

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS SMARTPAY HOLDINGS LIMITED

Notice is hereby given that the 2012 Annual 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 20<sup>th</sup> September 2012 commencing at 11am.

### ITEMS OF BUSINESS

- A. Chairman's welcome and introduction
- B. Minutes of previous annual meeting held on 30<sup>th</sup> September 2011
- C. Managing Director's review
- D. Financial statements

In relation to SmartPay's annual report for the year ended 31 March 2012, to receive the financial statements for that period and the auditor's report on those financial statements.

- E. Shareholder questions  
(See Explanatory Note 1)

### F. Ordinary resolutions

To consider and, if thought fit, to pass the following ordinary resolutions:

#### Appointment of Auditor

- 1. That KPMG, be appointed as auditors to the company.  
(See Explanatory Note 2)

#### Fixing Remuneration of Auditor

- 2. That the Board be authorised to fix the auditor's remuneration for the ensuing year.  
(See Explanatory Note 3)

#### Re-election of Director – Gregor John Barclay

- 3. That Gregor John Barclay be re-elected as a director of SmartPay  
(See Explanatory Note 4)

#### Re-election of Director – Bradley Gerdis

- 4. That Bradley Gerdis be re-elected as a director of SmartPay.  
(See Explanatory Note 5)

#### Re-election of Director – Ivan Jeremy Hammerschlag

- 5. That Ivan Jeremy Hammerschlag be re-elected as a director of SmartPay  
(See Explanatory Note 6)

By order of the Board



Bradley Gerdis, Managing Director  
31<sup>st</sup> August 2012

## **ORDINARY RESOLUTIONS**

An ordinary resolution is a resolution passed by a simple majority of more than 50% of votes of 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 Annual Meeting, only those persons who are registered as shareholders of the Company as at 11.00am (New Zealand time) on Tuesday 18th September 2012, being a day which is not more than 20 working days before the Annual Meeting, will be entitled to exercise the right to vote at the Annual Meeting.

## **VOTING RESTRICTIONS**

There is no business being considered at this meeting where voting restrictions apply, all shareholders may vote on all resolutions.

## **PROXIES**

Any person who is entitled to attend and vote at the Annual 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.

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 11.00 am (New Zealand time) on Tuesday 18<sup>th</sup> September 2012.

## EXPLANATORY NOTES

<b>Explanatory Note 1: Shareholder Questions</b>	<p>After the Chairman and Managing Director have given their review of the financial year ended 31 March 2012 and any events which have occurred after 31 March 2012, there will be an opportunity for shareholder questions.</p>
<b>Explanatory Note 2: Appointment of Auditor</b>	<p>At the last Annual Meeting the Directors indicated their intent to carry out a tender for the provision of audit services for the SmartPay Group; this exercise has been carried out and a number of audit companies, including the incumbent auditors Hayes Knight, were invited to submit tenders for the audit of the company. The Board has considered the tenders and recommends to the shareholders that KPMG be appointed as auditors to the SmartPay Group.</p> <p>The Board unanimously recommends that shareholders vote in favor of the appointment of KPMG as auditors to the company.</p>
<b>Explanatory Note 3: Remuneration of Auditor</b>	<p>This resolution authorises the Board to fix the fees and expenses of the auditor.</p>
<b>Explanatory Note 4: Re-election of Director – Gregor John Barclay</b>	<p>The NZSX Listing Rules require that at least one third of directors (excluding any directors appointed by the Board and offered for re-election pursuant to Listing Rule 3.3.6) or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting.</p> <p>Gregor John Barclay, being the director who has held office longest since his last election, will retire by rotation at this annual meeting and, being eligible, offers himself for re-election.</p> <p>The Board has determined that Greg Barclay is an Independent Director.</p> <p>Greg is a founding partner of Auckland law firm Claymore Partners and brings expertise in commercial law including corporate structuring, mergers and acquisitions. He is a past or present director of a number of high profile private New Zealand companies including national event management company Experience Group, Pacific Forest Products Group, and recent Rugby World Cup appointee Hospitality New Zealand, he is currently Chairman of the board of the Northern Districts Cricket Association.</p> <p>The Board unanimously recommends that shareholders vote in favor of Mr. Barclay's re-election.</p>
<b>Explanatory Note 5: Re-election of Director – Bradley Gerdis</b>	<p>NZSX Listing Rule 3.3.6 requires that any person who is appointed as a director by the Directors shall retire from office at the next annual meeting, but shall be eligible for election at that meeting.</p> <p>Bradley Gerdis was appointed as a director of the Company by the Board on 1<sup>st</sup> July 2012. Accordingly, he will retire from office at this annual meeting and, being eligible, offers himself for re-election.</p> <p>Bradley joined Smartpay in January 2012 and brings to the company significant and relevant experience in managing high growth payments businesses.</p> <p>Prior to joining SmartPay Bradley was a founding executive of Customers Ltd, an ASX listed ATM and payments company which grew from start-up to become Australia's largest ATM operator during his time with the business.</p> <p>Bradley also played a leading role as a founding Director in the development of Strategic Payments Services Pty Ltd, a payments processing business in joint venture with Customers Limited, Bendigo Bank Ltd and MasterCard International.</p> <p>Prior to Customers Limited, Bradley's experience included direct investment roles</p>

	<p>with ANZ Private Equity and Gresham Private Equity.</p> <p>Bradley has held executive and non-executive director positions in both publicly listed and private companies.</p> <p>Bradley invested in the SmartPay at the time of his appointment and is currently the third largest shareholder.</p> <p>The Board unanimously recommends that shareholders vote in favor of Mr. Gerdis' re-election.</p>
<p><b>Explanatory Note 6: Re-election of Director – Ivan Jeremy Hammerschlag</b></p>	<p>NZSX Listing Rule 3.3.6 requires that any person who is appointed as a director by the Directors shall retire from office at the next annual meeting, but shall be eligible for election at that meeting.</p> <p>Ivan Hammerschlag was appointed as a director of the Company by the Board on 1<sup>st</sup> July 2012, the board have determined that he is an Independent Director. Accordingly, he will retire from office at this annual meeting and, being eligible, offers himself for re-election.</p> <p>Ivan Hammerschlag, 58 is a chartered accountant. Ivan's career began at Foschini one of South Africa's largest retailers where he grew up from the shop floor to an executive position. Ivan started his own furniture retail business in South Africa, listed it on the South African stock exchange and successfully sold control of the company.</p> <p>Ivan emigrated to Australia in 1990 where he has been very successful. Ivan purchased Freedom Furniture, a chain of retail furniture stores that was doing \$60 million at purchase. During Ivan's years of ownership the business grew to sales in excess of \$200 million. Ivan exited the business prior to a public listing.</p> <p>In 1994 Ivan invested into a Retail Software company Divergent Technologies. After engineering four acquisitions it was listed on the NASDAQ in 1998.</p> <p>Ivan then spent 5 years working with Rand Merchant Bank in Australia co-investing with them in 5 private equity transactions. Ivan was the executive chairman of the 5 businesses which were successfully exited over that period. These 5 businesses were in the wholesale distribution area.</p> <p>Since 1991 Ivan has been a seed investor in 10 property syndicates . Ivan also has property development experience having developed, renovated and sold apartment blocks in South Africa.</p> <p>Since 2004 Ivan has been a shareholder in a group of companies based in Hong Kong, primarily in sourcing of products for retailers throughout the world supplying bridal wear, fashion, furniture and homewares. In association with this company Ivan has interests in retail bridal stores in South Africa and Turkey.</p> <p>In 2006 Ivan was instrumental in taking control of a retail conglomerate listed on the Australian Stock Exchange called RCG Limited. When Ivan took it over the market cap was \$8 million and the company was in severe financial stress. Today the business is highly profitable with a market cap in excess of \$90 million. The business consists of 150 stores selling athletic footwear. It also has a wholesale division selling international brands into the Australian market.</p> <p>The Board unanimously recommends that shareholders vote in favor of Mr. Hammerschlag's re-election.</p>