SMARTPAY HOLDINGS LIMITED

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS IN RELATION TO A PROPOSED REFINANCE AND CAPITAL RAISING

Your directors unanimously recommend that you vote in favour of the resolution to be considered at the meeting.

This Notice of Meeting includes important information relating to a proposed refinance and capital raising to be undertaken by Smartpay. Please read this Notice of Meeting carefully.

PURPOSE OF SPECIAL MEETING OF SHAREHOLDERS

INTRODUCTION

The purpose of the Special Meeting is to seek shareholder approval, by ordinary resolution, to approve a Refinance and Capital Raising to be undertaken by the Smartpay Group.

Background

The acquisition by the Smartpay Group of the ProvencoCadmus business in August 2009 was funded entirely by debt. The acquisition resulted in a four-fold increase in the size of Smartpay's business and in order to provide working capital to fund the enlarged business Smartpay embarked on a policy of securitising the future cash flows under the EFTPOS equipment rental/subscription contracts entered into by members of the Smartpay Group. This policy resulted in Smartpay receiving an upfront loan/cash payment in exchange for assigning all or substantially all of the benefit of the regular monthly cash flows under the rental contracts. The securitisation has largely been undertaken through second tier funders at high interest rates and with high facility establishment fees and it has led to lumpy and unpredictable cash flow.

While the policy of securitising future contract cash flows has worked well for Smartpay and has allowed it to grow the business during the New Zealand terminal upgrade process which took place over 2010 and 2011 it was always Smartpay's intention to obtain a core bank funding facility from a mainstream bank and to unwind the myriad of securitisation facilities in place. Due to economic events over the past few years Smartpay has experienced difficulty in securing a core bank funding facility. When Bradley Gerdis was appointed Chief Executive Officer of the Smartpay Group earlier this year he made it his primary initial objective to secure a core bank funding facility at a competitive interest rate to enable the Smartpay Group to repay all existing indebtedness (including all indebtedness resulting from the securitisation of future contracted cash flows). The intention to recapitalise Smartpay and to move to a more conventional mainstream bank funding model was announced to the market on 20 February 2012.

Smartpay has now secured $25 million of new facilities from ASB Bank in the form of a $20 million facility to refinance the indebtedness incurred in connection with the securitisation of future rental cash flows and to repurchase rental books from third party funders and a $5 million facility to fund future EFTPOS terminal purchases to assist with the expansion of the business. Further information in relation to these facilities is included in the Explanatory Memorandum which accompanies this Notice of Meeting. The $20 million to be advanced by ASB Bank under the refinance facility is not sufficient to repay all existing indebtedness of the Smartpay Group and it is a condition of the ASB Bank facilities that Smartpay raises at least $13 million of new equity to repay trade creditors, meet transaction costs and repay the balance of the indebtedness of the Smartpay Group.

To satisfy the condition under the ASB Bank facilities with respect to the raising of at least $13 million of new equity, Smartpay has entered into subscription agreements/commitment letters with selected institutions and high net worth individuals in both New Zealand and Australia to raise up to $13.5 million of new equity at 11.5 cents per share. The capital raising was limited to institutions and high net worth investors on account of the high compliance costs which would be incurred in extending the offer to the general public and the additional time involved in completing such an offer.

At the Special Meeting of Smartpay's shareholders to be held on 28 June 2012, shareholders are being asked to approve:

(a) the ASB Bank facilities and related security documents; and

(b) the issue of new shares in Smartpay at 11.5 cents per share to raise up to $13,500,000.

Further details in relation to both of the above matters are set out in the accompanying Explanatory Memorandum.

The Refinance and Capital Raising for which approval is sought will reduce the indebtedness of the Smartpay Group, materially reduce the annual interest costs of the Smartpay Group, and is expected to result in the Smartpay group becoming cash flow positive. For these reasons (and the other reasons set out under the heading "Key Benefits" in the accompanying Explanatory Memorandum) the directors of Smartpay consider that the Refinance and the Capital Raising are in the best interests of Smartpay and its shareholders.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF SMARTPAY HOLDINGS LIMITED IN RELATION TO A PROPOSED REFINANCE AND CAPITAL RAISING

Notice is hereby given that a Special Meeting of Shareholders of Smartpay Holdings Limited ("Smartpay" or "the Company") will be held at The Spencer on Byron Hotel, 9-17 Byron Avenue, Takapuna,, Auckland on Thursday, 28th June 2012 commencing at 11.00am.

ITEMS OF BUSINESS

A. Chairman's welcome and introduction.

B. Ordinary resolution.

Refinance and Capital Raising

To consider and, if thought fit, to pass the following ordinary resolution as a single resolution for the purposes of NZSX Listing Rules 7.3.1 and 9.1:

That:

(a) The Refinance, the entry into the Facilities and the execution of the Facility Documents; and

(b) The issue of up to NZ$13,500,000 of fully paid ordinary shares in Smartpay Holdings Limited at an issue price of 11.5 cents per share,

in each case as described in the Notice of Meeting, including the Explanatory Memorandum, are approved.

(See Explanatory Memorandum)

By Order of the Board

Wayne Noel Johnson, Chairman
12 June 2012

LISTING RULES

NZSX Listing Rule 7.3.1

NZSX Listing Rule 7.3.1 provides that Smartpay may not issue equity securities unless the precise terms and conditions of the issue have been approved by ordinary resolution of Smartpay's shareholders. There are various exceptions to this Rule however given the size of the proposed Capital Raising none of the exceptions apply in this instance.

The Capital Raising needs to be approved by Smartpay's shareholders by ordinary resolution under NZSX Listing Rule 7.3.1.

NZSX Listing Rule 9.1

The NZSX Listing Rules contain a test for material transactions requiring shareholder approval. Under NZSX Listing Rule 9.1.1 a listed issuer must obtain shareholder approval for an acquisition, exchange or disposal of assets in respect of which the gross value exceeds 50% of the issuer's Average Market Capitalisation. As at 30 May 2012 (being the date Smartpay announced the proposed Refinance and Capital Raising) Smartpay's Average Market Capitalisation was $12.8 million. As a result, shareholder approval by ordinary resolution is required for each of the Refinance and the Capital Raising under Listing Rule 9.1.1 as each of the Refinance and Capital Raising exceed 50% of Smartpay's Average Market Capitalisation.

NZSX Listing Rule 9.1.3(b) contains an exception from the requirement to obtain shareholder approval for a transaction entered into by an issuer with a bank as a principal on arm's length terms and in the ordinary course of its banking business. The proposed Refinance falls within this exception; however as the Refinance is conditional on the Capital Raising Smartpay has elected to obtain shareholder approval under NZSX Listing Rule 9.1.1 to both the Refinance and the Capital Raising in the one resolution.

NZX Limited

NZX Limited has reviewed and approved this Notice of Meeting under NZSX Listing Rule 6.1, however NZX Limited accepts no responsibility for any statement in this Notice of Meeting.

ORDINARY RESOLUTION

The resolution to be passed at the Special Meeting is an ordinary resolution. An ordinary resolution is a resolution passed by a simple majority of the votes of those shareholders who are entitled to vote on the resolution and who exercise their right to vote.

SHAREHOLDERS ENTITLED TO ATTEND AND VOTE

Pursuant to section 125 of the Companies Act 1993, the Board has determined that, for the purposes of voting at the Special Meeting, only those persons whose names are recorded in the share register of the Company as at 11.00am (New Zealand time) on 26 June 2012, being a day which is not more than 20 working days before the Special Meeting will be entitled to exercise the right to vote at the meeting.

VOTING RESTRICTIONS

Certain persons who will or may benefit from the resolution are disqualified from voting by the NZSX Listing Rules. In particular, the subscribers for the shares the subject of the resolution, and their respective directors, shareholders and associated persons may not vote on the resolution. The subscribers for the shares are listed in the Schedule attached to this Notice of Meeting.

PROXIES

Any person who is entitled to attend and vote at the Special Meeting may appoint another person as his or her proxy to attend and vote instead of him or her. A proxy need not be a shareholder of the Company. You may appoint the "Chairman of the Meeting" as your proxy if you wish. A proxy form accompanies this Notice of Meeting. The subscribers for shares in the Capital Raising are precluded from acting as a discretionary proxy for another person who is not disqualified from voting, but they may vote in accordance with the express instructions of any such person.

Proxy Forms must be lodged at the offices of the Company's share registry, Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Auckland (Private Bag 92-119, Auckland 1142), not less than 48 hours before the commencement of the Meeting, being no later than 11.00am (New Zealand time) on 26 June 2012.

GLOSSARY

Certain capitalised terms used in this Notice of Meeting have the meanings given to them in the Glossary on page 12.

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EXPLANATORY MEMORANDUM

This Explanatory Memorandum relates to the Refinance and Capital Raising the subject of the resolution to be considered at the Special Meeting. Each of the Refinance and Capital Raising are conditional on the approval of Smartpay's shareholders by ordinary resolution in accordance with NZSX Listing Rules 7.3.1 and 9.1.1.

DIRECTORS' RECOMMENDATION

The directors of Smartpay consider that each of the Refinance and Capital Raising referred to in this Explanatory Memorandum are in the best interests of Smartpay and unanimously recommend that shareholders vote in favour of the resolution for the reasons stated under the heading "Key Benefits" below.

Key Benefits

The key benefits of the Refinance and Capital Raising are:

- It will reduce the level of indebtedness of the Smartpay Group and significantly de-risks the business as the majority of the funds raised under the Capital Raising will be applied in reduction of existing indebtedness;
- It will materially reduce the annual interest costs of the Smartpay Group (refer to the section titled "Interest Rate Comparison" on page 9);
- It provides the Smartpay Group with a substantial capital expenditure facility to fund EFTPOS terminal acquisitions and future growth;
- It reduces the high compliance and transactional costs associated with dealing with a number of funders across a number of facilities; and
- It will smooth cash flows and is expected to result in the Smartpay Group becoming cash flow positive.

REFINANCE

Existing Funding Facilities

The Smartpay Group has a number of debt facilities currently in place. The facilities broadly fall into one of three categories, being Rental Book Funding, Corporate Debt and Convertible Notes.

Rental Book Funding

Rental Book Funding is the indebtedness incurred by the Smartpay Group which is secured against the future cash flows under EFTPOS equipment rental/subscription contracts.

The Smartpay Group offers its services by way of a contracted "subscription agreement" which requires the merchant to pay a minimum monthly fee for the services provided. The subscription agreements are generally entered into for a fixed term of between 36 and 60 months.

Historically, the Smartpay Group has largely funded its growth by securitising the long term contracted revenue streams of the Smartpay Group's EFTPOS terminal rental book. In essence, the Smartpay Group assigns the benefit of the future rental streams to a third party financier in exchange for an upfront cash loan/payment. In some instances the rental streams are actually on-sold on a recourse basis to a third party funder and in some instances they are ring-fenced within a wholly-owned subsidiary of the Smartpay Group and the funder is granted security over the contracts and future cash flows. In either case the result is the same in that Smartpay receives an upfront loan/cash payment in exchange for assigning all or substantially all of the benefit of the regular monthly cash flows under the rental contracts.

The securitisation of the future rental revenue has led to lumpy and unpredictable cash flow. Due to the economic environment over the past three years and the difficulties the Smartpay Group has experienced in securing funding to meet its growth the securitisation has been undertaken through a number of funders, often at high interest rates or high discount rates and with high facility establishment fees. A significant portion of the Smartpay Group's margin in the rental contracts it enters into has been eroded through the high transactional costs, high interest costs/discount rates and management time and resources associated with securitising contracts through a number of, predominantly, second-tier funders.

As at 31 March 2012 the Smartpay Group was indebted to ten funders in an aggregate amount of approximately $22.2 million in connection with the securitisation of rental contracts.

As at 31 March 2012 the weighted average annual interest rate (exclusive of fees and transactional costs) across all Rental Book Funding debt of the Smartpay Group was approximately 13% per annum.

Corporate Debt

As at 31 March 2012 the Smartpay Group owed approximately $3.66 million in aggregate to three different funders in connection with funding or advances provided to the Smartpay Group and secured by first-ranking general security agreements over the assets of certain members of the Smartpay Group. The majority of this debt was incurred in connection with the acquisition of the business and assets of ProvencoCadmus in August 2009. $225,000 of the Corporate Debt was repaid in April 2012, $150,000 is repayable on one months' notice, $1,512,183 is due for repayment on 31 July 2012, $1,061,437 is due for repayment on 16 August 2012 and the balance of $711,857 is due for repayment on 30 September 2012.

Convertible Notes

Smartpay has issued $4 million of convertible notes to the Trustees of the Pakihi Pension Scheme ("Pakihi"). $1 million of these notes are convertible into fully paid ordinary shares in Smartpay at 10 cents per share with the balance being convertible into fully paid ordinary shares at 15 cents per share. The amounts owed by Smartpay to Pakihi are secured over the assets of certain members of the Smartpay Group. The Convertible Notes can be converted into fully paid ordinary shares in Smartpay at any time on or before 15 February 2013 on which date any unconverted Notes must be redeemed in full by Smartpay.

As at 31 March 2012 the weighted average annual interest rate (exclusive of fees and transactional costs) across all Corporate Debt (including the Convertible Notes) of the Smartpay Group was approximately 9.7% per annum.

Proposed ASB Bank Facilities

On 30 May 2012 Smartpay New Zealand Limited (the primary New Zealand trading entity of the Smartpay Group) entered into facility agreements with ASB Bank under which ASB Bank has agreed to provide the following facilities to Smartpay New Zealand Limited:

(a) Committed Term Loan Facility of up to $20 million (the "$20 Million Facility"); and

(b) Committed Revolving Cash Advances Facility of up to $5 million (the "$5 Million Facility").

The $20 Million Facility is to be used to refinance the majority of the existing Rental Book Funding facilities referred to above and to repurchase rental contracts which have been assigned to third party funders. The key terms of the $20 Million Facility are as follows:

Term:	3 years
Interest Rate:	BKBM (bank bill rate) plus a margin calculated by reference to a net leverage ratio formula.
Interest Payments:	Interest is payable in arrears at the end of the each interest period.
Repayments:	Principal repayments of $2 million per annum, payable at the rate of $500,000 per quarter.

Based on the BKBM rate as at 11 June 2012, the initial un-hedged interest rate (inclusive of line fees) payable by Smartpay New Zealand Limited under the $20 Million Facility is expected to be approximately 5.9% per annum being less than half of the weighted average annual interest rate applicable to the Rental Book Debt of the Smartpay Group as at 31 March 2012. The interest rate payable under the $20 Million Facility is not fixed and will vary over the term of the facility with fluctuations in the BKBM bank bill rate. However, it is a requirement under the terms of the Facilities that Smartpay hedges at least 75% of its interest obligations and Smartpay intends to enter into hedging arrangements to reduce exposure to movements in the BKBM bank bill rate.

The $5 Million Facility is to be used to finance capital expenditure requirements relating to the purchase of new EFTPOS terminals. The facility can be drawn in New Zealand dollars or Australian dollars (or a combination of both). The $5 Million Facility is a three-year revolving credit facility with the ability to redraw amounts repaid. The interest rate under the $5 Million Facility is the same as under the $20 Million Facility.

The Facilities are subject to financial covenants, terms and conditions which are usual for facilities of this nature.

The obligations of Smartpay New Zealand Limited to ASB Bank in connection with the Facilities are to be guaranteed by each material company in the Smartpay Group, with each of Smartpay New Zealand Limited and the Guarantors entering into a deed of cross-guarantee in favour of ASB Bank. In addition, each of Smartpay New Zealand Limited and the Guarantors is to grant ASB Bank a first-ranking security interest in all of its property and assets as security for its obligations in connection with the Facilities and under the guarantees. The directors of Smartpay do not consider that the guarantee arrangements under the ASB Bank Facilities are materially different to the guarantees securing the current funding arrangements of the Smartpay Group.

The Facilities are subject to a number of conditions precedent/subsequent including:

(a) all of the Smartpay Group's New Zealand transactional banking to transfer to ASB Bank;

(b) dividends and other distributions are only permitted by Smartpay where the net leverage ratio (being net debt/EBITDA) of the Smartpay Group is less than 2. On 30 May 2012 Smartpay announced that it expects EBITDA of the Smartpay Group in the current financial year ending 31 March 2013 to be $7.5 million on an annualised basis. If EBITDA is $7.5 million and the $20 Million Facility is fully drawn then this will result in a net debt/EBITDA ratio of 2.66. At this level Smartpay would be precluded from declaring and paying a dividend by virtue of this restriction under the Facilities; and

(c) the Smartpay Group undertaking a successful capital raising to raise not less than $13 million of new equity (details of this Capital Raising are referred to below).

The remaining conditions precedent/subsequent are usual for facilities similar to the type and quantum of the Facilities.

Interest Rate Comparison

As referred to earlier in this section, the weighted average interest rate of the $22.2 million of Rental Book Debt of the Smartpay Group as at 31 March 2012 was approximately 13% per annum and the weighted average interest rate across the $3.66 million of Corporate Debt and the $4 million of Convertible Notes was approximately 9.7% per annum. Based on the BKBM bank bill rate as at 11 June 2012, the initial un-hedged interest rate (inclusive of line fees) payable under the ASB Bank Facilities is expected to be 5.9% per annum. This represents a significant reduction in interest rate and is one of the key reasons why the directors of Smartpay believe that the Capital Raising and Refinance is in the best interests of Smartpay.

CAPITAL RAISING

It is a condition to drawdown under the Facilities that Smartpay undertakes a capital raising to raise new equity of not less than NZ$13 million. Smartpay engaged Claymore Capital Pty Ltd (a Sydney based broking firm) to assist with the Capital Raising.

Smartpay has entered into subscription agreements/commitment letters with a number of institutional and high net worth investors in both New Zealand and Australia to issue shares at NZ$0.115 per share. There are approximately seventy investors in total with the following investors subscribing for NZ$1,000,000 or more of shares:

(a) Devon Funds Management Limited – NZ$1,500,000;

(b) Harrogate Trustee Limited as Trustee for the Brandywine Trust – NZ$1,000,000; and

(c) Hunter Hall Investment Management Limited – AUD$3,000,000.

The subscription and issue of the shares under the subscription agreements is conditional on the issue of the shares being approved by the Company's shareholders by ordinary resolution.

In total Smartpay has entered into subscription agreements for AUD$7,412,500 and NZD$3,687,500 of new shares at NZ$0.115 per share. As the subscription proceeds under certain of the subscription agreements is denominated in Australian dollars the exact number of shares to be issued under these subscription agreements is not known. These subscription agreements provide for the AUD$ subscription amount to be converted into New Zealand dollars at the average of the AUD/NZD exchange rates published on the Reserve Bank of Australia website over the three consecutive working days ending on the day on which the condition precedent to the issue of the shares (being approval by the Company's shareholders by ordinary resolution) is satisfied. The average of the AUD/NZD exchange rates as published on the Reserve Bank of Australia website over the three working days ending on 29 May 2012 (being the date immediately prior to the announcement of the Refinance and Capital Raising) was 1.2937 and if the shares were issued based on such exchange rate the Company would issue 115,452,619 shares in aggregate pursuant to the subscription agreements referred to above. This represents approximately 78% of the total number of shares currently on issue in Smartpay. The exact number of shares to be issued will, however, not be known until the day of the shareholders meeting.

The issue price of 11.5 cents per share represents a premium of approximately 33% to the 20 day VWAP of the Company's ordinary shares as at 29 May 2012 (being the trading day immediately prior to the announcement of the Refinance and Capital Raising). Since the announcement of the Capital Raising and Refinance on 30 May 2012 Smartpay's share price has increased considerably and as at the close of trading on 8 June 2012 the share price was 12 cents.

All subscription proceeds under the Capital Raising are payable in cash within three business days of the Capital Raising being approved by Smartpay's shareholders. All shares issued to subscribers in the Capital Raising will be issued within seven business days of the Capital Raising being approved by Smartpay's shareholders and the shares will rank, as from the date of issue, equally in all respects with the existing issued ordinary shares in Smartpay.

APPLICATION OF FUNDS

It is intended that the $20 Million Facility from ASB Bank and the funds from the Capital Raising will be applied in the payment of creditors, repayment of Corporate Debt, redemption of the Convertible Notes (to the extent they are not converted into shares), repayment of Rental Book Debt, repurchasing rental books from third party funders and meeting the costs of the Refinance and Capital Raising. The transaction costs of the Capital Raising and Refinance (which costs are estimated to be $1,000,000 plus GST) include brokerage fees, establishment fees payable to ASB Bank in connection with the facilities, advisors fees (legal, tax and accounting) and break costs payable in connection with the early repayment of certain of the existing Rental Book Funding. Approximately $550,000 (plus GST) of the estimated transaction costs have already been incurred or will be payable whether or not the resolution approving the Capital Raising and Refinance is passed. The balance of the estimated transaction costs will only be incurred if the Capital Raising and Refinance actually proceed. While the estimated transaction costs are significant, it should be noted that the expected reduction in Smartpay's annual interest costs resulting from the Capital Raising and Refinance are expected to significantly exceed the estimated transaction costs.

IMPACT OF THE CAPITAL RAISING AND REFINANCE ON SMARTPAYíS SHAREHOLDERS

While the directors of Smartpay are unanimously in favour of the Capital Raising and the Refinance and believe that both the Capital Raising and Refinance are in the best interests of Smartpay and its shareholders, shareholders in Smartpay should note that:

(a) the Capital Raising will result in a significant dilution of their current shareholding in Smartpay. The Capital Raising will increase Smartpay's issued share capital by approximately 78% which will result in each existing shareholder's percentage shareholding in Smartpay reducing by approximately 44% (except for those existing shareholders who were offered the opportunity to participate, and are participating, in the Capital Raising);

(b) the Facility Documents restrict Smartpay from declaring and paying dividends to its shareholders until such time as the Smartpay Group's net debt is less than two times the EBITDA of the Smartpay Group. On 30 May 2012 Smartpay announced that it expects EBITDA of the Smartpay Group in the current financial year ending 31 March 2012 to be $7.5 million on an annualised basis. If EBITDA is $7.5 million and the $20 Million Facility is fully drawn then this will result in a net debt/EBITDA ratio of 2.66. At this level Smartpay would be precluded from declaring and paying a dividend by virtue of this restriction under the Facilities. However, it should be noted that Smartpay has not paid a dividend since it listed on the NZX in May 2006 and therefore there is no history of dividend payments and there should not have been any reasonable expectation of dividend payments based on past practice.

The table below provides an example of the dilution which will occur as a result of the Capital Raising to the shareholding of a shareholder who currently holds one million Shares in Smartpay and who is not participating in the Capital Raising. The calculations in the table below assume that 115,452,619 new Shares are issued in connection with the Capital Raising.

Current Shareholding	Percentage Shareholding prior to the Capital Raising	Percentage Shareholding after the Capital Raising
1,000,000 Shares	0.68%	0.38%

The directors of Smartpay believe that the Key Benefits listed on page 7 outweigh the matters referred to at (a) and (b) above.

EFFECT OF RESOLUTION NOT BEING APPROVED

If this resolution is not approved by shareholders, the Company will not be able to complete the Refinance and the Capital Raising and will not receive the benefit of the significant reduced financing costs afforded by the Facilities and the other key benefits of the Refinance and Capital Raising as set out at the beginning of this Explanatory Memorandum. In addition, if the resolution is not approved Smartpay will need to find alternative (and most likely more expensive) sources of funds to pay its creditors and repay the approximately $3.45 million of corporate debt due for repayment on or before 30 September 2012 and to redeem the Convertible Notes on 15 February 2013 (to the extent they are not converted into shares).

GLOSSARY

The following terms have the following meanings when used in this Notice of Meeting unless the context otherwise requires:

$5 Million Facility means the Committed Revolving Cash Advances Facility of up to $5 million to be provided to Smartpay New Zealand Limited by ASB Bank Limited.

$20 Million Facility means the Term Loan Facility of up to $20 million to be provided to Smartpay New Zealand Limited by ASB Bank Limited.

Average Market Capitalisation has the meaning given to that term in the NZSX Listing Rules.

Capital Raising means the proposed issue of fully paid ordinary shares in Smartpay at 11.5 cents per share to raise aggregate subscription proceeds of up to NZ$13,500,000.

Facilities means the $20 Million Facility and the $5 Million Facility.

Facility Documents means each document entered into by Smartpay New Zealand Limited and each Guarantor setting out the terms of the Facilities and the security provided to ASB Bank Limited including:

(a) the Term Loan Facility Agreement between ASB Bank Limited (as lender), Smartpay New Zealand Limited (as borrower) and each Guarantor in connection with the $20 Million Facility;

(b) the Committed Cash Advances Facility Agreement between ASB Bank Limited (as lender), Smartpay New Zealand Limited (as borrower) and each Guarantor in connection with the $5 Million Facility;

(c) the Cross Guarantee and Indemnity between Smartpay New Zealand Limited and each Guarantor in favour of ASB Bank Limited;

(d) the General Security Deeds to be executed by Smartpay New Zealand Limited and each Guarantor in favour of ASB Bank Limited; and

(e) such other documents approved by Smartpay as Smartpay considers necessary or desirable in connection with the documents referred to at (a) to (d) above.

Guarantor means each member of the Smartpay Group which has agreed to guarantee repayment of all amounts owing in connection with the Facilities.

Notice of Meeting means this notice of special meeting, including the explanatory memorandum.

Refinance means the drawdown under the $20 Million Facility and the application of the proceeds of the $20 Million Facility to:

(a) repay existing rental book funding of the Smartpay Group; and/or

(b) repurchase rental books from third party funders.

Smartpay or the **Company** means Smartpay Holdings Limited.

Smartpay Group means the group of companies comprising Smartpay and each of its subsidiaries.

SCHEDULE OF SUBSCRIBERS IN THE CAPITAL RAISING

Malcolm Deall & Associates Pty Ltd (EVBC Employees S/F A/C), 1 Firecracker Factory Pty Limited, Claymore Capital Pty Ltd, Gardos & Biro Super Fund, Philcat Investments Pty Limited, Winpar Holdings Limited, Avron Newstadt, MSL Superannuation Fund, Lead Super P/L as trustee for J.Bloch Staff Retirement Fund, Tracsup Pty Ltd, Stephen Charles Bentley, Jacoland Pty Ltd, Spinite Pty Ltd, Natal Nominees Pty Ltd, David Jeffrey Taylor & Rosemary Helen Taylor as trustees for Taylor Superannuation Fund, Alice Jeanette McCormick, Mildory Pty Ltd, Inge & George Gertler, Kassa Corporation Pty Ltd, P. Kampfner Pty Ltd as trustee for P.Kampfner Superannuation Fund, Charbar Holdings Pty Ltd as trustee for The G Charny Family Superannuation Fund, D.S.Grimley and D.M.Grimley as trustees for Grimley Superannuation Fund, Quotidian No2 Pty Ltd, Steven Duchen, Dixson Trust Pty Limited, Hunter Hall Investment Management Ltd, Dale Albert Monson and Dagmar Erna Monson as trustees for the Dale Monson Superannuation Fund no 2 account, Unaval Nominees Pty Ltd (Unaval Retirement Fund A/C), Mr Martin James Reed (South East Queensland Unit A/C), Mr Martin James Reed (East Sydney Unit A/C), Harrogate Trustee Limited as trustee for the Brandywine Trust, Shaun Ghaidan, FM Wolf Pty Ltd as trustee for Frank Wolf Super Fund, JBBM P/L (Julian Ludowici S/F A/C), Haydalex Pty Ltd as trustee for Haydalex Super, Suburban Holdings Pty Ltd as trustee for Suburban Superfund Account, Tubbin Investments Pty Ltd as trustee for Ruddock Family Trust, Jaspar Investments Pty Ltd as trustee for The Jaspar Discretionary Family Trust, Telclip Pty Ltd as trustee for The Stead Family Trust, Bay House Investments P/L as trustee for The Manic Super Fund, All4wend Super Pty Ltd as trustee for The All4wend Super Fund, Devon Capital, Melville Investment Holdings Limited, Tasman Pacific Investments Limited, Level 1 Pty Ltd (The Level One Trust), Errol and Melanie Bome as trustees for the Bome Superannuation Fund, Shirmic Pty Ltd as trustee for the Shirmic Superannuation Fund; Savannah Group Pty Ltd as trustee for Savannah Trust, Alan Meskin, Rivan Pty Limited as trustee for the David Gordon Superannuation Fund and Maxim Capital Pty Ltd.