

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS SMARTPAY HOLDINGS LIMITED

Notice is hereby given that the 2011 Annual Meeting of Shareholders of SmartPay Holdings Limited ("SmartPay" or "the Company") will be held at The Fairway Lodge Function and Conference Centre, Argus Place, Takapuna, Auckland on Friday 30th September 2011 commencing at 10am.

ITEMS OF BUSINESS

- A. Chairman's welcome and introduction
- B. Minutes of previous meeting held on 4 October 2010
- C. Chief Executive Officer's review
- D. Financial statements

In relation to SmartPay's annual report for the year ended 31 March 2011, 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:

Remuneration of Auditor

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

Re-election of Director – Ian Bailey

2. *That Ian Bailey be re-elected as a director of SmartPay*
(See Explanatory Note 3)

Re-election of Director – John Nimmo

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

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 5.00 pm (New Zealand time) on 27th September 2011, 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 10.00 am (New Zealand time) on Wednesday 28th September 2011.

EXPLANATORY NOTES

<p>Explanatory Note 1: Shareholder Questions</p>	<p>After the Chairman and Chief Executive Officer have given their review of the financial year ended 31 March 2011 and any events which have occurred after 31 March 2011, there will be an opportunity for shareholder questions.</p>
<p>Explanatory Note 2: Remuneration of Auditor</p>	<p>Section 200(1) of the Companies Act 1993 provides that a company's auditor is automatically re-appointed unless there is a resolution or other reason for the auditor not to be re-appointed. The Board wishes Hayes Knight Audit to continue as the Company's auditor; Hayes Knight Audit has indicated that it is willing to so act and that it remains qualified for the appointment. This resolution authorises the Board to fix the fees and expenses of the auditor.</p> <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 has been postponed as a result of an improved and satisfactory year end 2010 audit and developments such as the planned ASX listing. With the decision to list on the ASX now made, the Board is reviewing the Company's new Australian requirements before re-evaluating the audit requirement.</p>
<p>Explanatory Note 3: Re-election of Director</p>	<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>Ian Bailey, 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>Ian has been involved in the EFTPOS and IT industries for over 25 years. He has been Managing Director of a number of successful start-up companies in the EFTPOS and IT industries including 5 years as Managing Director of Hypercom Data Systems based in Australia until 1996, and subsequently founder of Cadmus Technology Limited from inception to listing, in New Zealand, until his departure in 2007 prior to the merger with Provenco. He is also a member of the Institute of Directors and owns management consultancy company River Horse Consulting Limited.</p> <p>The Board unanimously recommends that shareholders vote in favor of Mr. Bailey's re-election.</p>
<p>Explanatory Note 4: Re-election of Director</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>John Nimmo was appointed as a director of the Company by the Board on 14 December 2010. Accordingly, he will retire by rotation at this annual meeting and, being eligible, offers himself for re-election.</p> <p>John has had over 20 years' experience as Chief Executive of manufacturing, marketing, exporting and distribution businesses with turnovers of up to \$100 million. In conjunction with Ian Bailey, John was a founder of Cadmus Technology Ltd (CTL) listing it on the NZX in November 2000.</p>

	<p>He served as Commercial Director until his retirement in December 2007, prior to the merger with Provenco.</p> <p>In July and August 2009 he assisted SmartPay with the purchase of the payments division of ProvencoCadmus and provided consultancy services to SmartPay until his appointment to the board in December 2010.</p> <p>He continues to provide independent advice to a wide range of businesses and entrepreneurs.</p> <p>John is a Fellow of The Chartered Institute of Secretaries and has an MBA (with distinction) from Massey University.</p> <p>The Board unanimously recommends that shareholders vote in favor of Mr. Nimmo's re-election.</p>
--	--