

SMARTPAY HOLDINGS LIMITED

ANNUAL MEETING TUESDAY 25 SEPTEMBER 2018

Chair's Introduction

Welcome

Good morning and welcome to Smartpay's Annual Meeting for 2018. I'm pleased to be speaking on behalf of the Board, for my third Annual Meeting as Chair of the Board.

I'd like to welcome those shareholders who are attending the Meeting in person here in Sydney, and also those shareholders joining us remotely.

This has been another year of progress for Smartpay which saw the ongoing execution of our growth strategies as we continue to consolidate and expand in New Zealand and Australia.

To begin, I'll introduce those up on stage.

Joining me we have Bradley Gerdis, our Managing Director who will be presenting to you today. Sitting with him is independent director Matt Turnbull, and Executive Director, and Chief Operating Officer, Marty Pomeroy.

Before we start with the formal business of the Meeting, I have a couple of quick housekeeping points. For those people joining us in person, I'd be grateful if you could please make sure your phone is on silent and that you only use Lumi AGM for voting. In the event of an emergency, please follow the emergency exit signs and instructions of the venue staff.

We'll begin today with a presentation from Bradley Gerdis which will be followed by the formal business of the meeting.

There will be opportunities for shareholders to ask questions following Bradley's presentation and on each resolution before it is considered. A number of senior managers of the group are also present as are our auditors who are available to answer questions as appropriate.

If you are joining us using the Lumi AGM app on your phone, tablet or desktop PC, you can ask questions by clicking on the question icon in the navigation bar at the bottom of the screen.

You will receive confirmation that your message has been received. Please note that due to time constraints we may not be able to address all questions today. Questions sent via the Lumi AGM app will also be moderated to avoid repetition, and if questions are particularly lengthy we may need to summarise them, for reasons of brevity. In the event that we are unable to address your question in the time available today, your question will be answered by email or post after the meeting.

For further instructions please refer to the Virtual Meeting Guide contained in the Notice of Meeting that has been sent to shareholders and is also available on the info screen in the Lumi AGM app. If we are unable to get through all questions today, we will respond individually after the meeting.

The Company Secretary has confirmed to me that the Notice of Meeting has been sent to all shareholders and other persons entitled to receive it. I can also confirm that the quorum requirements for the Meeting have been met and that the meeting is therefore properly constituted.

The Board has received no apologies, can I ask whether there are any apologies to record?

With that said, as Chair of the Meeting, I declare Smartpay's 2018 Annual Meeting formally open.

The matters requiring consideration today are outlined in detail in the Notice of Meeting that has been provided to shareholders and I will take this as read.

The minutes of the Last Annual Meeting, held on 26 September 2017 have been signed as a true record of the meeting and are available for inspection.

Smartpay's financial statements for the 2018 financial year, together with the Auditor's report, are set out in the Company's Annual Report, which is available on our website and from the registration desk.

Bradley will cover the performance of the Company in his presentation, after which there will be an opportunity for any questions and we will then move on to the formal part of the meeting and the resolutions.

Before I hand over to Bradley I would like to address issues around board composition and, with particular reference to Resolution 5, the proposed increase in the Directors remuneration pool.

As you know Bruce Mansfield was appointed to the board following last years AGM years here in Sydney. The board had identified the benefit a suitably experienced Australian board director could provide to Smartpay. With his experience in the Australian and global payments industry Bruce was ideally qualified to add to the boards skills and competencies. At the time of appointment he had also accepted a consulting role to assist a high profile Australian businessman establish some philanthropic pursuits. Last month an offer was made to extend this role but it required that Bruce relinquish all his other external roles. Whilst a shame for Smartpay to not be able to continue with someone of Bruce's calibre and experience his decision was perfectly understandable.

That now leaves us without an Australian based non-executive director. To address that we are now undertaking two things. Smartpays largest single shareholder is Microequities who hold almost 20% in the Company. Carlos Gil, the managing director of Microequities will join the Smartpay board next month. Carlos, undoubtedly, brings good commercial acumen and an excellent understanding of the capital markets to the board – he will be a valuable addition to Smartpay. With a view to further broadening the Board's skills matrix, we continue to consider candidates that will contribute to the success of our Company and further help us in subscribing to the principles set out in our Policy of Diversity and Inclusiveness. I made reference to this in my presentation at last year's AGM and we remain committed to pursuing diversity on our board whilst ensuring that any such appointment is done so with skill, and competency, being equally a priority.

Because this next appointment will necessarily be an independent director we need to ensure that the remuneration we offer is sufficient to attract appropriately qualified directors. The current remuneration pool was set back in 2009 at NZ \$200,000.00. Whilst it has never been exhausted in any year, and every year we remain well under the threshold of the pool, we need to increase the headroom to make what will

be at least one, and possibly two, further independent or non- executive director appointments. This is the reason why resolution 5 asks for approval to extend the directors remuneration pool to \$300,000.00. It is simply planning in advance for an inevitable strengthening of the board, particularly as Australian growth opportunity is vigorously pursued. One thing I do want to stress is that there is no intention to increase the current remuneration paid to existing directors, these have been benchmarked to industry norms and will remain where they currently stand, as indeed they have for the past few years.

I will now hand over to Bradley Gerdis

[Bradley Presentation]

Thank you Bradley.

I will now move to the formal business of the Meeting.

Voting

The resolutions will be decided by poll, based on votes cast in the room here today via voting papers issued at the registration desk and by shareholders online using the Lumi AGM app. If you plan to use a mobile device to vote you should have already downloaded Lumi AGM and received the Meeting ID to log into the Meeting. You can find further instructions in the Virtual Meeting Guide.

Questions on a resolution will be taken before it is voted on.

Please note that voting on the resolutions is now open. For those using the Lumi AGM app on your smart phone or PC, the voting icon will appear on the navigation bar at the bottom of your screen. Once you click on this, the resolutions will appear on your screen, along with the voting options.

Simply select either For, Against or Abstain on each of the resolutions. There is no need to press a submit button. You can also change your selection as many times as you please up until I declare the voting closed after all resolutions have been considered and voted on.

I will give you a clear prompt later in the meeting to warn of the close in voting.

As advised in our announcement on 11 September 2018, Bruce Mansfield has stepped down as director of the company and we will not therefore be voting on resolution 2 as set out in the Notice of Meeting. For those using Lumi AGM app to vote you will note that resolution 2 is not available to vote on.

The Board unanimously recommends you vote in favour of all remaining resolutions.

Once we have tallied the votes they will be posted on the market announcement platforms of the NZX and ASX following the end of this meeting.

Proxies

The proxy votes that have been submitted for each resolution will be set out on the slides that will be shown for each resolution. To give some context to these numbers, the current number of shares on issue in Smartpay is around 171.75 million.

We have received proxy voting representing 87.4m shares, the equivalent of 50.87% of the issued share capital, the breakdown of the proxy voting for each resolution will be shown on the presentation as we get to each resolution. As indicated on the proxy form, I intend to vote all discretionary proxies where I am appointed as proxy in favour of resolutions 1, 3, 4, 5 and 6.

Resolution 1: Auditor Remuneration

Now, turning to the first resolution, which relates to the authorisation of the Board to fix the remuneration of Smartpay's auditors. KPMG are automatically re-appointed as the company's auditor under section 207T of the Companies Act 1993. This resolution authorises the Board to fix the fees and expenses of the auditor.

Are there any questions or comments regarding this resolution?

[Questions]

I propose the resolution, could I ask someone to second it please.

[second]

If you haven't already done so, please now cast your vote on this item

Resolution 2: Election of Bruce Mansfield as a Director

As noted we will not be voting on this resolution, for those voting using the Lumi App you will find that this resolution is not available.

Resolution 3: Election of Greg Barclay as a Director

For this part of the meeting I will hand over to Matt Turnbull to Chair the meeting.

Matt Turnbull:

Thank you Greg,

Greg Barclay was elected at the 2014 Annual Meeting and retires by rotation at this annual meeting. Being eligible he offers himself for re-election, the Board unanimously recommends that shareholders vote in favor of Greg's re-election.

The board has determined that, myself and Greg Barclay are independent directors in terms of the Listing Rules.

Greg's profile appears in the notice of meeting, on our website and in the report and accounts and I will now ask Greg to say a few words about himself.

[Greg addresses Meeting]

Thank you, Greg.

Are there any questions or comments regarding this resolution?

[Questions]

I propose the resolution, could I ask someone to second it please.

[second]

If you haven't already done so, please now cast your vote on this item

I will now pass the meeting back to Greg to Chair the remainder of the meeting.

Thank you Matt

Resolution 4. Increase in number of directors

This resolution is to approve an increased maximum number of directors from 6 to 7 in order to provide the Board with the flexibility to expand the skill sets and diversity on the Board in order to support the growth in the business.

Are there any questions or comments regarding this resolution?

[Questions]

I propose the resolution, could I ask someone to second it please.

[second]

If you haven't already done so, please now cast your vote on this item

Resolution 5. Increase in Remuneration payable to Non-Executive Directors

This resolution is to approve an increase in the aggregate remuneration payable to the Non-Executive Directors of the Company. The Company is seeking approval from shareholders to increase the aggregate

pool of remuneration available to be paid to Non-Executive Directors to \$300,000. This will enable the Company to maintain the current fee levels which are paid to the current Non-Executive Directors and to pay at similar levels for up to a further three additional directors.

Are there any questions or comments regarding this resolution?

[Questions]

I propose the resolution, could I ask someone to second it please.

[second]

If you haven't already done so, please now cast your vote on this item

Resolution 6. Ratification of Issue of Convertible Notes

The convertible notes were issued to provide the Company with working capital funding to accelerate growth in Australia, predominantly in the areas of increased marketing and sales spend, terminal stock and associated costs. The Company wishes to ratify the issue of certain convertible notes by the Company so that it may issue further equity securities under NZSX Listing Rule 7.3.5 in the future.

Are there any questions or comments regarding this resolution?

[Questions]

I propose the resolution, could I ask someone to second it please.

[second]

If you haven't already done so, please now cast your vote on this item

Conclusion

That concludes the resolutions to be presented to the Meeting. If you have a ballot paper, please make sure you have marked your votes and signed the form, ready for collection by a representative from our share registrar.

For those attending the Meeting remotely via Lumi AGM, we will leave the vote open for a couple of minutes, the poll will therefore formally close at (current time, plus 2 minutes) AEST.

[Ballot papers collected]

Voting has now closed. As mentioned earlier, the votes will be tallied and will be available on the market announcement platforms of the NZX and ASX following this Meeting.

Thank you all for attending Smartpay's Annual Meeting. I now declare the Meeting closed.

--ENDS--