquisition. TIS US\$ results converted into A\$ at the average A\$ / US\$ exchange rate for FY16. It has also been adjusted for the theoretical ex-rights price (TERP) resulting from the Entitlement Offer.

² Calculated based on pro forma net debt as at 30 June 2016 and pro forma EBITDA for the 12 months ended 30 June 2016 excluding synergies, transaction related and other one-off costs and including Cover-More estimated standalone costs.

TRANSACTION OVERVIEW

Cover·More

Cover·More

Travelex Insurance Services overview



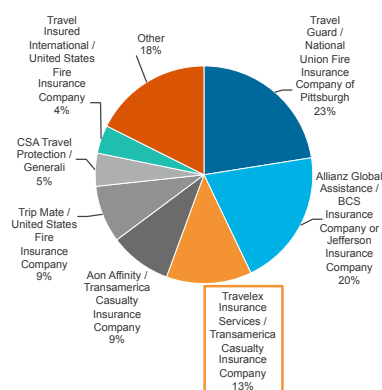
3rd largest USA retail travel insurance specialist...

- Develops and distributes a comprehensive suite of travel protection products
- **70 specialty risk clients**
- **1.3 million** travellers insured in 2015
- **3,400+** distribution partners
- Over **1,500 licences** held in all 50 USA states
- **~US\$124 million in GWP** and US\$9.5 million EBITDA on a pro forma basis for the 12 months ended 30 June 2016¹

...providing a broad range of travel insurance products ...

- Individual Leisure
- Corporate Travel
- Group Travel
- Vacation Ownership
- Travel Clubs
- Resorts
- Customised Specialty Risk Programs

USA Travel Trade Distribution



Source: Travelex Information Memorandum.

¹ Based on TIS management accounts for the 12 months ended 30 June 2016. Pro forma revenue and EBITDA should be read in conjunction with the Risk Factors described in the Appendix to this presentation.

Source: Finaccord (2016)

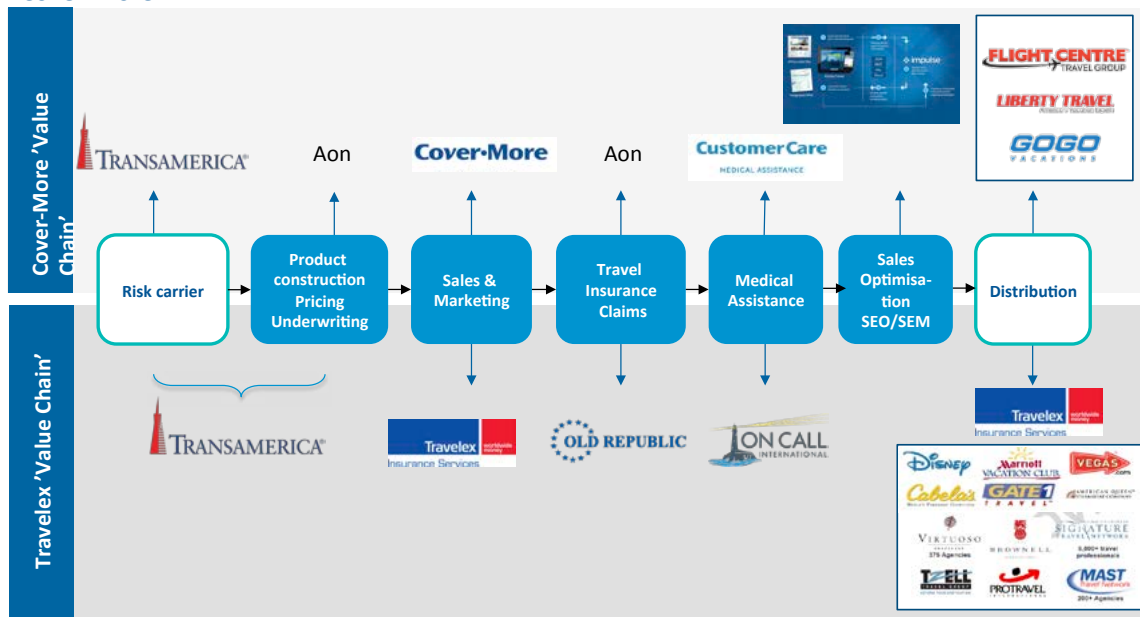
Cover·More

| 8

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

'Value chain' synergies

Opportunities for Cover-More to integrate medical assistance and IMPULSE technology to strengthen value proposition of TIS, while delivering scale and regulatory infrastructure for Cover-More



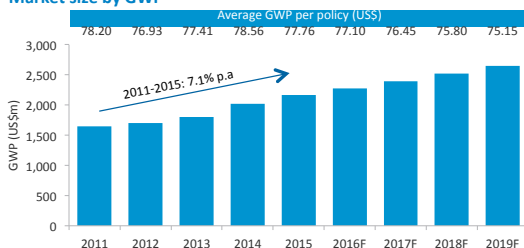
Cover-More

| 9

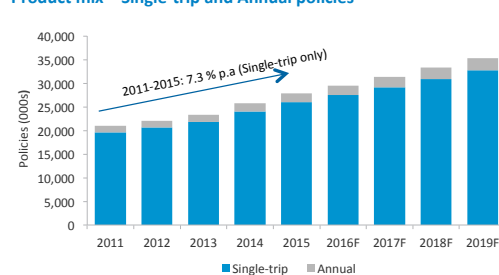
USA travel insurance market

Favourable USA Travel Insurance Market expected to drive growth

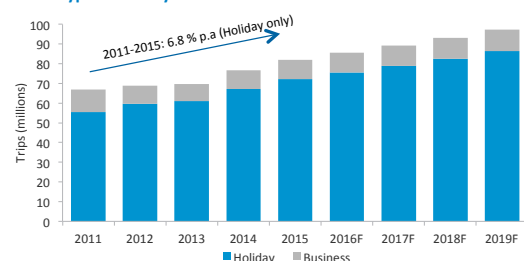
Market size by GWP



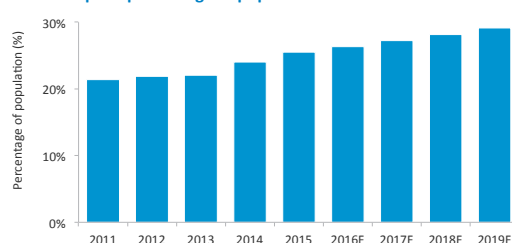
Product mix – Single-trip and Annual policies



Travel type – Holiday and Business



Total trips as percentage of population



Source: Finaccord (2016)

Cover-More

| 10

Strategic rationale

Cover-More
GROUP LIMITED



Travelex
Insurance Services

The Transaction provides strong strategic benefits for Cover-More. Following the Transaction Cover-More expects to unlock substantial incremental value from combining TIS and Cover-More's operations and capabilities

- ✓ Significant cost synergy opportunities include:
 - the removal of duplicated costs in Cover-More's existing USA start-up
 - reduced operating costs to support existing Cover-More customers in North America
 - leveraging Cover-More's medical assistance and operations capabilities in other geographies
 - leveraging 'follow-the-sun' cost efficiencies in medical assistance and operations arising from a presence in Australia, India and the USA
- ✓ Substantial additional potential revenue sources from:
 - new distribution partnership opportunities leveraging the combined skills, capabilities and geographic scope, including ability to convert pipeline
 - opportunities to build new partnerships with travel, aviation and financial institutions
 - increased online and direct distribution opportunities leveraging the TIS name and market profile
 - increased insurance attachment rates by deploying Cover-More's IMPULSE technology
 - build-out of medical assistance customers from Travelex Insurance Services name and reputation
 - providing a platform to expand across North America including in Canada and Mexico
- ✓ Cover-More management has estimated that the Transaction will result in cost synergies of **A\$0.5-A\$1.5 million per annum, as well as potential new revenue sources¹**

¹ Cover-More management has estimated that cost synergies with an EBITDA impact of A\$0.5 million to A\$1.5 million per annum will be generated post transaction, with the full run-rate benefit achieved in FY18. Potential revenue synergies have not been quantified at this stage.

Cover-More

| 11

A strategically compelling opportunity against our core pillars

TIS acquisition presents substantial opportunities across each of Cover-More's 'go-to-market' verticals

Travel & Aviation

- Delivers scale in market segment
- Local USA presence critical to securing access to partners
- Brand recognition and Cover-More's best-practice approach
- Scale, market credibility and infrastructure (+ Cover-More's IMPULSE technology) will challenge existing players in the airline category



Financial Institutions & Direct

- Access to established direct to consumer platform supported by a recognised brand with strong online presence
- Customer intimacy platforms extend customer relationships beyond transactions



Medical Assistance

- Allows Cover-More to split the day into two 14-hour periods and manage crises from three hubs (Australia, India, USA)
- Enables build out of our medical assistance capabilities across the USA
- Significant process and cost efficiencies including
 - Lower staff costs
 - Improved service consistency
 - More effective crisis management capabilities



Cover-More

| 12

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

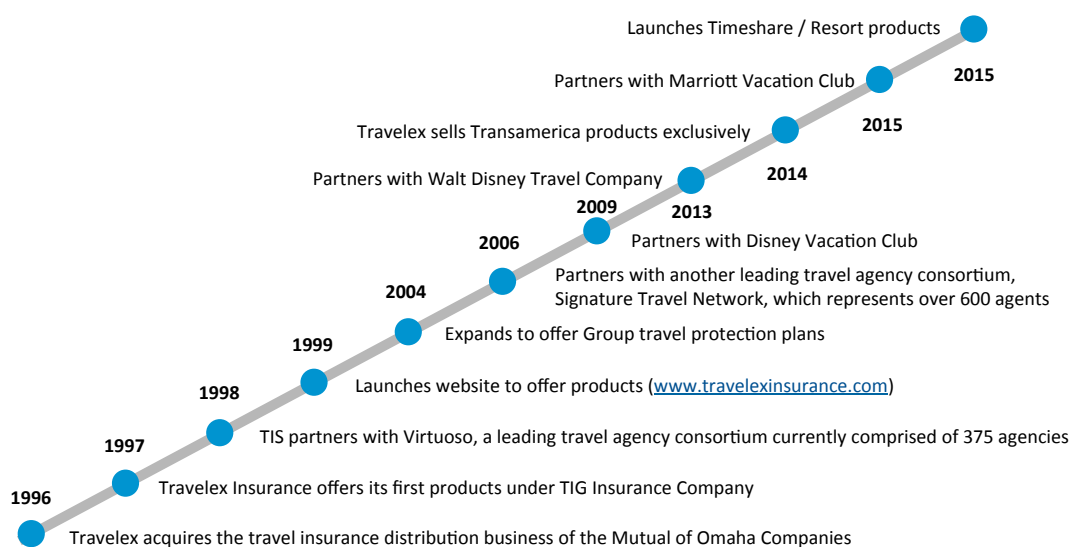
OVERVIEW OF TRAVELEX INSURANCE SERVICES

Cover·More

Cover·More

Travelex company history

20 year history of developing and distributing compelling travel protection products and providing superior service



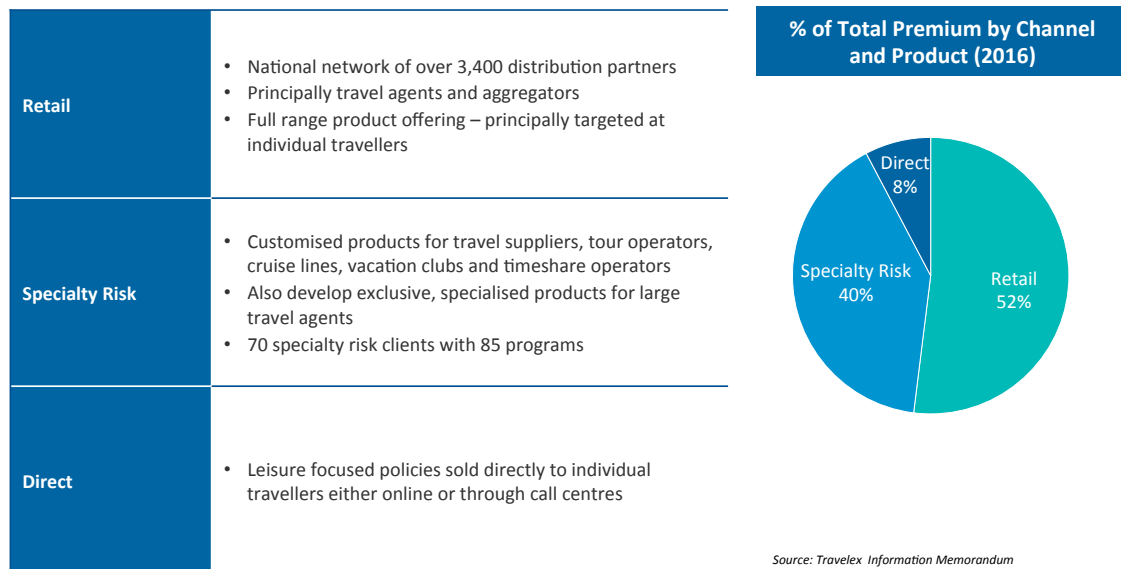
Source: Travelex Information Memorandum

Cover·More

| 14

Distribution model

Extensive network provides solid distribution capabilities in the USA



Cover-More

| 15

Licences

Extensive coverage provides a platform for Cover-More to establish a national footprint across each of its core verticals



Source: Travelex Management Presentation

Cover-More

| 16

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

UNDERWRITING AND TRADING UPDATE

Cover-More

Cover-More

Trading update

Following the update provided to the market at the release of Cover-More's FY16 Financial Results announcement on 19 August 2016, Cover-More intends to enter a new long term underwriting arrangement in the near-term

New Underwriting Arrangement

Cover-More is in the final negotiation of heads of agreement with two international insurers with the intention of creating a two-party underwriter panel. If implemented, Cover-More expects that the key elements of the arrangement will be as follows:

- It will enable Cover-More to distribute in all global markets (excluding USA)
- In the USA, TIS will provide underwriting through Transamerica (also Cover-More's current underwriter for Flight Centre in the USA) and Berkshire Hathaway would continue to provide underwriting for Cover-More Direct in the USA
- The new arrangement would include the replacement of Cover-More's current underwriting agreement with Munich Re's Great Lakes Australia
- Commercial terms would be consistent with the existing arrangement with GLA (including the use of Generalised Linear Modeling to determine risk premiums)
- Cover-More would benefit from a smaller limited and capped participation in any deterioration of claims costs as compared with the current Great Lakes Australia agreement. There will however also be a reduced opportunity for profit share if claims costs reduce
- Further announcements will be made if and when either of the binding Heads of Agreement is signed. In the event that negotiations are unsuccessful then Cover-More will continue with the selection process with a corporate broker

Cover-More

| 18

Trading update

Our current forecast for the full year is in line with market consensus

Outlook and Trading Update

- Given trading for the first two months of FY17, our current forecast for the full year EBITDA result is in line with market consensus, which is in the range of A\$48.1-A\$52.9 million
- Group revenue is growing year-on-year supported by the benefit of price increases and new revenue sources in Australia and New Zealand Travel Insurance services. Current indications are that September will be positive
- Revenues in India continue to grow strongly
- Having commenced operations in Q4 FY16, Cover-More's USA business is making an increasing contribution
- As noted in our FY16 financial result announcement, Cover-More is changing operating models to improve sales focus along global industry lines. As a consequence, we have removed senior staff from operations in certain offshore markets as well as restructured back office functions
- Actions will reduce costs and better align relevant functions with the new operating model and should start to make a positive impact on financial performance from the second half of FY17
- There are also further initiatives underway to improve margins and reduce operating costs

TRANSACTION FUNDING AND PRO FORMA FINANCIALS

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Sources and uses of funds

Transaction will be financed via new equity and a drawdown of a corporate bank debt facility

Transaction Terms	
Transaction Consideration	<ul style="list-style-type: none"> US\$105 million; equivalent to approximately A\$138 million¹
Funding	<ul style="list-style-type: none"> Fully underwritten, pro-rata, Accelerated Non-Renounceable Entitlement Offer to raise approximately A\$73.3 million Balance funded through a drawdown of corporate bank debt facility
Timing	<ul style="list-style-type: none"> The Transaction is subject to anti-trust approval being given by USA regulators pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976. Pre-closing conditions include Transamerica's consent to the change of control in TIS. The Transaction is expected to complete in late 2016

Sources (A\$m)	
Entitlement Offer	73.3
Debt facility	72.7
Total Sources	146.0

Uses (A\$m) ¹	
Transaction consideration	138.2
Transaction costs	7.8
Total Uses	146.0

¹ A\$/US\$ exchange rate of 0.76.

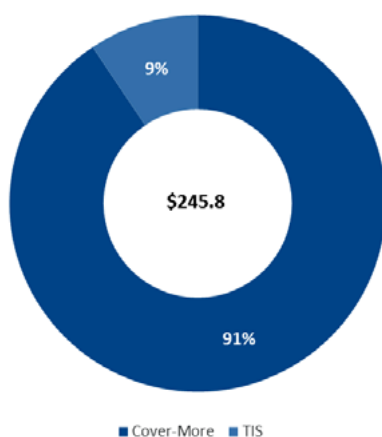
Cover-More

| 21

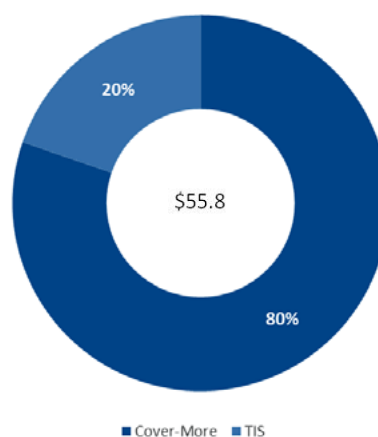
Pro forma revenue and EBITDA

Excluding cost synergies, the Transaction is expected to be low single digit EPS accretive based on FY16 pro forma financials calculated as though TIS had been owned for the full FY16 financial year¹

Pro forma FY16 Revenue² (A\$m)



Pro forma FY16 EBITDA^{2,3} (A\$m)



¹ EPS accretion calculation has been performed at the NPATA level based on pro forma financial information for Cover-More and TIS (including Cover-More estimates of standalone costs) for the financial year ended 30 June 2016, excluding expected synergies, transaction related and other one-off costs, as well as the impact of amortisation of identifiable intangibles arising from the acquisition. TIS US\$ results converted into A\$ at the average A\$/US\$ exchange rate for FY16. It has also been adjusted for the theoretical ex-rights price (TERP) resulting from the Entitlement Offer.

² Pro forma revenue and EBITDA consists of Cover-More actual results for the financial year ended 30 June 2016, as well as actual TIS revenue and EBITDA for the 12 months ended 30 June 2016, extracted from the management accounts of TIS and converted into A\$ at the average A\$/US\$ exchange rate for FY16. Pro forma revenue and EBITDA should be read in conjunction with the Risk Factors described in the Appendix to this presentation.

³ Pro forma EBITDA includes Cover-More estimates of TIS standalone costs, but excludes expected synergies and transaction related and other one-off costs.

Cover-More

| 22

Pro forma balance sheet as at 30 June 2016

	Cover-More ¹	TIS ²	Pro Forma Acquisition Adjustments		Merged Pro Forma ³
A\$'000s	30-Jun-16	30-Jun-16	Acquisition Funding, Costs & Other ³	Purchase of TIS ⁴	30-Jun-16
CURRENT ASSETS					
Cash and cash equivalents	23,980	-	138,158	(138,158)	23,980
Trade and other receivables	39,868	1,357	-	-	41,225
Total current assets	63,848	1,357	138,158	(138,158)	65,205
NON-CURRENT ASSETS					
Receivables	1,930	-	-	-	1,930
Plant and equipment	4,090	262	-	-	4,352
Intangible assets	243,629	-	-	140,898	384,527
Deferred tax assets	608	-	1,202	-	1,810
Total non-current assets	250,257	262	1,202	140,898	392,619
TOTAL ASSETS	314,105	1,619	139,360	2,740	457,824
CURRENT LIABILITIES					
Trade and other payables	37,569	4,359	-	-	41,928
Deferred liabilities	195	-	-	-	195
Borrowings	11	-	-	-	11
Current tax provisions	1,322	-	(313)	-	1,009
Provisions	5,122	-	-	-	5,122
Total current liabilities	44,219	4,359	(313)	-	48,265
NON-CURRENT LIABILITIES					
Borrowings	63,837	-	69,906	-	133,743
Provisions	1,277	-	-	-	1,277
Deferred tax liabilities	5,903	-	-	-	5,903
Derivative financial instruments	231	-	-	-	231
Total non-current liabilities	71,248	-	69,906	-	141,154
TOTAL LIABILITIES	115,467	4,359	69,593	-	189,419
NET ASSETS	198,638	(2,740)	69,767	2,740	268,405
EQUITY AND RESERVES					
Contributed equity	220,067	-	70,664	-	290,731
Retained earnings	(26,659)	(2,740)	(897)	2,740	(27,556)
Reserves	5,230	-	-	-	5,230
TOTAL EQUITY	198,638	(2,740)	69,767	2,740	268,405

- Debt funding for acquisition increases FY16 pro forma net debt to A\$113 million and pro forma net debt / EBITDA to 2.0x
- Cover-More remains fully compliant with all loan covenants

¹ Sourced from the audited financial statements of Cover-More as at 30 June 2016.

² TIS pro forma balance sheet as at 30 June 2016 sourced from the TIS management accounts at the A\$/US\$ exchange rate of 0.76.

³ Acquisition Funding, Costs & Other consists of acquisition funding via the drawdown of debt facilities and issue of new shares; transaction costs; interest cost adjustments on the existing and new facilities; and a write-off of existing facility borrowing costs.

⁴ Represents the TIS acquisition consideration of US\$105 million and TIS net assets as per TIS pro forma balance sheet at 30 June 2016, converted at the A\$/US\$ exchange rate of 0.76.

⁵ The pro forma adjustments to reflect the estimated financial effect of the accounting for the business combination are illustrative only. Australian Accounting Standards require an allocation of fair value of assets and liabilities acquired. The inclusion of TIS reflects provisional amounts for the assets and liabilities acquired based on historic costs other than goodwill. Post acquisition a purchase price allocation exercise will be undertaken which may identify amortisable intangibles and impact future depreciation and amortisation charges. Additionally, the allocation exercise may give rise to material differences in values allocated to the above balance sheet line items.

Cover-More

| 23

ENTITLEMENT OFFER SUMMARY

Cover-More

Cover-More

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Details of the Entitlement Offer

Offer structure, size and underwriting	<ul style="list-style-type: none"> A pro-rata, accelerated non-renounceable entitlement offer to raise approximately A\$73.3 million ("Entitlement Offer") The Entitlement Offer is fully underwritten by Macquarie Capital (Australia) Limited
Offer price	<ul style="list-style-type: none"> The Offer Price and number of New Shares to be issued will be determined and announced following the results of the Institutional Entitlement Offer
Institutional Entitlement Offer	<ul style="list-style-type: none"> Institutional component of the Entitlement Offer ("Institutional Entitlement Offer") will be conducted over Tuesday 27 September 2016 and Wednesday 28 September 2016 Entitlements not taken up under the Institutional Entitlement Offer will be offered to eligible institutional investors at the Offer Price
Retail Entitlement Offer	<ul style="list-style-type: none"> Retail component of the Entitlement Offer ("Retail Entitlement Offer") opens Tuesday, 4 October 2016 and closes 5:00pm (Sydney time), Monday 17 October 2016 New Shares issued under the Retail Entitlement Offer will be offered at the same price as that determined by the Institutional Entitlement Offer
Ranking and Eligibility	<ul style="list-style-type: none"> New shares issued under the Entitlement Offer will rank equally in all respects with existing ordinary shares from allotment The Entitlement Offer is open to existing Cover-More shareholders with a registered address in Australia and New Zealand on the register as at 7:00pm (Sydney time) on the Record Date of Thursday, 29 September 2016

Key dates of the Entitlement Offer

Event	Date
Trading Halt commences	Monday, 26 September 2016
Announcement of the Acquisition and Entitlement Offer	Tuesday, 27 September 2016
Institutional Entitlement Offer conducted	Tuesday, 27 September 2016 to Wednesday, 28 September 2016
Announcement of Completion of the Institutional Entitlement Offer, Entitlement Offer Ratio and Offer Price	Thursday, 29 September 2016
Shares recommence trading on ASX on an "ex-entitlement" basis	Thursday, 29 September 2016
Record Date for determining entitlement to subscribe for New Shares	7.00pm (Sydney time) on Thursday, 29 September 2016
Retail Entitlement Offer opens	Tuesday, 4 October 2016
Retail Offer Booklet despatched	Tuesday, 4 October 2016
Settlement of New Shares issued under the Institutional Entitlement Offer	Monday, 10 October 2016
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Tuesday, 11 October 2016
Retail Entitlement Offer closes	5.00pm (Sydney time) on Monday, 17 October 2016
Allotment of remaining New Shares issued under the Retail Entitlement Offer	Monday, 24 October 2016
Commencement of trading of New Shares issued under the Retail Entitlement Offer on a normal basis	Tuesday, 25 October 2016
Despatch of holding statements for New Shares	

All dates and times referred to are based on Sydney time and are subject to change. Cover-More and the Lead Manager reserve the right to vary these dates or to withdraw the Entitlement Offer at any time.

APPENDICES

Cover•More

Cover•More

KEY RISKS

Cover•More

Cover•More

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Key acquisition risks

Risk	Description
Analysis of the acquisition opportunity	<p>Cover-More has undertaken financial, operational, business and other analysis in respect of TIS in order to determine its attractiveness to Cover-More and whether to pursue the acquisition.</p> <p>It is possible that the analysis undertaken by Cover-More and the best estimates assumptions made by Cover-More draw conclusions and forecasts which are inaccurate or which are not realised in due course (whether because of flawed methodology, misinterpretation of economic circumstances or otherwise).</p> <p>To the extent that the actual results achieved by TIS are weaker than those indicated by Cover-More's analysis, there is a risk that this may have an adverse impact on the financial position, financial performance and/or share price of Cover-More.</p>
Reliance on information for due diligence	<p>Cover-More has undertaken a due diligence review in respect of TIS. While Cover-More considers that this review was adequate, the information was largely provided by the vendors of TIS.</p> <p>Despite taking reasonable efforts, Cover-More has not been able to verify the accuracy, reliability, or completeness of all the information which was provided to it against independent data. There is a risk that the information provided by the vendors of TIS (including financial information used to prepare the pro forma financial information included in this Investor Presentation) was incomplete, incorrect, inaccurate, unreliable or misleading, and therefore a risk that the pro forma statement of financial position and the impact of the acquisition of TIS on Cover-More's earnings per share may be materially different to that disclosed in this Investor Presentation.</p> <p>Investors should note that there is no assurance that the due diligence conducted was conclusive or identified all material issues in relation to the TIS business. Limited contractual representations and warranties have been obtained from the vendors of TIS in the acquisition agreement regarding the accuracy of the materials disclosed during the due diligence process. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Cover-More in the future.</p>
Acquisition Accounting	<p>On acquisition of TIS, Cover-More will be required to perform a purchase price allocation involving the valuation of assets and liabilities acquired (including separately identifiable intangible assets) and any differential between the valuation of the net assets acquired and the purchase price will be recognised as goodwill. The fair value of the assets recognised will provide the basis for subsequent depreciation and amortisation charges which will be reflected in Cover-More's future earnings and may differ from those used to determine the impact of the acquisition of TIS on Cover-More's earnings per share.</p>
Market risks associated with TIS	<p>Increased competition in the market that TIS operates in, regulatory changes and a general market downturn affecting the market in which TIS operates, amongst other matters, may have an adverse impact on the financial position, financial performance and/or share price of Cover-More.</p>
Increased competition	<p>There is a risk that TIS experiences increased competition from existing or new competitors, which may reduce its growth, market share and/or margins.</p>
Travel industry	<p>Travel is a relatively discretionary activity and its underlying demand is influenced by a number of macro-economic factors. There is a risk that levels of travel and/or the demand for travel insurance in the USA may decline.</p>
Integration risk and realisation of synergies	<p>The integration of TIS carries risk, including potential delays or costs in implementing necessary changes, and difficulties in integrating various operations. The success of the acquisition of TIS and the ability to realise the expected synergy benefits of the acquisition will be dependent upon the effective and timely integration of TIS business into Cover-More following completion. While Cover-More has undertaken analysis in relation to the synergy benefits of the acquisition of TIS, they remain Cover-More's estimate of the synergy benefits expected to be achievable as part of the acquisition, and there is a risk that the actual synergies able to be realised may be less than expected or delayed, or that the expected synergy benefits of the acquisition of TIS may not materialise at all. Any of these possibilities may have an adverse impact on the financial position, financial performance and/or share price of Cover-More.</p>

Cover-More

| 29

Key acquisition risks (continued)

Risk	Description
Retention of key management and key employees	<p>TIS have a management team and key employees with significant experience in the markets in which it operates. Failure to retain some of the core management team post acquisition may have a material adverse effect on Cover-More's ability to deliver the expected benefits of the acquisition of TIS in the short to medium term.</p> <p>Failure to retain key employees in sufficient numbers may have an adverse impact on the financial position, financial performance and/or share price of Cover-More.</p>
Underwriting agreement	<p>Completion of the acquisition of TIS is conditional on TIS's underwriting partner providing a change of control consent.</p> <p>However, there is a risk that TIS' underwriting partner will terminate the Underwriting Agreement with 180 days notice in accordance with the normal terms of the underwriting agreement. This may have an adverse impact on the financial position, financial performance and/or share price of Cover-More in the event a replacement underwriter cannot be found on the same or similar terms within 180 days.</p>
Distribution Agreements	<p>TIS' distribution agreements with its partners are typically short term in nature. If a distribution partner elects not to renew a distribution agreement with TIS, this may have an adverse impact on the financial position, financial performance and/or share price of Cover-More.</p>
Completion risk	<p>Completion of the acquisition of TIS is conditional on TIS' underwriting partner providing its consent to the change of control in TIS. Completion is also conditional on Anti-trust approval being given by US regulators pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976. If any of the conditions are not met or waived, completion of the acquisition may be deferred or cancelled. The acquisition agreement may also be terminated by the vendor if (a) Cover-More commits a breach of the agreement or a warranty given under the acquisition agreement (including a breach of warranty in respect of funding the acquisition), and such breach would have a material adverse effect on the ability of Cover-More to complete the acquisition; or (b) if completion has not occurred within 120 days after execution of the acquisition agreement. If completion does not occur, Cover-More will need to consider alternative uses for, or way to return the proceeds of, any subscriptions raised under the Entitlement Offer. Cover-More may consider using the proceeds for general corporate purposes if the acquisition does not complete. Failure to complete the acquisition of TIS and/or any action required to be taken to return capital may have an adverse impact on Cover-More's financial position, financial performance and/or share price. However, the acquisition agreement cannot be terminated by Cover-More if the required amount of funding is not achieved through the Entitlement Offer.</p>
Increased focus on USA market	<p>By acquiring TIS, Cover-More is increasing its overall investment in an exposure to the USA travel insurance market. The risks that are specific to operating in the USA travel insurance market include:</p> <ul style="list-style-type: none"> • Exchange rate risk, being the risk that the profit of TIS will be lower than expected in A\$ terms if the US\$ depreciates against the A\$ • Capacity withdrawal risk, being the risk that the underwriter withdraws capacity for strategic reasons such as a decision to exit certain lines of business or discontinue underwriting in a certain country or region • Underwriting performance risk, being the risk that poor underwriting and/or claims management practices lead to unsatisfactory results and the underwriter withdraws capacity • Reputational risk, being the risk that Cover-More is exposed to by outsourcing its claims management and medical assistance processes • Increased regulatory risk, being the risks associated with (a) the complexity of the state based regulation of travel insurance (b) the increased regulatory scrutiny on the sector through various regulatory working groups (c) the likelihood of future regulatory change <p>If any of these risks eventuate, there may be an adverse impact on Cover-More's financial position, financial performance and/or share price.</p>

Cover-More

| 30

Key acquisition risks (continued)

Risk	Description
Debt funding risk	Cover-More has entered into financing arrangements whereby its financier has agreed to provide debt funding for the acquisition of TIS, subject to customary terms and conditions. If certain events occur (such as an insolvency or non-compliance with financier covenants), the financier may terminate the debt financing arrangements. Termination of the debt financing arrangements may have an adverse impact on Cover-More's sources of funding for the acquisition of TIS.
Reliance on the vendor	As part of the acquisition of TIS, Cover-More has agreed to enter into a transitional services agreement with the vendor of TIS. There is a risk that the vendor will not perform some or all of its obligations under this arrangement and this may have an adverse impact on the financial position, financial performance and/or share price of Cover-More.
Assumed liabilities	<p>As part of the acquisition of TIS, Cover-More will assume the liabilities of TIS, including any actual or contingent liabilities associated with TIS' past operations. This includes exposures to possible taxation or legal claims. Cover-More, as part of its due diligence review, has sought to identify the existence, scope and quantum of these potential liabilities and has sought to address the risk that these potential liabilities may eventuate through specific warranties and indemnities in the acquisition agreement.</p> <p>However, there is a risk that potential liabilities were not identified as part of Cover-More's due diligence review in relation to the acquisition of TIS, or the scope or quantum of potential liabilities were not fully accounted for. If Cover-More assumes these new or additional potential liabilities, and such liabilities materialise, it may have an adverse impact on Cover-More's financial position, financial performance and/or share price of Cover-More.</p> <p>Further, there is a risk that these new or additional potential liabilities are not covered by warranties or indemnities in the acquisition agreement and Cover-More may be unable to recover any losses which occur following the acquisition of TIS.</p>
Securing additional distribution partners	The future growth of TIS will depend, in part, on securing additional distribution partners. If appropriate distribution partners cannot be secured, or cannot be secured at similar commercial agreements to the current distribution partners, there is a risk that TIS will underperform the future expected growth assumed by Cover-More's analysis and forecasts underpinning Cover-More's valuation of TIS.
Commission rates and Claims costs	TIS derives its revenue primarily from commissions paid by the Underwriter. The commission and fee rates are set by the Underwriter and are based on the premium rates that they charge. TIS' commission and premiums can change based on the prevailing claim, economic, regulatory, taxation-related and competitive factors that impact on the Underwriters' returns. Because TIS does not determine, and cannot predict, the timing or extent of premium or commission rate changes, we cannot predict the effect any of these changes may have on TIS' operations. There is a risk that Cover-More may be adversely impacted by various factors which cause an increase in the underwriting costs or a reduction in the commission rates paid to TIS.
Reputation	TIS' reputation is critical to the provision of its travel insurance business. There is a risk that TIS incurs reputational damage in relation to a publicised negative customer experience prior to or after completion and this may have an adverse impact on the financial position, financial performance and/or share price of Cover-More.

Business risks

Risk	Description
Distribution Agreements	There is a risk that Cover-More's key distribution agreements may be terminated, not renewed or renewed on less favourable terms, or the volume of travel insurance distributed under those agreements may decline or be lower than expected.
Travel industry	Travel is a relatively discretionary activity and its underlying demand is influenced by a number of macro-economic factors. There is a risk that levels of outbound travel and/or the demand for travel insurance may decline in Cover-More's key markets.
Underwriting agreement	<p>Cover-More's business model relies on an insurer to hold the underwriting risk. There is a risk that Cover-More may be unable to secure its underwriting risk or the pricing of the underwriting risk may worsen.</p> <p>In particular, Cover-More's current underwriting agreement with Great Lakes Australia has a termination date of 30 September 2017, and Cover-More is in advanced negotiations to finalise a new underwriting agreement with two parties. There is a risk that these negotiations may not culminate in a new signed underwriting agreement.</p>
Underwriting partners	<p>Cover-More relies on the ability of its underwriting partners to meet its obligations under the travel insurance policies which have been distributed to date.</p> <p>There is a risk that the financial position and/or reputation of Cover-More's key underwriting partners may deteriorate, which may adversely impact Cover-More's ability to honour its travel insurance policies and consequently, its reputation, contractual relationship with its distribution partners and its financial position, financial performance and share price.</p>
Medical assistance customers	Cover-More's medical assistance businesses typically operate under short or medium term contracts to provide its services on a fixed fee or fee-for-service basis. There is a risk that Cover-More's key assistance customers may not renew their contracts or Cover-More may fail to win new contracts.
Foreign exchange rates	A significant part of Cover-More's revenues, costs and profit are denominated in foreign currency, including Indian Rupees, Chinese Renminbi, Malaysian Ringgits, New Zealand Dollars, UK Pounds Sterling, Euro and US Dollar. There is a risk that Cover-More's earnings may be affected by fluctuations in foreign exchange rates.
Claims costs	Cover-More's underwriting partners receive a share of the premium in exchange for those insurers taking on claims risk in relation to insurance policies sold. In most of these contracts, the amount receivable is based on previous claims experience. There is a risk that Cover-More may be adversely impacted by an increase in claims under the travel insurance policies, which can increase the underwriting costs and thereby reduce the share of premiums earned by Cover-More.
Technology	<p>Cover-More's ability to provide reliable services, efficient distribution and effective monitoring and repricing for its own operations, as well as that of its agency and white label partners (who form a critical part of its current operations and future growth), depends on the efficient and uninterrupted operation of its core technologies, which include specialised and proprietary software systems and infrastructure and back-end data processing systems, as well as its websites and other e-Commerce applications.</p> <p>There is a risk that Cover-More's technology platform and communications system may be disrupted, attacked or hacked, become outdated or cease to function efficiently for both Cover-More and its distribution partners and thus become a source of operational failure.</p>
Growth strategy	There is a risk that Cover-More may be unable to execute its growth strategy and growth initiatives for its current and future businesses, as it is executing a range of new untested growth initiatives, including newly developed ancillary products, new distribution partnerships and entry into new markets.
Employees	There is a risk that Cover-More may be unable to attract and/or retain skilled personnel across all parts of its business and operations.
Government regulations	Cover-More is subject to laws or government regulations. There is a risk that the cost of complying with regulations may become economically unviable or adversely impact Cover-More's financial position, financial performance and/or share price.

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Business risks (continued)

Risk	Description
Increased competition	There is a risk that Cover-More experiences increased competition from existing or new competitors, which may reduce its growth, market share and/or margins.
Asset impairment	<p>The Cover-More Board regularly monitors impairment risk. Where the value of an asset is assessed to be less than its carrying value, Cover-More is obliged to recognise an impairment charge in its profit and loss account.</p> <p>Asset impairment charges may result from the occurrence of unexpected adverse events that impact Cover-More's expected performance. Assets are tested for impairment more frequently if events or changes in circumstances indicate that they might be impaired. This could result in the recognition of impairment provisions that could be significant and could adversely impact Cover-More's financial position.</p> <p>Cover-More's balance sheet includes a significant level of intangible assets recognised as a result of its various acquisitions. Intangible assets must be regularly tested for impairment. Impairment results from a permanent diminution in value indicated by a decrease in profits below the level that supports the value of this asset. In the event that any of Cover-More's intangible assets are found to be impaired to a level below their carrying value, Cover-More would need to write down the value of the intangible asset. This will result in an expense in the income statement and reduced profit for Cover-More.</p>
Revenue	Cover-More earns a share of the premiums on the sale of travel insurance as revenue. The portion of premiums that Cover-More earns can change based on the prevailing claim, economic, regulatory, taxation-related and competitive factors that impact on the prices charged for travel insurance and allocation of premiums between the underwriter, Cover-More and Cover-More's distribution partners. Because Cover-More does not solely determine, and cannot predict, the timing or extent of changes to this allocation of premiums, we cannot predict the effect any changes may have on Cover-More's operations. There is a risk that Cover-More may be adversely impacted by various factors which cause a reduction in the portion of premiums paid to Cover-More.
Reputation	Cover-More's reputation is critical to the provision of both its travel insurance and medical assistance businesses. There is a risk that Cover-More incurs reputational damage in relation to a publicised negative customer experience.
Inappropriate medical advice	Cover-More provides medical advice and treatment through its medical assistance business and its employee assistance business. There is a risk that Cover-More may be negatively impacted by risks associated with inadequate or inappropriate medical advice or treatment.
Intellectual property	Cover-More utilises both specialised e-Commerce technology platforms as well as comprehensive insurance databases for its business, on which its distribution and pricing capabilities rely. There is a risk that there will be unauthorised use or copying of Cover-More's software, data, specialised technology or databases, or that Cover-More's intellectual property rights may be unenforceable or challenged by third parties.
Tax/accounting	The Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB) and are outside Cover-More's control. There is a risk that changes to the Australian Accounting Standards issued by the AASB or changes to the interpretation, implementation or enforcement of these standards could materially and adversely affect Cover-More and the financial position and performance reported in Cover-More's financial statements.
Interest rate risk	Cover-More is subject to the risk of rising interest rates associated with borrowing on a floating rate basis. Movements in interest rates may have a material and adverse impact on Cover-More's financial position, financial performance and share price.
Litigation	Legal proceedings and claims may arise from time to time in the ordinary course of Cover-More's business and may result in high legal costs, adverse monetary judgments and/or damages to Cover-More's reputation which could have an adverse impact on Cover-More's financial position, financial performance and/or share price.
Other external factors	Other external factors may adversely impact Cover-More's financial position, financial performance and/or share price, including changes or disruptions to political, regulatory, legal or economic conditions or to national and international markets.

Cover-More

| 33

General risks

Risk	Description
General market and share price risks	<p>There are general risks associated with investments in equity capital such as Cover-More shares. The trading price of Cover-More shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer price. Generally applicable factors which may affect the market price of shares include:</p> <ul style="list-style-type: none"> • General movements in Australian and international stock markets; • Investor sentiment; • Australian and international economic conditions and outlook; • Changes in interest rates and the rate of inflation; • Changes in government legislation and policies, in particular taxation laws; • Announcement of new technologies; and • Geo-political instability, including international hostilities and acts of terrorism. <p>Further, the effect of these conditions on Cover-More's ability to refinance its debt obligations, and the terms on which any such refinancing can be obtained, is uncertain. If these conditions result in Cover-More being unable to refinance its debt obligations, or to do so reasonable terms, this may have an adverse impact on Cover-More's financial position, financial performance and/or share price.</p> <p>The operational and financial performance and position of Cover-More's share price may be adversely affected by a worsening of international economic and market conditions and related factors. It is also possible new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable.</p>
Other risks	The above risks should not be taken as a complete list of the risks associated with an investment in Cover-More. The risks outlined above, and other risks not specifically referred to, may in the future materially adversely affect the value of Cover-More shares and their performance. No assurances can be given that the New Shares will trade at or above the Offer Price. None of Cover-More, its directors or any other person guarantees the market performance of the New Shares.

Cover-More

| 34

Share and Entitlement Offer risks

Risk	Description
Underwriting risk	<p>Cover-More has entered into an Underwriting Agreement under which Macquarie Capital (Australia) Limited ("Macquarie") has agreed to fully underwrite the Offer, subject to the terms and conditions of the Underwriting Agreement between Macquarie and Cover-More (the "Underwriting Agreement"). Macquarie's obligation to underwrite the Offer is conditional on certain customary matters, including Cover-More delivering certain shortfall certificates, sign-offs and opinions. Further, if certain events occur, Macquarie may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Offer and Cover-More's ability to pay the purchase price for the acquisition of TIS. If the Underwriting Agreement is terminated, Cover-More will not be entitled to terminate the acquisition agreement. In these circumstances, Cover-More would need to find alternative funding to meet its contractual obligations under the acquisition agreement to pay the purchase price. Termination of the Underwriting Agreement could materially and adversely affect Cover-More's business, cash flow, financial performance, financial condition and share price. The conditions to the Underwriting Agreement include that the acquisition agreement has been executed before the announcement of the Entitlement Offer.</p> <p>Macquarie has a right to terminate the Underwriting Agreement if certain events occur, including (but not limited to):</p> <ul style="list-style-type: none"> • an offer document is or becomes misleading or deceptive or likely to mislead or deceive, or a matter required to be included is omitted; • certain material adverse changes occur in respect of the condition, assets, liabilities, earnings, business, operations, management, profits, losses or prospects of Cover-More; • Cover-More shares are suspended from trading on or cease to be quoted on the ASX, or Cover-More is delisted; • Cover-More withdraws or indicates that it does not intend to proceed with the Offer (or any part of it); • a warranty made or given by Cover-More under the Underwriting Agreement is untrue or incorrect when given or taken to be given or becomes untrue or incorrect; • Cover-More breaches, or defaults under a material debt or financing arrangement or any related documentation, or an event of default or review event occurs under such arrangement or documentation that triggers rights to accelerate or require repayment; • there are certain delays in the Offer timetable; or • the Acquisition Agreement is or may be terminated or rescinded, or does not, is incapable of, or will not complete in accordance with its terms. <p>In some cases, Macquarie's ability to terminate the Underwriting Agreement will depend on whether the event has or is likely to have a materially adverse effect on the marketing, success or settlement of the Offer, or has given or is likely to give rise to a contravention by Macquarie of any applicable law.</p>
Dilution risk	<p>If you do not take up all of your entitlements, then your percentage holding in Cover-More will be diluted by not participating to the full extent in the Offer.</p>

INTERNATIONAL OFFER RESTRICTIONS

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

International offer restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of Cover-More in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

Cover-More as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Cover-More or its directors or officers. All or a substantial portion of the assets of Cover-More and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Cover-More or such persons in Canada or to enforce a judgment obtained in Canadian courts against Cover-More or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Cover-More if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Cover-More. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Cover-More, provided that (a) Cover-More will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, Cover-More is not liable for all or any portion of the damages that Cover-More proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents fassent foi ou se rapportent de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cover-More

| 37

International offer restrictions (continued)

European Economic Area - Germany, Luxembourg and Netherlands

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Cover-More with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Cover-More

| 38

International offer restrictions (continued)

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of Cover-More's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Cover-More.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Cover-More

GROUP LIMITED

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. NEWSWIRE SERVICES

ASX announcement

Cover-More Group successfully completes Institutional Entitlement Offer

Sydney, 29 September 2016: Cover-More Group Limited (ASX:CVO), is pleased to announce the successful completion of the institutional component ("**Institutional Offer**") of its 1 for 5.2 pro-rata non-renounceable entitlement offer ("**Entitlement Offer**") as announced on Tuesday, 27 September 2016. The Entitlement Offer is being conducted to partially fund the acquisition of Travelex Insurance Services Inc. ("**Travelex Insurance Services**") for US\$105.0 million ("**Acquisition**").

The Institutional Offer was strongly supported and raised approximately \$61.8 million by way of a fixed price bookbuild at an offer price of \$1.20 ("**Offer Price**") per new share ("**New Share**"). The Offer Price represents a 14.4% discount to the theoretical ex-rights price of \$1.4013.

New Shares issued under the Institutional Offer will rank equally with existing shares on issue and are expected to settle on Monday, 10 October 2016. New shares will be allotted on Tuesday, 11 October 2016 and will commence trading on a normal settlement basis on the Australian Securities Exchange ("**ASX**") on the same day.

Cover-More's Chief Executive Officer Michael Emmett, said: "Travelex Insurance Services is an excellent strategic fit for Cover-More and accelerates our progress in North America. We look forward to working with the team to build the business and deliver the expected synergy benefits."

Commencement of the Retail Entitlement Offer

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") is fully underwritten and will raise approximately \$11.5 million through a 1 for 5.2 pro-rata non-renounceable entitlement offer at \$1.20 per share.

The Retail Entitlement Offer will open on Tuesday, 4 October 2016 and close at 5.00pm (Sydney time) on Monday, 17 October 2016.

Eligible retail shareholders with a registered address in Australia or New Zealand as at the Record Date of 7.00pm (Sydney time), Thursday, 29 September 2016 ("**Eligible Retail Shareholders**"), have the opportunity to take up their entitlement of New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to Eligible Retail Shareholders on or around Tuesday, 4 October 2016. The Retail Entitlement Offer is anticipated to close on Monday, 17 October 2016.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer.

It is important to note that the Retail Entitlement Offer is non-renounceable and there will be no trading of entitlements.

Cover-More expects its trading halt to be lifted and Cover-More shares to recommence trading on an ex-entitlement basis from market open on Thursday, 29 September 2016.

Key Dates of the Entitlement Offer

Event	Date
Announcement of Completion of the Institutional Offer, Entitlement Offer Ratio and Offer Price	Thursday, 29 September 2016
Shares recommence trading on ASX on an "ex-entitlement" basis	
Record Date for determining entitlement to subscribe for New Shares	7.00pm (Sydney time) on Thursday, 29 September 2016
Retail Entitlement Offer opens	Tuesday, 4 October 2016
Retail Offer Booklet despatched	Tuesday, 4 October 2016
Settlement of New Shares issued under the Institutional Entitlement Offer	Monday, 10 October 2016
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Tuesday, 11 October 2016
Retail Entitlement Offer closes	5.00pm (Sydney time) on Monday, 17 October 2016
Allotment of remaining New Shares issued under the Retail Entitlement Offer	Monday, 24 October 2016
Commencement of trading of New Shares issued under the Retail Entitlement Offer on a normal basis	Tuesday, 25 October 2016
Despatch of holding statements for New Shares	

All dates and times referred to are based on Sydney time and are subject to change. Cover-More reserves the right to vary these dates or to withdraw the Equity Raising at any time.

Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer, please do not hesitate to contact the Offer Information Line on 1300 554 474 (local call cost within Australia) or +61 1300 554 474 (from outside Australia) at any time between 8.30am and 5.30pm (Sydney time), Monday to Friday.

Macquarie Capital (Australia) Limited (Macquarie) is acting as sole lead manager and bookrunner to the Entitlement Offer.

Nothing contained in this announcement constitutes investment, legal tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

ENDS

For investor relations contact Michael Brown, +61 400 248 080

For media enquiries contact Peter Brookes, +61 407 911 389

6. ASX ANNOUNCEMENTS AND INVESTOR PRESENTATION continued

Cover·More

GROUP LIMITED

IMPORTANT NOTICES

Nothing in this announcement constitutes an offer of securities for sale or an offer to purchase any securities, or an invitation to any person to make such an offer in any jurisdiction.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.

This announcement contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Cover-More, industry growth and other trend projections. Such "forward-looking statements" and "forward-looking information" includes statements regarding the proposed Equity Raising, including the amount to be raised and timing and the use of the funds raised. Often but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cover-More and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of gold and silver, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns. Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Cover-More believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Cover-More does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.



7. ADDITIONAL INFORMATION

This Retail Offer Booklet is issued by Cover-More Group Limited (ABN 79 166 776 334). The information in this Retail Offer Booklet is dated 29 September 2016.

No party other than Cover-More has authorised or caused the issue of the information in this Retail Offer Booklet, or takes responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet.

This Retail Offer Booklet and the Entitlement and Acceptance Form are important and require your immediate attention. You should read these documents carefully and in their entirety before deciding whether or not to participate in the Entitlement Offer.

In particular, you should consider the key risks outlined in the “Key Risks” section of the Investor Presentation.

7.1 Not a prospectus

Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form is a prospectus for the purposes of the Corporations Act and they are not required to be, and will not be lodged with Australian Securities and Investments Commission (ASIC). Accordingly, these documents do not contain all of the information which a prospective investor may require to make an investment decision and they do not, and are not required to, contain all of the information which would otherwise be required to be disclosed in a prospectus.

7.2 Not investment advice

This Retail Offer Booklet does not purport to contain all of the information that you may require in evaluating a possible application for New Shares and you should undertake your own independent review, investigation and analysis of Cover-More and the Retail Entitlement Offer (including any public announcements made by Cover-More after the date of this Retail Offer Booklet).

The information provided in this Retail Offer Booklet is not financial product advice and is not intended to be relied on as advice to investors and has been prepared without taking into account the recipient’s investment objectives, financial circumstances or particular needs.

The New Shares offered under this Retail Offer Booklet should be considered speculative. You should obtain professional advice if required and carefully evaluate the risks of an investment in Cover-More before making any investment decision.

7.3 Ineligible Retail Shareholders

Cover-More has determined that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such shareholders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Ineligible Retail Shareholders will not be entitled to participate in the Retail Entitlement Offer.

The distribution of this document outside Australia and New Zealand may be restricted by law. In particular, this document may not be distributed or released, in whole or part, in the United States. Persons who come into possession of this document should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

7. ADDITIONAL INFORMATION continued

7.4 The Rights of Cover-More

Cover-More reserves the right to reduce the number of New Shares allocated to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders, if their Entitlement claims prove to be overstated, or if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are indeed not Eligible Retail Shareholders.

7.5 Holding Statements

Confirmations are expected to be dispatched to Eligible Retail Shareholders on Tuesday, 25 October 2016 in respect of New Shares allotted under the Retail Entitlement Offer.

It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Any Applicant who sells New Shares before receiving written confirmation of their holding will do so at their own risk. Cover-More and the Underwriter disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their confirmations, whether on the basis of confirmation of the allocation provided by Cover-More, the Registry, or the Underwriter.

7.6 Withdrawal of the Entitlement Offer

Cover-More reserves the right to withdraw the Entitlement Offer at any time, in which case Cover-More will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest.

7.7 Ranking of New Shares

New Shares issued under the Entitlement Offer will on issue rank equally with Existing Shares. New Shares will be entitled to any dividends on ordinary shares with a record date after the date of issue.

7.8 Notice to Nominees and Custodians

Nominees and custodians which hold Existing Shares as nominees or custodians will have received, or will shortly receive, a letter from Cover-More. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to institutional shareholders to whom the Underwriter makes an offer on behalf of Cover-More under the Institutional Entitlement Offer (whether they accepted their Entitlement or not) (**Eligible Institutional Shareholders**) and institutional shareholders that were ineligible to participate in the Institutional Entitlement Offer. Cover-More is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares or Entitlements. Where any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

Cover-More is not able to advise on foreign laws. Nominees and custodians may not distribute any part of this Retail Offer Booklet in the United States or in any other country outside Australia and New Zealand, except to beneficial shareholders who are institutional investors in other countries listed in, and to the extent permitted under, the section captioned “Foreign Jurisdictions” in the attached Investor Presentation.

7.9 Option holders

Any existing option holders will not be entitled to participate in the Entitlement Offer unless they have become entitled to exercise their existing options under their terms of issue, and do exercise those options in sufficient time to become the registered holder of Existing Shares prior to the Record Date.

7.10 Continuous Disclosure

Cover-More is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Cover-More is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Cover-More has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Cover-More shares. That information is available to the public from ASX.

7.11 Risks

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Cover-More. Please refer to the “Key Risks” section of the Investor Presentation for details. You should consider these key risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

7.12 Past performance

Investors should note that the past share price performance of Cover-More provides no guarantee or guidance as to future share price performance. Past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

7.13 No authorisation

No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer, which is not contained in this Retail Offer Booklet. Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by Cover-More, or its related bodies corporate, in connection with the Retail Entitlement Offer. None of Cover-More, or any other person, warrants or guarantees the future performance of Cover-More or any return on any investment made pursuant to the information contained in this Retail Offer Booklet.

7.14 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

7.15 Foreign Jurisdictions – restrictions and limitations

This Retail Offer Booklet is being sent to all Eligible Retail Shareholders on the register of Cover-More on the Record Date with an address on the share register in Australia or New Zealand.

This document does not constitute an offer of Entitlements or New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

This Retail Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Cover-More with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

7. ADDITIONAL INFORMATION continued

- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Other Jurisdictions

a. Canada (British Columbia, Ontario and Quebec provinces)

This Retail Offer Booklet constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the Provinces) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This Retail Offer Booklet is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This Retail Offer Booklet may only be distributed in the Provinces to persons that are “accredited investors” within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this Retail Offer Booklet, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

Cover-More as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Cover-More or its directors or officers. All or a substantial portion of the assets of Cover-More and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Cover-More or such persons in Canada or to enforce a judgment obtained in Canadian courts against Cover-More or such persons outside Canada.

Any financial information contained in this Retail Offer Booklet has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this Retail Offer Booklet are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this Retail Offer Booklet (other than (a) a “Canadian financial institution” or a “Schedule III bank” (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Cover-More if this Retail Offer Booklet or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Cover-More.

This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this Retail Offer Booklet contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Cover-More, provided that (a) Cover-More will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, Cover-More is not liable for all or any portion of the damages that Cover-More proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this Retail Offer Booklet is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this Retail Offer Booklet, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

b. European Economic Area - Germany, Luxembourg and Netherlands

The information in this Retail Offer Booklet has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in Member States of the European Economic Area (each, a **Relevant Member State**), from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000; and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "**MiFID**"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

7. ADDITIONAL INFORMATION continued

c. Hong Kong

WARNING: This Retail Offer Booklet has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this Retail Offer Booklet or to permit the distribution of this Retail Offer Booklet or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Retail Offer Booklet have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Retail Offer Booklet, you should obtain independent professional advice.

d. Norway

This Retail Offer Booklet has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this Retail Offer Booklet shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

e. Singapore

This Retail Offer Booklet and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Retail Offer Booklet and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Retail Offer Booklet has been given to you on the basis that you are (i) an existing holder of Cover-More’s shares; (ii) an “institutional investor” (as defined in the SFA); or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Retail Offer Booklet immediately. You may not forward or circulate this Retail Offer Booklet to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

f. Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This Retail Offer Booklet has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Retail Offer Booklet nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this Retail Offer Booklet nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Retail Offer Booklet will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

This Retail Offer Booklet is personal to the recipient only and not for general circulation in Switzerland.

g. United Kingdom

Neither the information in this Retail Offer Booklet nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

This Retail Offer Booklet is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this Retail Offer Booklet, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Retail Offer Booklet should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Cover-More.

In the United Kingdom, this Retail Offer Booklet is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**); (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO; or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Retail Offer Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Retail Offer Booklet or any of its contents.

h. United States

This Retail Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Retail Offer Booklet have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

7. ADDITIONAL INFORMATION continued

7.16 Underwriting Agreement

Cover-More and the Underwriter have entered into an underwriting agreement dated 26 September 2016 (**Underwriting Agreement**) pursuant to which the Underwriter agrees to underwrite subscriptions for the New Shares offered under the Institutional Entitlement Offer and the Retail Entitlement Offer for which valid applications are not received, at the Offer Price. As is customary with these types of arrangements:

- Cover-More has agreed to indemnify the Underwriter, its related bodies corporate and each of their officers, directors, employees, agents and advisers (together, the **Indemnified Parties**) in connection with the Entitlement Offer, the proposed acquisition of Travelex Insurance Services Inc. or the activities of the Indemnified Parties contemplated in the Underwriting Agreement; and
- the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events. Those events include (but are not limited to) where:
 - a statement in the Retail Offer Booklet (or any other offer document) is or becomes misleading or deceptive or likely to mislead or deceive or a matter required to be included is omitted;
 - certain material adverse changes occur in respect of the condition, assets, liabilities, earnings, business, operations, management, profits, losses or prospects of Cover-More;
 - Cover-More shares are suspended from trading on or cease to be quoted on ASX, or Cover-More is delisted;
 - Cover-More withdraws or indicates that it does not intend to proceed with the Entitlement Offer (or any part of it);
 - Cover-More or its subsidiaries become insolvent;
 - hostilities not existing at the date of Underwriting Agreement commence or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, the Peoples Republic of China, Hong Kong or Singapore or a major act of terrorism is perpetrated on any of those countries anywhere in the world;
 - a warranty made or given by Cover-More under the Underwriting Agreement is untrue or incorrect when given or taken to be given or becomes untrue or incorrect;
 - there is a change to the chief executive officer or chief financial officer or the board of directors of Cover-More;
 - Cover-More breaches, or defaults under, any provision, undertaking covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party or an event of default, potential event of default, or review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation;
 - there is a delay in the timetable:
 - A in the period up to and including the Tuesday, 11 October 2016, of 1 day or more; or
 - B in the period after the Tuesday, 11 October 2016, of more than 2 days,in each case without the prior written approval of the Underwriter; or
 - a party to the Acquisition Agreement does or becomes entitled to terminate or rescind the Acquisition Agreement, or the Acquisition Agreement does not, becomes incapable of, or will not complete in accordance with its terms.

Representations and warranties

The Underwriting Agreement contains common representations and warranties provided by Cover-More to the Underwriter. The warranties and representations relate to matters such as the conduct of the parties, the conduct and outcome of the due diligence process, information provided to the Underwriter, financial information, compliance with ASX Listing Rules and laws, information contained in this Retail Offer Booklet and other offer materials and the conduct of the Entitlement Offer.

Cover-More has undertaken that except in certain circumstances, it will not issue any further ordinary shares for a period of 90 days from the close of the Entitlement Offer without the Underwriter's consent.

7.17 ASX waivers

Cover-More has not sought any waivers from ASX in relation to the Entitlement Offer.

7.18 Privacy

As a Shareholder, Cover-More and the Registry have already collected certain personal information from you. If you apply for New Shares, Cover-More and the Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Cover-More and the Registry may disclose your personal information for purposes related to your shareholding to their agents, contractors or third party service providers to whom they outsource services in order to assess your Application, the Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation and distribution of Shareholder information and for handling of mail, or as otherwise authorised under the Privacy Act 1988 (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Cover-More or the Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this, please contact us if any of the details you have provided change.

If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Cover-More through the Registry as follows:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

+61 1800 502 355 (9am to 5pm (Sydney time) Monday to Friday)

7.19 Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving shares. Cover-More considers that it is not appropriate for it to give advice regarding the tax consequences of subscribing for New Shares under this document or the subsequent disposal of any such New Shares. Cover-More does not accept any responsibility in this regard and recommends that you consult with your professional tax adviser in connection with the Retail Entitlement Offer.

7.20 Governing law

The Entitlement Offer and contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law of New South Wales, Australia. Each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

7. ADDITIONAL INFORMATION continued

7.21 Eligible Retail Shareholder Declarations

Important

If you make an Application, you will be taken to make the following declarations to Cover-More. You:

- agree to be bound by the terms of the Entitlement Offer and the provisions of Cover-More's constitution;
- authorise Cover-More to register you as the holder of the New Shares allotted to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your Entitlements and obligations under the Entitlement and Acceptance Form;
- acknowledge that once Cover-More receives the Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw it except as allowed by law;
- agree to apply for the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, at the Offer Price per New Share;
- agree to be issued the number of New Shares that you apply for at an offer price of A\$1.20 per share;
- authorise Cover-More, the Underwriter, the Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Cover-More and/or the Underwriter;
 - each of Cover-More and the Underwriter, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the current registered holder on the Record Date, of the Existing Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date and are a resident of an Eligible Jurisdiction;
- acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form is not investment advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and that the Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Cover-More and is given in the context of Cover-More's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation, and that investments in Cover-More are subject to investment risk;
- acknowledge that none of Cover-More, the Underwriter or any or each of their directors, officers, employees, agents, consultants, their advisers, guarantees the performance of Cover-More, nor do they guarantee the repayment of capital from Cover-More;
- authorise Cover-More to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Cover-More, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;

- represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, and does not prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you are not in the United States and not acting for the account or benefit of a person in the United States;
- acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia and New Zealand and accordingly, the Entitlements may not be taken up, and the New Shares may not be offered, sold or otherwise transferred, in the United States or to, or for the account or benefit of, any person in the United States, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- agree not to send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Offer to any person in the United States;
- represent and warrant that you are an Eligible Retail Shareholder and have read and understood this Retail Offer Booklet and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Retail Offer Booklet and Entitlement Acceptance Form; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and/or of your holding of Shares on the Record Date.

8. GLOSSARY

TERM	MEANING
A\$	Australian dollars
ABN	Australian Business Number
Applicant	A person who has applied to subscribe for New Shares under the Retail Entitlement Offer
Application	An application to subscribe for New Shares under the Entitlement Offer
Application Monies	Monies received from Applicants in respect of the Application
Acquisition Agreement	The agreement between Cover-More and Travelex Insurance Services Inc for the acquisition of Travelex Insurance Services Inc.
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or a financial market operated by it
ASX Announcement	The announcement released to ASX on Thursday, 29 September 2016 in connection with the Entitlement Offer
ASX Listing Rules	The official listing rules of ASX, as amended or replaced from time to time except to the extent of any waiver granted by ASX
Closing Date	5:00pm (Sydney time) Monday, 17 October 2016
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Cover-More	Cover-More Group Limited (ABN 79 166 776 334)
Cover-More Shareholder Information Line	1300 551 346 (within Australia) or +61 1300 551 346 (outside Australia) from 8:30am to 5:30pm (Sydney time)
Eligible Jurisdictions	Australia and New Zealand
Eligible Retail Shareholder	A Shareholder on the Record Date who: <ul style="list-style-type: none"> • has a registered address in an Eligible Jurisdiction; • is not an institutional investor; and • is eligible under all applicable securities laws to receive an offer under the Entitlement Offer
Entitlement	The number of New Shares for which an Eligible Retail Shareholder is entitled to subscribe for under the Entitlement Offer

TERM	MEANING
Entitlement and Acceptance Form	The personalised entitlement and acceptance form accompanying this Retail Offer Booklet which Eligible Retail Shareholders may use to apply for New Shares
Entitlement Offer	The 1 for 5.2 pro rata accelerated non-renounceable entitlement offer to subscribe for New Shares at the Offer Price set out in this Retail Offer Booklet and announced to ASX by Cover-More on Tuesday, 27 September 2016
Existing Shares	Fully paid ordinary shares of Cover-More on issue prior to the Entitlement Offer
FINMA	Swiss Financial Market Supervisory Authority
FMC Act	Has the meaning given in Section 7.15
FPO	Financial Services and Markets Act 2000 (Financial Promotions) Order 2005
FSMA	Financial Services and Markets Act 2000
GST	Australian Goods and Services Tax (currently 10%)
Indemnified Parties	Has the meaning given in Section 7.16
Ineligible Institutional Shareholder	An institutional shareholder that the Underwriter determines will be ineligible institutional shareholder for the purposes of the Institutional Entitlement Offer
Ineligible Retail Shareholders	Retail Shareholders who do not satisfy the criteria of Eligible Retail Shareholders set out in Section 5.1
Ineligible Shareholder	Ineligible Institutional Shareholders and Ineligible Retail Shareholders
Institutional Entitlement Offer	The institutional component of the Entitlement Offer, details of which were announced to ASX by Cover-More on Tuesday, 27 September 2016
Investor Presentation	The investor presentation relating to the Entitlement Offer which was released to ASX by Cover-More on Tuesday, 27 September 2016
MiFID	EU Markets in Financial Instruments Directive (Directive 2004/39/EC)
New Share	A fully paid ordinary share in the capital of Cover-More issued under the Entitlement Offer
Offer Price	\$1.20 per New Share
Opening Date	9:00am (Sydney time) Tuesday, 4 October 2016
Prospectus Directive	Directive 2003/71/EC

8. GLOSSARY continued

TERM	MEANING
Provinces	Has the meaning given in Section 7.15
Record Date	The time and date for determining which Shareholders are entitled to an Entitlement under the Entitlement Offer, being 7:00pm (Sydney time) Thursday, 29 September 2016
Registry	Link Market Services Limited (ABN 54 083 214 537)
Relevant Member State	Has the meaning given in Section 7.15
Renunciation and Transfer Form	Form to be used by Shareholders on the Issuer sponsored subregister for the purpose of transferring their Entitlements
Retail Entitlement Offer	The pro rata non-renounceable entitlement offer of New Shares to Eligible Retail Shareholders, as described in the Chairman's Letter
Retail Offer Booklet	This Retail Offer Booklet, dated 29 September 2016 and lodged with the ASX, including any supplementary and replacement Retail Offer Booklet
Retail Offer Period	The period from and including the Opening Date until and including the Closing Date
Shareholder	The registered holder of an Existing Share
SIX	SIX Swiss Exchange
Underwriter	Macquarie Capital (Australia) Limited (ABN 79 123 199 548)
Underwriting Agreement	The underwriting agreement between Cover-More and the Underwriter dated 26 September 2016

9. CORPORATE DIRECTORY

Cover-More Group Limited

Level 2, 60 Miller Street
North Sydney NSW 2060
Australia

Ph: (02) 8907 5301

www.covermore.com.au

Directors

Louis Carroll (Chairman)

William Easton

Mike Emmett

Stephen Loosley

Trevor Matthews

Lisa McIntyre

Sam Mostyn

Company Secretary

Mark Steinberg

Cover-More Shareholder Information Line

1300 551 346 (within Australia) or
+61 1300 551 346 (outside Australia)

from 8:30am to 5:30pm (Sydney time)

Underwriter

Macquarie Capital (Australia) Limited

Level 11, 50 Martin Place

Sydney NSW 2000

Australia

Legal Adviser

Gilbert + Tobin

Level 35, Tower Two,

International Towers Sydney

200 Barangaroo Avenue

Barangaroo NSW 2000

Australia

Registry

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

Australia

