

# Notice of Annual Meeting of Shareholders

Notice is hereby given that the 2021 Annual Meeting of Shareholders of Smartpay Holdings Limited ("*Smartpay*" or "*the Company*") will be held virtually via Computershare's Online Meeting Portal on **Wednesday 29 September 2021 commencing at 3pm NZDT (12 noon AEST)**.

I am pleased to invite you to attend the 2021 Annual Meeting of Smartpay Holdings Limited.

In addition to the usual business of an Annual Meeting, the purpose of the Meeting is to consider and, if thought fit, approve the issue of share performance rights to Martyn Pomeroy, Smartpay's Managing Director. The issue of share performance rights to Martyn Pomeroy forms part of the overall remuneration package negotiated with Martyn in his employment agreement when he assumed the position of Managing Director of Smartpay on 1 September 2020 following the departure of Bradley Gerdis.

Full details of the share performance rights and the remuneration payable to Martyn are contained in the enclosed formal notice of meeting. You will also find enclosed an appraisal report prepared by Calibre Partners with respect to the share performance rights. This appraisal report has been prepared under NZX Listing Rule 7.8.5. This Listing Rule requires an appraisal report to be prepared if there is an issue of financial products and more than 50% of the financial products to be issued will

be issued to directors. In this particular instance, all of the share performance rights will be issued to Martyn Pomeroy, a director of Smartpay.

The Board believes that the issue of share performance rights will assist in the reward, retention and motivation of Martyn Pomeroy to create shareholder value.

You should read the enclosed notice of meeting and appraisal report carefully.

Due to the current uncertainties relating to public health restrictions associated with COVID-19 the Company has made the decision to hold the Meeting through the Computershare online system. You will be able to attend the Meeting remotely, vote and ask questions via the Computershare online system.

Further information on how to do this is set out in our formal notice of meeting which is enclosed and the Virtual Meeting Guide available on our website **smartpayinvestor.com**.

**ASX: SMP**  
**NZX: SPY**

**SHARE INFORMATION**  
Issued Shares: 238,284,963

**WEBSITES**  
[www.smartpay.co.nz](http://www.smartpay.co.nz)  
[www.smartpay.com.au](http://www.smartpay.com.au)  
[www.smartpayinvestor.com](http://www.smartpayinvestor.com)

## BOARD OF DIRECTORS

Non- Exec Chairman:  
**Greg Barclay**  
Managing Director:  
**Martyn Pomeroy**  
Non-Executive:  
**Matthew Turnbull**  
Non-Executive:  
**Carlos Gil**  
Non-Executive:  
**William Pulver**

## REGISTERED OFFICES

**New Zealand:**  
205 – 209 Wairau Road  
Wairau Valley  
Auckland 0627  
New Zealand

Phone: +64 (0)9 442 2700  
Fax: +64 (0)9 442 2722  
[info@smartpay.co.nz](mailto:info@smartpay.co.nz)

**Australia:**  
Level 2  
117 York Street  
Sydney  
NSW 2000

Phone: +61 (0)2 7903 6302  
Fax: +61 (0)2 9869 4223  
[info@smartpay.com.au](mailto:info@smartpay.com.au)

Please use this technology to raise any questions you may have about the proposed issue of share performance rights or other matters to be voted on at the Meeting.

If you are not able to attend the Meeting, you should appoint a proxy **no later than 3pm NZDT (12 noon AEST) on Monday 27 September 2021**. You can appoint a proxy by completing and lodging the enclosed Proxy Form so that it reaches our share registrar Computershare Investor Services Limited, by the time set out above. Alternatively, you can securely appoint a proxy online by following the instructions on the Proxy Form.

Shareholders attending the Meeting will have the opportunity to submit questions to the Board and you are also invited to submit any questions prior to the commencement of the meeting by email to our Company Secretary, Rowena Bowman at **rowena.bowman@smartpay.co.nz**, in the questions section of the proxy form, or fill in the 'email us' box on our website **smartpayinvestor.com** by **close of business on Monday 27 September 2021**. The Board

will endeavour to address all appropriate questions relating to the subject matter of the Meeting at the Meeting.

We encourage all our shareholders to register to receive communications electronically, in these changing times this assists us to communicate with you quickly and efficiently. To do so please register online with Computershare at: **investorcentre.com/nz**

Thank you for your continued support of our business.

Regards



**Greg Barclay**  
Chairman.



Notice is hereby given that the 2021 Annual Meeting of Shareholders of Smartpay Holdings Limited ("*Smartpay*" or "*the Company*") will be held virtually via Computershare's Online Meeting Portal on **Wednesday 29 September 2021 commencing at 3pm NZDT (12 noon AEST)**.

## ITEMS OF BUSINESS

### A. Chair's welcome and introduction

### B. Minutes of previous annual meeting held on 25 September 2020

### C. Managing Director's Review

### D. Financial Statements

In relation to Smartpay's annual report for the year ended 31 March 2021, to receive the financial statements for that period and the auditor's report on those financial statements.

### Shareholder questions

### E. Ordinary resolutions

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

#### Fixing Remuneration of Auditor

1. That the Board be authorised to fix the auditor's remuneration for the ensuing year.

(See Explanatory Note 1)

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

2. That Gregor John Barclay be re-elected as a director of Smartpay.

(See Explanatory Note 2)

#### Issue of Share Performance Rights

3. That, for the purposes of NZX Listing Rule 4.2.1, share performance rights be issued to Martyn Pomeroy, Chief Executive and Managing Director on the terms and conditions set out in this notice of meeting (being 2,239,380 share performance rights in aggregate, allocated evenly amongst the financial years ending 31 March 2022, 31 March 2023 and 31 March 2024).

(See Explanatory Note 3)

Further information relating to the above resolutions is set out in the meeting notes below and, with respect to Resolution 3, the attached appraisal report from Calibre Partners. Please read and consider the resolutions together with these notes and appraisal report.

By order of the Board

**Greg Barclay**



13 August 2021

**For further information contact:** Greg Barclay, Chairman, +64 21 306 594 or Rowena Bowman, Company Secretary, +64 27 364 1133

### Corporate Directory

#### Registered and Principal offices

##### New Zealand:

205 – 209 Wairau Road,  
Wairau Valley, Auckland 0627

**Email:** info@smartpay.co.nz

**Phone:** +64 (0)9 442 2700

**Fax:** +64 (0)9 442 2722

**Website:** www.smartpay.co.nz

##### Australia:

Level 2, 117 York Street,  
Sydney, NSW 2000

**Email:** info@smartpay.com.au

**Phone:** +61 (0)2 7903 6302

**Fax:** +61 (0)2 9869 4223

**Website:** www.smartpay.com.au

### Shareholder Enquiries

#### Enquiries concerning shareholdings should be addressed to:

##### New Zealand:

Computershare Investor Services Limited  
Private Bag 92119, Auckland 1142

**Phone:** +64 (0)9 488 8700

**Fax:** +64 (0)9 488 8787

##### Australia:

Computershare Investor Services Pty Limited  
GPO Box 3329  
Melbourne, VIC 3001

**Free phone:** 1 800 501 366

**Fax:** +61 (0)3 9473 2500

## Important Information

### ATTENDING THE MEETING

Shareholders will not be able to attend the Meeting in person, attendance at the Meeting will only be via Computershare's Online Meeting Portal. You will be able to listen to the Meeting, access relevant documents, vote, and ask questions. Further information is available in the Virtual Meeting Guide on the Investors section of Smartpay's website **smartpayinvestor.com**. If you are attending the Meeting please ensure that your contact details are up to date on the register by contacting Computershare Investor Services Limited at **enquiry@computershare.co.nz**.

### VOTING

Voting at the Meeting will be by poll and you will be able to vote by using your mobile device, tablet, laptop or PC (you will need the latest version of Chrome, Safari, Edge or Firefox). If you wish to vote during the Meeting visit **<https://meetnow.global/nz>**. Further information is available in the Virtual Meeting Guide on the Investors section of Smartpay's website **smartpayinvestor.com**.

Electronic voting is permitted under clause 26 of Smartpay's constitution.

### PROXIES

Any person who is entitled to attend and vote at the Meeting may appoint another person as his or her proxy to attend and vote instead of him or her by filling out, and following the instructions on, the accompanying proxy form. Alternatively, you can securely appoint a proxy online by following the instructions on the Proxy Form. In order to complete the validation process to appoint a proxy online, NZX registered holders will need their common shareholder number (CSN) and post code. If you need to obtain these details, please contact Computershare. Their contact details are set out in the Proxy Form.

A proxy need not be a shareholder of Smartpay (but it will need to be someone who can attend the online Meeting and vote on your behalf). You may appoint the "Chair of the Meeting" as your proxy if you wish. A proxy form accompanies this Notice of Meeting. If you appoint a proxy, you may either direct your proxy how to vote for you or you may give your proxy discretion to vote as they see fit. If you wish to give your proxy discretion, then you must tick the appropriate boxes in each resolution to grant your proxy that discretion. If you do not tick any box for a resolution, then your instruction for your proxy with respect to that resolution will be to abstain. The Chair of the Meeting and any Director appointed as proxy intend to vote all discretionary proxies in favour of the relevant

resolution. If you do not appoint a proxy on your proxy form or your proxy does not attend the Meeting, the Chair of the Meeting will be appointed your proxy and will vote in accordance with your express direction and if no direction has been given in respect of any resolution then the Chair of the Meeting will abstain. If you tick more than one box for a resolution, your vote on that resolution will be invalid.

Proxy Forms must be lodged with the Company's share registry, Computershare Investor Services Limited online, by mail or by fax, as detailed in the proxy form, not less than 48 hours before the commencement of the Meeting, being no later than 3pm NZST (12 noon AEST) on Monday 27 September 2021.

### ORDINARY RESOLUTIONS

Part of the formal business of the Meeting is to pass the Ordinary Resolutions set out in the preceding pages. 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 Meeting, only those persons who are registered as shareholders of the Company as at 3pm NZST (1pm AEST) on Friday 24 September 2021 being a day which is not more than 20 working days before the Meeting, will be entitled to exercise the right to vote at the Meeting.

### VOTING RESTRICTIONS

Martyn Pomeroy and his 'Associated Persons' (as that term is defined in the NZX Listing Rules), are subject to voting restrictions in relation to the Ordinary Resolution 3 set out in the preceding pages. Smartpay will disregard any votes cast on the Ordinary Resolution by Martyn Pomeroy or any of his 'Associated Persons'. However, Smartpay will not disregard a vote if it is cast by any such person as a proxy for a person who is not disqualified from voting on the Ordinary Resolution in accordance with express instructions to vote for or against the resolution.

No voting restrictions apply to resolutions 1 and 2 and all shareholders may vote on these resolutions.

### MORE INFORMATION

If you have any questions or require further information about this Notice of Meeting, please contact Smartpay's Company Secretary, Rowena Bowman, at **rowena.bowman@smartpay.co.nz**.



## Explanatory Notes

### Explanatory Note 1: Resolution 1, Remuneration of Auditor

KPMG is 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.

The Board unanimously recommends that shareholders vote in favour of authorizing the Board to fix the fees and expenses of the auditor.

### Explanatory Note 2: Resolution 2, Re-election of Director – Gregor John Barclay

NZX Listing Rule 2.7.1 requires that a director must not hold office (without re-election) past the third annual meeting following the Director's appointment or 3 years, whichever is longer. Greg was re-elected by the shareholders at the Annual Meeting held on 25 September 2018, and being eligible, hereby stands for re-election.

Greg joined the board of Smartpay in 2010 and he was appointed Chairman in 2016. He is a commercial lawyer with over 30 years of experience in advising a range of commercial and corporate clients. In 1997 he was a founder of Claymore Partners, an Auckland based commercial law and business advisory firm. He continues to act as a consultant to that firm at present.

He is an experienced company director and Chair having held various directorships and advisory roles across a number of New Zealand and off-shore entities. Greg has also had an extensive involvement in the business of sport, both as an advisor and director of a number of sporting entities. He is a director (and immediate past Chair) of the International Rugby League, a former Chairman of New Zealand Cricket and is currently the Chairman of the International Cricket Council based in Dubai.

In addition to being on the board, Greg serves on the board's Audit and Finance Committee. He is an approved Chartered Member of the New Zealand Institute of Directors.

Greg resides in Auckland, New Zealand.

The Board has determined that Greg is an independent director in accordance with the NZX Listing Rules.

The Board unanimously recommends that shareholders vote in favor of Greg's re-election.

### Explanatory Note 3: Resolution 3, Issue of Share Performance Rights

Martyn Pomeroy was appointed by the Board as Managing Director on 1 September 2020 to replace Bradley Gerdis. The Board has negotiated a remuneration package with Martyn that, subject to shareholder approval, includes a long-term incentive (LTI) component comprising the issue of share performance rights (SPRs) as described below. The LTI component of the remuneration is designed to ensure the retention of Martyn Pomeroy as Managing Director. The Company does not currently operate a formal long-term incentive plan for employees generally and therefore the issue of SPRs to Martyn Pomeroy is a bespoke arrangement negotiated directly with him. The key terms of Martyn's issue of SPRs are set out below:

- (a) each SPR represents a right to receive one Smartpay ordinary share, subject to vesting conditions and performance hurdles. Each ordinary share will rank equally with all other ordinary shares in Smartpay;
- (b) the issue of the SPRs to Martyn is subject to Smartpay shareholder approval on or before 30 November 2021. If shareholders do not approve the issue of SPRs to Martyn, then under the terms of his employment agreement the Company will be required to negotiate in good faith with Martyn to put in place a replacement long term incentive which incentivises him to create value for shareholders. It is likely that any such alternative arrangement will necessitate some form of additional cash payments to Martyn;
- (c) the LTI will run for three financial years commencing with the current financial year ending 31 March 2022;
- (d) under the LTI Martyn will be granted NZD\$1.5 million of SPRs calculated at the 20-day VWAP of the Company's shares on the NZX on the day that Martyn's employment as Managing Director commenced, being 1 September 2020. The 20-day VWAP as at that date was NZD\$0.669827 resulting in a total award of 2,239,380 SPRs in aggregate. All of the SPRs will be granted after the Meeting (if shareholders approve the grant of SPRs to Martyn);
- (e) one-third of the SPRs will be allocated to each financial year and therefore Martyn will receive an annual award of 746,460 SPRs for each of the financial years ending 31 March 2022, 31 March 2023 and 31 March 2024;

# Explanatory Notes

(f) the SPRs will conditionally vest annually based 50/50 on two performance hurdles, being (i) EBITDA Per Share and (ii) Revenue. EBITDA Per Share will be the EBITDA recorded in the audited consolidated financial statements of the Smartpay group for the applicable financial year (adjusted, as determined by the Board, to reflect accounting policy changes or extraordinary circumstances with a significant impact e.g. impairments, revaluations, restructuring activities), divided by the number of shares on issue as at the last

day in that financial year. Revenue will be the gross revenue recorded in the audited consolidated financial statements of the Smartpay group for the applicable financial year (adjusted, as determined by the Board, to reflect accounting policy changes or extraordinary circumstances). Each performance hurdle has an annual award of 373,230 SPRs;

(g) the performance hurdles for each financial year (before any applicable adjustment) are as follows:

Financial Year	EBITDA Per Share Performance Hurdle*	Revenue Performance Hurdle
FY ending 31 March 2022	\$0.05	\$47,383,000
FY ending 31 March 2023	\$0.063	\$66,336,200
FY ending 31 March 2024	\$0.084	\$92,870,680

\*based on the current shares on issue (being 238,284,963 shares), the EBITDA Per Share Performance Hurdle equates to an EBITDA of approximately \$12 million in the year ending 31 March 2022, \$15 million in the year ending 31 March 2023 and \$20 million in the year ending 31 March 2024.

(h) if a performance hurdle is met or exceeded for any applicable financial year then the grant of SPRs relevant to that performance hurdle will conditionally vest;

(i) if the EBITDA Per Share for the year ending 31 March 2023 or 31 March 2024 is 95% or more of the EBITDA Per Share performance hurdle for that year, but is less than 100% of the applicable EBITDA Per Share performance hurdle, then 50% of the SPRs for the EBITDA Per Share performance hurdle for that financial year will conditionally vest;

(j) any SPRs which do not conditionally vest as set out in (h) or (i) above shall roll over, and be added to, the tranche of SPRs for the applicable performance hurdle in the immediately following financial year, provided that any SPRs which do not conditionally vest in connection with the financial year ending 31 March 2024 shall automatically lapse and be cancelled;

(k) subject to limited exceptions referred to in (m) and (n) below, all of the SPRs are subject to the overriding vesting condition that Martyn remain employed as Managing Director of the Smartpay Group as at 31 March 2024;

(l) Martyn will receive one fully paid ordinary share in Smartpay for each fully vested SPR (plus any additional shares to ensure that he is protected from any dividend payments made during the vesting period). The ordinary shares will be issued to Martyn 10 business days after the date on which the Smartpay group's audited consolidated financial statements for the financial year ending 31 March 2024 are signed by the Board (the Exercise Date);

(m) all unvested SPRs will vest (and Martyn will receive one fully paid ordinary share for each such SPR) if there is a takeover offer for all shares in Smartpay before the Exercise Date and the offer becomes unconditional;

(n) if Martyn's employment with the Company is terminated by the Company prior to the Exercise Date and he is a 'good leaver' then all SPRs which have conditionally vested at that time will vest and he will receive the relevant number of fully paid ordinary shares in the Company. All other SPRs will lapse on cessation of employment;

## Explanatory Notes

(o) the Board retains the ability to make adjustment to one or more of the performance hurdles to take account of any adverse impacts on the revenue or EBITDA of the Smartpay group resulting from any COVID-19 full or partial lockdowns in any territory (or part of a territory) in which the Smartpay group operates;

(p) the terms of the SPRs (including the performance hurdles) may be adjusted by the Board (subject to obtaining any necessary approvals from NZX or approval from shareholders) to take account of events such as a rights issue, share buy-back, consolidation, amalgamation, etc.;

(q) if the Company makes any bonus issue of shares prior to the Exercise Date (as defined below), then Martyn will be entitled to receive an additional number of shares (as determined by the Board) on exercise of any vested SPRs to put him in the same position as he would have been had he held those shares at the time of the bonus issue;

(r) if Smartpay's New Zealand business and assets (or the majority of such business and assets) are sold prior to the Exercise Date then the Board shall (subject to obtaining any necessary approvals from NZX or approval from shareholders) make such changes to the performance hurdles as the Board (in its absolute discretion) considers appropriate.

### Other key terms of employment

As mentioned above, the LTI (in the form of the SPRs) constitutes the long-term, incentive component under Martyn Pomeroy's employment agreement. The other key components of Martyn Pomeroy's remuneration as Managing Director of the Smartpay Group (i.e. in addition to the LTI) are as follows:

- Annual base salary of NZ\$500,000; and
- A short-term incentive of up to 50% of base annual salary subject to achieving KPIs agreed between the Board and Martyn Pomeroy from time to time and set on an annual basis. The short-term incentive bonus for the year ending 31 March 2021 has been set at \$200,000 and is not tied to achievement of any KPIs. The KPIs for the years commencing 1 April 2022 and beyond will be agreed by Martyn and the Board on an annual basis.

### General

The issue of the SPRs to Martyn is not expected to have a material dilution effect on the shareholdings of existing shareholders. This is because the number of ordinary shares that would be issued if 100% of the SPRs were to vest (being 2,239,380 ordinary shares, plus any additional ordinary shares to ensure dividend protection) is relatively small when compared to Smartpay's current issued share capital of 238,284,963 shares as at the date of this notice of meeting. If all of the SPRs fully vest over the three year period then the dilutionary effect will be approximately 0.93% based on Smartpay's current issued share capital.

In securing Martyn's appointment as Managing Director, the Board has engaged a high-calibre leader who has not only in-depth historical knowledge of the business of the Company but also the experience and energy to drive the business forward. Martyn's remuneration package reflects that calibre, with the SPRs being a key component of it.

The SPRs have been designed to assist in the reward, retention and motivation of Martyn and to link the reward of Martyn to shareholder value creation, and to align the interests of Martyn with Smartpay's shareholders by providing him an opportunity to earn rewards via an equity interest in Smartpay that is based on creating shareholder value. In summary, the SPRs:

- are designed to align the interests of Martyn with the interests of Smartpay's shareholders;
- aim to provide a long-term incentive spanning potentially three financial years with an overarching condition that Martyn remains employed as the Managing Director of Smartpay as at 31 March 2024; and
- assist in preserving Smartpay's cash resources by it not having to pay any additional long-term cash incentives.

The Board (with Martyn Pomeroy abstaining) also considers that the incentive arrangements and corresponding grant of SPRs and resultant issue of shares on the exercise of those SPRs outlined above are important in ensuring further alignment of Martyn's personal financial interest with the future performance of Smartpay's share price.

The Board (with Martyn Pomeroy abstaining) unanimously supports the issue of these SPRs to Martyn and recommends that shareholders vote in favour of this resolution.

# Smartpay Holdings Limited

Independent Appraisal Report in relation to the issue of share  
performance rights to Martyn Pomeroy

18 August 2021





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## 1. Executive summary

### 1.1 Background

Smartpay Holdings Limited (**Smartpay**) is New Zealand's largest independently owned and operated EFTPOS provider. Operating for over a decade, Smartpay has supplied over 35,000 EFTPOS machines to more than 25,000 merchants across New Zealand and Australia.

Smartpay currently has 238,284,963 fully paid ordinary shares on issue, which are held by approximately 2,500 shareholders. Smartpay is dual-listed on the New Zealand Stock Exchange (NZX) and on the Australian Securities Exchange (ASX). As of 31 July 2021, Smartpay had a market capitalisation of \$194.2 million.<sup>1</sup>

### 1.2 Proposed issue of Share Rights

Smartpay proposes to offer 2,239,380 share performance rights (the **Share Rights**) to Martyn Pomeroy, who is the Chief Executive Officer and Managing Director of Smartpay.

Each Share Right represents a right to receive one Smartpay ordinary share 10 days after the date on which Smartpay Group's audited financial statements for the year ending 31 March 2024 are signed (**Exercise Date**), subject to vesting conditions and performance hurdles. Each ordinary share will rank equally with all other ordinary shares issued by Smartpay.

Smartpay proposes that one-third of the Share Rights will be allocated to each financial year and therefore, Mr Pomeroy could receive an annual award of 746,460 Share Rights for each of the financial years ending 31 March 2022, 31 March 2023 and 31 March 2024. The Share Rights will be subject to two separate performance hurdles. There is also an overarching vesting condition, which requires that Mr Pomeroy remains employed as Managing Director of Smartpay as at 31 March 2024. If the performance hurdles are satisfied as at the end of a financial year, the Share Rights for the relevant tranche would conditionally vest.

If Smartpay makes any bonus issue of shares prior to the Exercise Date, then Mr Pomeroy would be entitled to receive an additional number of shares (as determined by the Board) on exercise of any vested Share Rights, to put him in the same position as he would have been had he held those shares at the time of the bonus issue.

The terms of the Share Rights (including the performance hurdles) may be adjusted by the Board (subject to obtaining any necessary approvals from NZX or approval from shareholders) to take account of events such as, but not limited to, a rights issue, share buyback, consolidation or amalgamation.

The offer of the Share Rights is subject to shareholder approval.

#### Dividend protection

If Smartpay declares a dividend with a record date between 1 April 2021 and the Exercise Date, and the performance hurdles are met, Mr Pomeroy would be entitled to additional ordinary shares in Smartpay reflecting the amount of the dividends.

#### Performance hurdles

The Share Rights conditionally vest each year based 50/50 on two performance hurdles, being set targets for EBITDA per share and Revenue.

EBITDA per share will be measured as the EBITDA recorded in the audited consolidated financial statements of the Smartpay Group for the applicable financial year, divided by the number of shares on issue as at the last day of that financial year. Revenue will be the gross revenue recorded in the audited

<sup>1</sup> All references to '\$' in this Report are to New Zealand dollars.



consolidated financial statements of the Smartpay Group for the applicable financial year. Each performance hurdle has an annual award of 373,230 Share Rights.

The performance hurdle thresholds for each financial year are as follows:

Table 1: Performance hurdle thresholds

Period	EBITDA per share	Revenue
12 months ending 31 March 2022	\$0.050	\$47,383,000
12 months ending 31 March 2023	\$0.063	\$66,336,200
12 months ending 31 March 2024	\$0.084	\$92,870,680

If a performance hurdle is met or exceeded for any applicable financial year, then the award of Share Rights relevant to that performance hurdle would conditionally vest.

If the EBITDA per share for either the year ending 31 March 2023 or 31 March 2024 is 95% or more of the EBITDA per share performance hurdle for that year, but less than 100% of the EBITDA per share performance hurdle for that year, then 50% of the Share Rights for the EBITDA per share performance hurdle for that financial year would conditionally vest on the Exercise Date. This condition does not apply to the EBITDA per share performance hurdle for the financial year ending 31 March 2022 or to any of the Revenue performance hurdles.

Any Share Rights that do not conditionally vest as set out above shall roll over, and be added to, the tranche of Share Rights for the applicable performance hurdle in the following financial year. That said, any Share Rights that do not conditionally vest in connection with the financial year ending 31 March 2024 shall automatically lapse and be cancelled.

The Board retains the ability to make adjustments to one or more of the performance hurdles to take account of any adverse impacts on the Revenue or EBITDA per share of the Smartpay Group resulting from any full or partial COVID-19 lockdowns in any territory (or part of a territory) in which the Smartpay Group operates.

### 1.3 Regulatory requirements

Listing rule 4.1.1 of the NZX Listing Rules states that an issuer may only issue Equity Securities with approval by Ordinary Resolution in accordance with NZX Listing Rule 4.2.1.

Listing rule 7.8.5(b) states that the notice of meeting to consider a resolution of the kind referred to in listing rule 4.2.1 must be accompanied by an Appraisal Report if more than 50% of the financial products to be issued are intended, or likely, to be acquired by directors of the company.

Shareholders will vote on an ordinary resolution in respect of the issue of the Share Rights at the Annual Meeting of Smartpay on 29 September 2021 (**Resolution 3**).

Pursuant to the NZX Listing Rules, all shareholders other than Mr Pomeroy and any associated persons to him (**Non-associated Shareholders**) may vote on Resolution 3.

### 1.4 Possible outcomes

The possible outcomes are:

- **Shareholders approve Resolution 3**

If Smartpay shareholders vote to approve Resolution 3, then the Share Rights would be granted.

- **Shareholders reject Resolution 3**

If Smartpay shareholders vote to reject Resolution 3, then the Share Rights would not be granted. Should that occur, Smartpay would need to re-enter good faith negotiations with Mr Pomeroy with



respect to his remuneration. Pursuant to his employment agreement, we expect Mr Pomeroy would receive an alternative long-term incentive remuneration, of broadly equivalent value.

## 1.5 Purpose of the Report

Smartpay has engaged Calibre Partners to prepare this Appraisal Report (**the Report**) on the fairness of the Share Rights in accordance with NZX Listing Rule 7.8.5(b).

Calibre Partners was approved by NZX Regulation on 11 December 2020 to prepare the Report.

Calibre Partners issues this Report to the directors of Smartpay (other than Mr Pomeroy) for the benefit of the Non-associated Shareholders, to assist them in forming their own opinion on whether to vote for or against the resolution in respect of the Share Rights.

Each shareholder's circumstances and objectives are unique. Accordingly, it is not possible to report on the fairness of the Share Rights in relation to each shareholder. This Report on the fairness of the Share Rights is therefore general in nature by necessity.



## 2. Evaluation of the fairness of the Share Rights

### 2.1 Basis of evaluation

NZX Listing Rule 7.10.2 requires an Appraisal Report to consider whether the terms and conditions of the Share Rights are fair to the Non-associated Shareholders.

As there is no legal definition for the term 'fair' in the NZX Listing Rules or in any New Zealand statute dealing with securities or commercial law, we consider the Share Rights are fair to Non-associated Shareholders if:

- The Share Rights offered to Mr Pomeroy represent a fair level of remuneration for his role.
- The terms and conditions of the Share Rights offered to Mr Pomeroy are fair.

We have evaluated the fairness of the Share Rights by reference to:

- The rationale for the Share Rights.
- The terms and conditions of the Share Rights.
- The possible maximum value of the Share Rights.
- The impact of the Share Rights on shareholding levels.
- The impact of the Share Rights on Smartpay's share price and liquidity.
- The implications of the resolution not being approved.

### 2.2 Opinion on the fairness of the Share Rights

In our opinion, after taking into account all relevant factors, the terms and conditions of the Share Rights are fair to the Non-associated Shareholders.

The basis for our opinion is set out in detail in Sections 2.3 to 2.8. In summary, the key factors leading to our opinion are as follows:

- We consider the rationale for the Share Rights is sound. Smartpay seeks to remunerate Mr Pomeroy in his role as Chief Executive Officer and Managing Director of Smartpay, as well as providing a long-term incentive to Mr Pomeroy that aligns his interests with the Non-associated Shareholders.
- If the performance hurdles are achieved, we consider this will likely benefit Non-associated Shareholders, via an increase in Smartpay's share price.
- We consider the Share Rights will have a negligible impact on Mr Pomeroy's ability to exert control over shareholder voting.
- We consider the dilutionary impact of the Share Rights on Non-associated Shareholders is minimal, at a maximum of 0.93% over the course of three years.
- We consider the Share Rights are unlikely to have any material impact on Smartpay's share price or the liquidity of its shares, particularly when it is considered that if Resolution 3 is rejected, then Mr Pomeroy would receive an alternative long-term incentive.
- We consider the implications of the Share Rights not being approved are material. In particular, Smartpay may incur additional costs if an alternative remuneration package for Mr Pomeroy requires shareholder approval.

In addition to the above, shareholders should consider how Mr Pomeroy can influence whether the performance hurdles are achieved, and whether this aligns to the shareholder's interests. We review this





at Section 3. We consider the performance hurdles, and the ability of Mr Pomeroy to influence the achievement of those hurdles, to generally align with Non-associated Shareholders' interests.

## 2.3 Rationale for the issue of Share Rights

### Overview of the rationale for long-term incentive remuneration

The rationale for long-term incentive remuneration is to tie executives' remuneration to the annual and long-term performance of the company, to align the interests of the executives with those of shareholders.

Key perceived benefits to the company of having equity-based long-term incentive remuneration include:

- Helping to attract and retain top executives.
- Enabling executives to build equity ownership in the company.
- More closely aligning executives' interests with shareholders' interests.

There has been growing criticism in New Zealand and abroad of equity-based incentive remuneration. The criticisms include:

- A lack of performance hurdles and/or inadequate explanation of performance hurdles
- The length of term for the equity-based incentive remuneration being too short and not aligning with shareholders' interests
- Performance rights can increase already generous remuneration for executives.

### Mr Pomeroy's appointment and remuneration

Mr Pomeroy was appointed to Smartpay's board of directors in April 2014 and assumed the role of Chief Executive Officer and Managing Director on 1 September 2020.

Mr Pomeroy is paid a base salary of \$500,000 per annum for the Chief Executive Officer and Managing Director roles.

In addition to the long-term incentive of the Share Rights, Mr Pomeroy is set a Short-Term Incentive (STI). The STI is cash remuneration up to 50% of base salary per annum, to be paid out at the sole discretion of the Board.

### Board's rationale

The Share Rights have been designed to assist in the reward, retention and motivation of Mr Pomeroy and to link the reward of Mr Pomeroy to shareholder value creation, and to align the interests of Mr Pomeroy with Smartpay's shareholders by providing him an opportunity to earn rewards via an equity interest in Smartpay that is based on creating shareholder value.

### Conclusion

In our opinion, the rationale for the Share Rights as a component of Mr Pomeroy's remuneration for the roles of Chief Executive Officer and Managing Director are sound. The Share Rights:

- Are designed to align the interests of Mr Pomeroy with the interests of Smartpay's shareholders.
- Aim to provide a long-term incentive spanning potentially three financial years with an overarching condition that Mr Pomeroy remains employed as the Managing Director of Smartpay as at 31 March 2024.
- Preserve Smartpay's cash resources by it not having to pay any additional cash incentives.



## 2.4 Features of the Share Rights

Shareholders should consider the following features of the Share Rights when considering how to vote on Resolution 3:

- The performance hurdles represent significant growth in revenue and earnings for Smartpay.
- Mr Pomeroy must remain employed by Smartpay as at 31 March 2024, subject to limited exceptions.
- The performance hurdles do not account for increased levels of debt.

### Significant growth in revenue and earnings

The Revenue performance hurdle for the three financial years ending 31 March 2024 represents 40% year-on-year growth in revenue from the financial year ended 31 March 2021.

The EBITDA per share performance hurdle represents 46% growth on the financial year ended 31 March 2021, 26% growth on the financial year ending 31 March 2022 and 33% growth on the financial year ending 31 March 2023.

### Mr Pomeroy must remain employed

In addition to the performance hurdles, and subject to the below limited exceptions, all Share Rights are subject to the overarching vesting condition that Mr Pomeroy remains employed as Managing Director of the Smartpay Group as at 31 March 2024.

The limited exceptions are as follows:

- If Mr Pomeroy's employment with Smartpay is terminated by Smartpay prior to the Exercise Date and he is a 'good leaver' then all Share Rights that have conditionally vested at that time will vest and he will receive the relevant number of shares in Smartpay. All other Share Rights will lapse and be cancelled.
- All unvested Share Rights will vest if there is a takeover offer for all shares in Smartpay before the Exercise Date and the offer becomes unconditional.

### No account for increased debt

Neither the performance hurdles or the terms and conditions of the Share Rights account for increasing the level of Smartpay's debt. The performance hurdles linked to Revenue and EBITDA per share may be achieved with relative ease through acquisitions funded by debt, as neither performance hurdle would be negatively impacted by increasing debt levels. The directors of Smartpay would need to approve any acquisition or change in funding structure.

## 2.5 Possible value of the Share Rights

Mr Pomeroy's employment agreement dated 1 September 2020 grants him \$1,500,000 of Share Rights.

This amount, combined with the volume weighted average price (VWAP) of \$0.669827 (being the 20-day VWAP on 1 September 2020), was used to determine the 2,239,380 number of Share Rights to be issued to Mr Pomeroy.

The employment agreement states that if for any reason the Share Rights are not approved by ordinary resolution, then Smartpay would negotiate with Mr Pomeroy in good faith to agree a replacement long-term incentive.

As at the date of this Report, the Smartpay share price is \$0.775 per share. If the Share Rights were currently eligible to be exercised, then their current value would be \$1,735,520. However, there is uncertainty as to whether the performance hurdles will be met and so the actual current value of the Share Rights is less than this amount.



## 2.6 Impact on shareholding levels

As at 31 July 2021, Smartpay had 238,284,963 shares on issue held by approximately 2,500 shareholders. Table 2 shows the top 10 largest named shareholders as at 31 July 2021, which together hold more than 70% of the shares on issue.

Table 2: Share register as at 31 July 2021

Shareholder	Shares	Percentage
1 JP MORGAN NOMINEES AUSTRALIA LIMITED	72,021,008	30.22%
2 NATIONAL NOMINEES LIMITED - NZCSD	26,877,398	11.28%
3 ANACACIA PTY LTD	22,658,109	9.51%
4 NATIONAL NOMINEES LIMITED	14,930,635	6.27%
5 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,958,160	4.18%
6 UBS NOMINEES PTY LIMITED	5,699,312	2.39%
7 HAYMAKER INVESTMENTS PTY LTD	4,572,000	1.92%
8 NEW GREENWICH PTY LTD	4,253,830	1.79%
9 NEW ZEALAND DEPOSITORY NOMINEE LIMITED	3,751,581	1.57%
10 CITICORP NOMINEES PTY LIMITED	3,477,169	1.46%
Top 10 shareholders	168,199,202	70.59%
Remaining shareholders	70,085,761	29.41%
Total	238,284,963	100.00%

As at 31 July 2021, Mr Pomeroy held a beneficial interest in 3,399,053 Smartpay shares.

Table 3 shows the most recent substantial product holder (SPH) interests notified to NZX, as at 31 July 2021. The SPH holdings differ from those in Table 2 due to timing and differences between legal interests and interests that need to be disclosed to the NZX.

Table 3: Substantial product holder notices to 31 July 2021

Entity	Date of notice	Shares	Percentage
Moelis Australia Asset Management Limited	2 July 2021	17,066,335	7.35%
Milford Asset Management Limited	4 June 2021	29,533,558	12.72%
Microequities Asset Management Pty Limited	29 December 2020	34,609,979	14.91%
Anacacia Pty Limited	29 December 2020	22,658,109	9.76%
Jencay Capital Pty Limited	8 August 2019	10,486,197	6.11%

### Shareholding control

Assuming that Mr Pomeroy continues to hold the 3,399,053 shares he already owns and his 2,239,380 Share Rights become eligible and are exercised, he would hold 5,638,433 shares representing 2.34% of the Smartpay shares on issue.

We consider that Mr Pomeroy's potential shareholding of 2.34% would be unlikely to have a material impact on his ability to exercise control over the affairs of Smartpay.

In addition, if Mr Pomeroy received remuneration under an alternative long-term incentive plan, he would still be able to acquire shares to achieve a similar beneficial interest in Smartpay.



## Dilutionary impact

If all of Mr Pomeroy's Share Rights become eligible and are exercised, Non-associated Shareholders' proportionate interest in Smartpay would be diluted by 0.93% over the course of three years.

We consider this impact to be minimal, particularly when it is considered that an alternative long-term incentive for Mr Pomeroy would likely also impose a cost on Smartpay.

## 2.7 Impact on share price and liquidity

### Share price

Over the year to 31 July 2021, Smartpay's shares have traded at between \$0.58 and \$1.12 and a VWAP of:

- \$0.85 in the last month
- \$0.86 in the last 3 months
- \$0.91 in the last 6 months
- \$0.75 in the last year.

We consider the existence of the Share Rights is unlikely to have a material impact (negative or positive) on Smartpay's share price, as the dilutionary impact of the Share Rights is minimal and Mr Pomeroy would receive an alternative long-term incentive if Resolution 3 is rejected.

### Liquidity

The size of the pool of shares held by Non-associated Shareholders would not change as a result of the shares being issued to Mr Pomeroy if the Share Rights become eligible and are exercised.

In our opinion, the award of the Share Rights in itself is unlikely to have a material impact on the liquidity of Smartpay's shares.

## 2.8 Implications of the resolution not being approved

If Resolution 3 is rejected, then the Share Rights would not be granted. Should that occur, Smartpay would need to re-enter remuneration negotiations with Mr Pomeroy. This would likely cause additional costs to Smartpay, at least for the negotiation of an alternative long-term incentive plan. We expect that the alternative consideration would be of equivalent value to the Share Rights.

In addition, it is possible that any alternative long-term incentive would not as closely align Mr Pomeroy's interests with the interests of Non-associated Shareholders.

## 2.9 Statements by the directors

The directors who own shares in Smartpay (with Mr Pomeroy abstaining) have indicated that they will be voting in favour of Resolution 3.

Collectively, the directors of Smartpay (other than Mr Pomeroy) directly and indirectly hold 16.57% of the shares on issue.

## 2.10 Voting for or against the resolution

Voting for or against Resolution 3 in respect of the Share Rights is a matter for individual shareholders based on their own views as to value and future market conditions, risk profile and other factors. Shareholders will need to consider these consequences and consult their own professional advisers if appropriate.



### 3. Impact of Share Rights on Mr Pomeroy's interests

When considering how to vote on Resolution 3, shareholders should consider whether the impact of the Share Rights will align Mr Pomeroy's interests with those of Non-associated Shareholders.

The Share Rights incentivise Mr Pomeroy to grow revenue and earnings to the levels specified by the performance hurdles. In our opinion, there are several different ways that Mr Pomeroy, in his role as Chief Executive Officer and Managing Director, could influence whether the performance hurdles are met.

#### Smartpay grows revenue and earnings organically

Due to the substantive levels of the performance hurdles over the three financial years ending 31 March 2024, significant marketing initiatives would be required to drive organic growth in revenue and cost efficiencies would be needed to further increase Smartpay's earnings.

This avenue poses little risk to Non-associated Shareholders, as organic growth would result in no substantial change in capital structure and a likely increase in share price.

#### Smartpay grows via acquisitions

The performance hurdles may be met through Smartpay making value-enhancing acquisitions. Mr Pomeroy may seek opportunities for Smartpay to acquire businesses or business units that increase revenue and earnings.

As neither of the performance hurdles are affected by the levels of Smartpay's debt or interest expenses, Mr Pomeroy could meet his performance hurdles with relative ease through acquisitions funded with debt. However, the directors would need to approve any acquisitions or change in funding structure.

Shareholders have some protection from poor acquisitions because any acquisition would need to be supported by Smartpay's directors and acquisitions with a gross value above 50% of Smartpay's average market capitalisation would need to be approved by shareholders.

#### Smartpay becomes subject to an unconditional takeover offer

The Share Rights contain a takeover clause that states if Smartpay is subject to an offer to acquire all of the issued shares in Smartpay, and such an offer becomes unconditional in all respects, all Share Rights that have not become eligible Share Rights at such time, shall automatically become eligible Share Rights.

This clause may encourage Mr Pomeroy to seek out a takeover opportunity for Smartpay. A takeover may create a significant value premium for shareholders.

Shareholders have some protection from low-value takeover offers because shareholders would have the opportunity to either accept or reject any takeover offer.





## Appendix 1: Sources of information

### Documents relied upon

Key information sources we have used and relied on, without independent verification, in preparing this Report include the following:

- Smartpay Annual Report 2021
- Smartpay management information
- Smartpay share register
- Draft version of Notice of Annual Meeting of Shareholders
- Mr Pomeroy's employment agreement
- Draft version of Mr Pomeroy's long-term incentive Letter of Invitation

We have also had discussions with Smartpay's management in relation to the nature of Smartpay's business operations and the known risks and opportunities for the company in the foreseeable future.

In our opinion, the information contained in this Report, together with the information set out in the Notice of Meeting circulated to shareholders with this Report, is sufficient to enable the Non-associated Shareholders to make an informed decision with respect to the subject matter of Resolution 3.

In accordance with NZX Listing Rule 7.10.2(f), all material assumptions on which our appraisal opinion is based are contained in this Report. The key material assumption we made when preparing this independent appraisal report is what will occur if shareholders reject Resolution 3. We refer to Sections 1.4 and 2.8 of this Report.

### Reliance upon information

In forming our opinion, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was available from public sources and all information that was furnished to us by Smartpay and its advisers. We have no reason to believe any material facts have been withheld and we believe that we have been provided with or obtained all information needed to prepare this Report.

We have evaluated that information through analysis, enquiry and examination for the purposes of forming our opinion, but we have not verified the accuracy or completeness of any such information. We have not carried out any form of due diligence or audit on the accounting or other records of Smartpay. We do not warrant that our enquiries would reveal any matter that an audit, due diligence review or extensive examination might disclose.



## Appendix 2: Qualifications and declarations

### Qualifications

Calibre Partners is an independent New Zealand Chartered Accounting practice. The firm has established its reputation nationally through the provision of professional financial consultancy services with a corporate advisory and insolvency emphasis, and because we have no audit or tax divisions, we avoid potential conflicts of interest that may otherwise arise. This allows Calibre Partners to regularly act as an independent adviser and prepare independent reports.

The persons responsible for preparing and issuing this Report are Grant Graham (BCom, CA) and Shaun Hayward (BCom, BProp, CFA). Both have significant experience in providing corporate finance advice on mergers, acquisitions and divestments, advising on the value of shares and undertaking financial investigations.

### Disclaimers

This Report should not be used or relied upon for any purpose other than as an expression of Calibre Partners' opinion as to merits of the proposed transaction. Calibre Partners expressly disclaims any liability to any Smartpay shareholder that relies, or purports to rely, on this Report for any other purpose and to any other party who relies, or purports to rely, on the Report for any purpose.

This Report has been prepared by Calibre Partners with care and diligence, and the statements and opinions given by Calibre Partners in this Report are given in good faith and in the belief, on reasonable grounds, that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Calibre Partners or any of its officers or employees for errors or omissions however arising (including as a result of negligence) in the preparation of the Report, provided that this shall not absolve Calibre Partners from liability arising from an opinion expressed recklessly or in bad faith.

### Indemnity

Smartpay has agreed that, to the extent permitted by law, it will indemnify Calibre Partners and its partners, employees and officers in respect of any liability suffered or incurred as a result of, or in connection with, the preparation of the Report. This indemnity does not apply in respect of any negligence, misconduct or breach of law. Smartpay has also agreed to indemnify Calibre Partners and its partners, employees and officers for time incurred and any costs in relation to any inquiry or proceeding initiated by any person, except where Calibre Partners or its partners, employees and officers are guilty of negligence, misconduct or breach of law, in which case Calibre Partners shall reimburse such costs.

### Independence

Calibre Partners and the persons responsible for the preparation of this Report do not have at the date of this Report, and have not had, any shareholding in, or other relationship, or conflict of interest with Smartpay that could affect their ability to provide an unbiased opinion in relation to this transaction. Calibre Partners will receive a fee for the preparation of this Report. This fee is not contingent on the success or implementation of the proposed transaction or any transaction complementary to it. Calibre Partners and the persons responsible for the preparation of this Report have no direct or indirect pecuniary interest or other interest in this transaction. We note for completeness that a draft of this Report was provided to Smartpay and its advisers, solely for the purpose of verifying the factual matters contained in this Report. While minor changes were made to the drafting, no material alteration to any part of the substance of this Report, including the methodology or conclusions, were made as a result of issuing the draft.

### Consent

Calibre Partners consents to the issuing of the Report, in the form and context in which it is included, in the information to be sent to Smartpay shareholders. Neither the whole nor any part of the Report, nor any reference thereto, may be included in any other document without the prior written consent of Calibre Partners as to the form and context in which it appears.

## Lodge your proxy



**Online**  
www.investorvote.co.nz



**By Mail**  
Computershare Investor Services Limited  
Private Bag 92119, Auckland 1142, New Zealand



**By Fax**  
+64 9 488 8787

## For all enquiries contact



+64 9 488 8777



corporateactions@computershare.co.nz

# Proxy Form for Smartpay Holdings Limited's 2021 Annual Meeting



**www.investorvote.co.nz**

Lodge your proxy online, 24 hours a day, 7 days a week:

**Smartphone?**

Scan the QR code to vote now.

## Your secure access information

**Control Number:**

**CSN/Shareholder Number:**

**PLEASE NOTE:** You will need your CSN/Shareholder Number and postcode or country of residence (if outside New Zealand) to securely access InvestorVote and then follow the prompts to appoint your proxy and exercise your vote online.



**For your proxy to be effective it must be received by 3.00 pm NZDT (12 noon AEST) on Monday, 27 September 2021, being 48 hours before the start of the meeting.**

## How to Vote on Resolutions

All your securities will be voted in accordance with your directions.

### Appointment of proxy

If you do not plan to attend the meeting, you may appoint a proxy. The Chair of the meeting and any other director is willing to act as proxy for any shareholder who wishes to appoint him. To appoint the Chair of the Meeting as your proxy enter 'The Chair of the Meeting' or to appoint a Director or another person as your proxy write the full name of that Director or the full name of such other person in the space allocated in 'Step 1' on the reverse of this form. Your proxy need not also be a shareholder. If you do not name a person as your proxy or your named proxy does not attend the meeting, the Chair will be appointed your proxy and will vote in accordance with your express direction, and if no direction has been given in respect of any resolution then the Chair will abstain.

### Voting of your holding

Direct your proxy how to vote by making the appropriate election, either online or on this Proxy Form, for each item of business. If you do not make an election for a resolution, your instruction for your proxy will be to abstain. If you make more than one election for a resolution, your vote on that resolution will be invalid.

### Appointing the Chair of the Meeting or a Director as your proxy

If you appoint the Chair of the Meeting or any other Director as your proxy and elect to give them discretion on how to vote on a resolution, you acknowledge that they will execute your vote in favour of all resolutions.

### Voting Restrictions

Martyn Pomeroy and his 'Associated Persons' (as that term is defined in the NZX Listing Rules), are subject to voting restrictions in relation to the Ordinary Resolution 3 set out in the preceding pages. Smartpay will disregard any votes cast on the Ordinary Resolution by Martyn Pomeroy or any of his 'Associated Persons'.

However, Smartpay will not disregard a vote if it is cast by any such person as a proxy for a person who is not disqualified from voting on the Ordinary Resolution in accordance with express instructions to vote for or against the resolution.

## Signing Instructions for Proxy Forms

### Individual

Where the holding is in one name, the shareholder must sign.

### Joint Holding

Where the holding is in more than one name, all of the shareholders should sign.

### Power of Attorney

If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this Proxy Form.

### Corporate Shareholder

This form must be signed by a Director jointly with another Director, or a Sole Director can also sign alone. Please sign in the appropriate place and indicate the office held.

### Attending the Meeting

Shareholders will not be able to attend the Meeting in person, attendance at the meeting will only be via Computershare's Online Meeting Portal. For further information on how to attend the meeting please refer to the Virtual Meeting Guide which is enclosed and available on the Investors' section of Smartpay's website smartpayinvestor.com. If you are attending the meeting please ensure that your contact details are up to date on the register by contacting Computershare Investor Services Limited at enquiry@computershare.co.nz.

**Turn over to complete the form to vote**

**STEP 1: Appoint a Proxy to Vote on Your Behalf**

I/We being a member/s of Smartpay Holdings Limited

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions at the **Annual Meeting of shareholders of Smartpay Holdings Limited being held virtually via Computershare's Online Meeting Portal on Wednesday, 29 September 2021 commencing at 3.00 pm NZDT (12 noon AEST)** and at any adjournment thereof.

**STEP 2: Items of Business- Voting Instructions/Ballot Paper**
**Ordinary Resolution: Fixing remuneration of Auditor**

1. That the Board be authorised to fix the auditor's remuneration for the ensuing year.

For	Against	Proxy Discretion	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Ordinary Resolution: Re-election of Director**

2. That Gregor John Barclay be re-elected as a director of Smartpay.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Ordinary: Issue of Share Performance Rights**

3. That, for the purposes of NZX Listing Rule 4.2.1, share performance rights be issued to Martyn Pomeroy, Chief Executive and Managing Director on the terms and conditions set out in this notice of meeting (being 2,239,380 share performance rights in aggregate, allocated evenly amongst the financial years ending 31 March 2022, 31 March 2023 and 31 March 2024).

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------

If your proxy is not the Chair of the Meeting or any other director of the Company, please ensure that you provide their contact details (phone and email address). If this information is not provided, we cannot guarantee remote admission to the virtual meeting for your proxy.

Proxy contact Details (Phone): \_\_\_\_\_ and (Email): \_\_\_\_\_

**SIGN: Signature of Securityholder(s)** This section must be completed.

Securityholder 1

\_\_\_\_\_

or Sole Director/Director

Securityholder 2

\_\_\_\_\_

or Director (if more than one)

Securityholder 3

\_\_\_\_\_

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_\_

**? Question(s) to be answered at the Meeting**

\_\_\_\_\_

**@ Elect to receive Electronic Communications**

Want to receive your communications quickly? Elect electronic communications by providing your email address below

Email Address \_\_\_\_\_

(By providing an email address above it is acknowledged that all communications for my portfolio will be received electronically where offered)

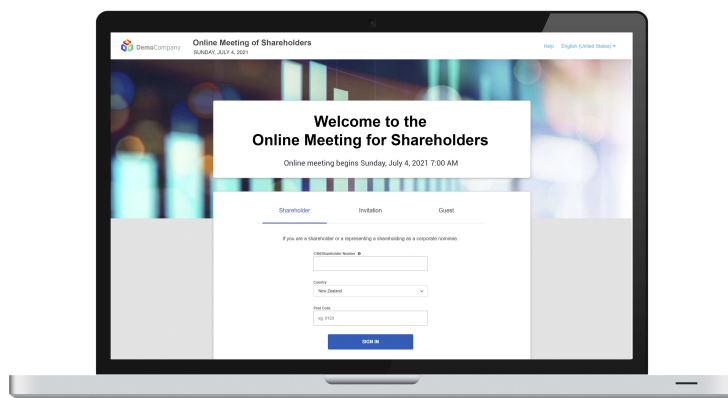
# HOW TO PARTICIPATE IN VIRTUAL/HYBRID MEETINGS

## Attending the meeting online

Our online meeting provides you the opportunity to participate online using your smartphone, tablet or computer.

If you choose to attend online you will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

**You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.**



Visit <https://meetnow.global/nz>



### Access

Access the online meeting at <https://meetnow.global/nz>, and select the required meeting. Click 'JOIN MEETING NOW'.

#### **If you are a shareholder:**

Select 'Shareholder' on the login screen and enter your CSN/Holder Number and Post Code. If you are outside New Zealand, simply select your country from the drop down box instead of the post code. Accept the Terms and Conditions and click Continue.

#### **If you are a guest:**

Select Guest on the login screen. As a guest, you will be prompted to complete all the relevant fields including title, first name, last name and email address.

Please note, guests will not be able to ask questions or vote at the meeting.

#### **If you are a proxy holder:**

You will receive an email invitation the day before the meeting to access the online meeting. Click on the link in the invitation to access the meeting.



### Navigation



When successfully authenticated, the home screen will be displayed. You can watch the webcast, vote, ask questions, and view meeting materials in the documents folder. The image highlighted blue indicates the page you have active.

The webcast will appear and begin automatically once the meeting has started.



### Voting

Resolutions will be put forward once voting is declared open by the Chair. Once the voting has opened, the resolution and voting options will appear.

To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the green tick appears. To change your vote, select 'Change Your Vote'.



### Contact

If you have any issues accessing the website please call +64 9 488 8700.



### Q&A

Any eligible shareholder/proxy attending the meeting remotely is eligible to ask a question.

Select the Q&A tab and type your question into the box at the bottom of the screen and press 'Send'.