

SCHEDULE 1

Terms and Conditions of March 2014 Director Incentive Options

1. General

- 1.1 No monies will be payable for the issue of the options.
- 1.2 A certificate (or holding statement) will be issued for the options.
- 1.3 Each option shall carry the right to subscribe for one fully paid ordinary share in the Company ("Share") at an exercise price of NZ\$0.04 ("Exercise Price").
- 1.4 The options shall expire at 5.00pm (NZ time) on 31 March 2014 ("Expiry Date").
- 1.5 The options may be exercised by the Optionholder at any time during the period from the date of issue to the Expiry Date. The options will not lapse before the Expiry Date even if the Director ceases to be a director of the Company.
- 1.6 Subject to clause 3 below, the Exercise Price shall be payable in full on exercise of the options.
- 1.7 Options may only be exercised by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of options being exercised and the aggregate Exercise Price for the options exercised and must be accompanied by:
 - (a) The option certificate (or holding statement) for those options, for cancellation by the Company; and
 - (b) Subject to clause 3 below, a cheque payable to the Company (or such other form of payment acceptable to the Board) for the aggregate Exercise Price for each Share to be issued on exercise of the options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).

- 1.8 Subject to the options being validly exercised in accordance with these Terms, within 10 Business Days after the notice referred to in clause 1.7 becomes effective, the Board must:
 - (a) Allot and issue the number of Shares to be issued in respect of the options being exercised;
 - (b) Cancel the option certificate (or holding statement) for the options being exercised; and
 - (c) If applicable, have a new option certificate (or holding statement) issued for any remaining options covered by the certificate (or holding statement) accompanying the notice.
- 1.9 The options are not transferrable other than to:
 - (a) A spouse of the Director;
 - (b) The trustee of a trust in which the Director is a beneficiary;
 - (c) The trustee of a superannuation fund of which the Director is a shareholder; or

- (d) A company, all of the shares in which are owned by the Director and/or one of more of the persons referred to at (a) to (c) above.
- 1.10 Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.11 The Company shall, if required under the Listing Rules, make application to have Shares allotted pursuant to an exercise of options listed for Quotation, if the Company is listed on the NZSX at the time.

2. Participation, Bonus Issues, Reorganisation and Winding Up

- 2.1 The Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Optionholder exercises the options and is issued Shares upon such exercise before the record date for the determination of entitlements to the new issue of securities, and participates in the relevant issue as a result of being the holder of Shares.

The Company must give the Optionholder, if required by the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

- 2.2 If, prior to the expiry or exercise of the relevant options, there is a bonus share issue ("Bonus Issue") to the holders of Shares, the number of Shares over which an option is exercisable will be increased by the number of additional Shares which the Optionholder would have received if the option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue.
- 2.3 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any options, the Exercise Price of an option will be adjusted in accordance with the formula provided in Listing Rule 8.1.7 (as amended from time to time), whether or not the Company is listed on the NZSX at the time.
- 2.4 If, prior to the expiry or exercise of the relevant options, there is a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, other than a Bonus Issue or a pro-rata issue of the kind referred to in clause 2.3, then the number of Shares over which an option is exercisable or the Exercise Price of those options or both shall be recalculated (as appropriate) by the Board in its absolute discretion, having regard to the Listing Rules, in a manner which will not result in any benefit being conferred on the holders of the options which are not conferred on shareholders as a whole.
- 2.5 If, prior to the expiry of the options, a resolution for a shareholders' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to the Optionholder of the proposed resolution. The Optionholder may, during the period referred to in the notice, exercise the options.
- 2.6 For the purposes of this clause 2, if options are exercised simultaneously, then the Optionholder may aggregate the number of Shares or fractions of Shares for which the Optionholder is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of the Optionholder.
- 2.7 Any calculations or adjustments which are required to be made under this clause 2 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Optionholder.

- 2.8 The Company must within a reasonable period give to each Optionholder notice of any change under clause 2 to the Exercise Price of any options held by the Optionholder or to the number of Shares which the Optionholder is entitled to subscribe for on exercise of an option.

3. Cashless Exercise

- 3.1 The Optionholder may, in its sole discretion, exercise options held by them in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Exercise Price elect instead to receive upon such exercise the "Net Number" of Shares in the Company determined according to the following formula (a "Cashless Exercise").

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For the purposes of the foregoing formula:

A = The total number of Shares in the Company with respect to which the options held by the Optionholder are then being exercised.

B = The volume weighted average trading price of the Shares of the Company calculated by dividing the total value of Shares traded by the total volume of Shares traded on all stock exchanges trading the Shares of the Company (as reported by the respective exchanges or obtained through Bloomberg) during the 5 trading days immediately preceding the date of the exercise of the options.

C = The Exercise Price of the applicable options.

4. Lapse of Options

- 4.1 Options not validly exercised on or before the Expiry Date will automatically lapse.
- 4.2 If at any time prior to the Expiry Date of any options an Optionholder dies, the deceased Optionholder's Legal Personal Representative may:
- (a) Elect to be registered as the new holder of the deceased Optionholder's options;
 - (b) Whether or not he or she becomes so registered, exercise those options in accordance with and subject to these terms as if he were the Optionholder of them; and
 - (c) If the deceased Optionholder had already given the Company a notice of exercise of his or her options, subject to clause 3, pay the Exercise Price in respect of those options.

5. Interpretation

- 5.1 In these Terms and Conditions:

"Board" means the Board of Directors of the Company as constituted from time to time;

"Business Day" means a day other than a Saturday or a Sunday on which banks are open for business in Auckland, New Zealand.

"Companies Act" means the New Zealand Companies Act 1993 (as amended or substituted from time to time);

"Company" means SmartPay Limited, a company registered in New Zealand under number 304625;

"Director" means the director of the Company:

- (a) to whom the options were originally issued; or
- (b) who nominated the person to whom the options were originally issued,

as the case may be;

"Legal Personal Representative" means the executor, administrator, personal representative, or any trustee of the estate of a deceased person, the assignee of the property of a bankrupt person or a person, including a manager or welfare guardian, appointed to administer property of a person under the Protection of Personal and Property Rights Act 1988 and a donee of an enduring power of attorney complying with that Act;

"Listing Rules" means the official listing rules of NZSX as amended, varied, modified, or waived from time to time;

"NZSX" means the New Zealand stock market operated by NZX Limited;

"Optionholder" means the person registered as the holding of the options;

"Quotation" has the meaning ascribed to it in the Listing Rules; and

"Terms" means these terms and conditions of the March 2014 Director Incentive Options.

SCHEDULE 2

Terms and Conditions of March 2016 Director Incentive Options

1. General

- 1.1 No monies will be payable for the issue of the options.
- 1.2 A certificate (or holding statement) will be issued for the options.
- 1.3 Each option shall carry the right to subscribe for one fully paid ordinary share in the Company ("Share") at an exercise price of NZ\$0.05 ("Exercise Price").
- 1.4 The options shall expire at 5.00pm (NZ time) on 31 March 2016 ("Expiry Date").
- 1.5 Subject to the options not having lapsed under clause 4, the options may be exercised by the Optionholder at any time during the period from the date of issue to the Expiry Date.
- 1.6 Subject to clause 3 below, the Exercise Price shall be payable in full on exercise of the options.
- 1.7 Options may only be exercised by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of options being exercised and the aggregate Exercise Price for the options exercised and must be accompanied by:

- (a) The option certificate (or holding statement) for those options, for cancellation by the Company; and
- (b) Subject to clause 3 below, a cheque payable to the Company (or such other form of payment acceptable to the Board) for the aggregate Exercise Price for each Share to be issued on exercise of the options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).

- 1.8 Subject to the options being validly exercised in accordance with these Terms, within 10 Business Days after the notice referred to in clause 1.7 becomes effective, the Board must:
 - (a) Allot and issue the number of Shares to be issued in respect of the options being exercised;
 - (b) Cancel the option certificate (or holding statement) for the options being exercised; and
 - (c) If applicable, have a new option certificate (or holding statement) issued for any remaining options covered by the certificate (or holding statement) accompanying the notice.
- 1.9 The options are not transferrable other than to:
 - (a) A spouse of the Director;
 - (b) The trustee of a trust in which the Director is a beneficiary;
 - (c) The trustee of a superannuation fund of which the Director is a shareholder; or

- (d) A company, all of the shares in which are owned by the Director and/or one of more of the persons referred to at (a) to (c) above.
- 1.10 Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.11 The Company shall, if required under the Listing Rules, make application to have Shares allotted pursuant to an exercise of options listed for Quotation, if the Company is listed on the NZSX at the time.

2. Participation, Bonus Issues, Reorganisation and Winding Up

- 2.1 The Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Optionholder exercises the options and is issued Shares upon such exercise before the record date for the determination of entitlements to the new issue of securities, and participates in the relevant issue as a result of being the holder of Shares.

The Company must give the Optionholder, if required by the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

- 2.2 If, prior to the expiry or exercise of the relevant options, there is a bonus share issue ("Bonus Issue") to the holders of Shares, the number of Shares over which an option is exercisable will be increased by the number of additional Shares which the Optionholder would have received if the option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue.
- 2.3 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any options, the Exercise Price of an option will be adjusted in accordance with the formula provided in Listing Rule 8.1.7 (as amended from time to time), whether or not the Company is listed on the NZSX at the time.
- 2.4 If, prior to the expiry or exercise of the relevant options, there is a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, other than a Bonus Issue or a pro-rata issue of the kind referred to in clause 2.3, then the number of Shares over which an option is exercisable or the Exercise Price of those options or both shall be recalculated (as appropriate) by the Board in its absolute discretion, having regard to the Listing Rules, in a manner which will not result in any benefit being conferred on the holders of the options which are not conferred on shareholders as a whole.
- 2.5 If, prior to the expiry of the options, a resolution for a shareholders' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to the Optionholder of the proposed resolution. The Optionholder may, during the period referred to in the notice, exercise the options.
- 2.6 For the purposes of this clause 2, if options are exercised simultaneously, then the Optionholder may aggregate the number of Shares or fractions of Shares for which the Optionholder is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of the Optionholder.
- 2.7 Any calculations or adjustments which are required to be made under this clause 2 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Optionholder.

- 2.8 The Company must within a reasonable period give to each Optionholder notice of any change under clause 2 to the Exercise Price of any options held by the Optionholder or to the number of Shares which the Optionholder is entitled to subscribe for on exercise of an option.

3. Cashless Exercise

- 3.1 The Optionholder may, in its sole discretion, exercise options held by them in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Exercise Price elect instead to receive upon such exercise the "Net Number" of Shares in the Company determined according to the following formula (a "Cashless Exercise").

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For the purposes of the foregoing formula:

- A = The total number of Shares in the Company with respect to which the options held by the Optionholder are then being exercised.
- B = The volume weighted average trading price of the Shares of the Company calculated by dividing the total value of Shares traded by the total volume of Shares traded on all stock exchanges trading the Shares of the Company (as reported by the respective exchanges or obtained through Bloomberg) during the 5 trading days immediately preceding the date of the exercise of the options.
- C = The Exercise Price of the applicable options.

4. Lapse of Options

- 4.1 Options not validly exercised on or before the Expiry Date will automatically lapse.
- 4.2 If the Director ceases to be a director of the Company (for whatsoever reason) then a percentage of the Options issued to the Director (whether or not the Director is still the Optionholder) shall automatically lapse upon such Director ceasing to hold office as a director of the Company. The percentage of Options that will lapse upon the Director ceasing to hold office will be calculated as follows:

$$\text{Options to lapse} = (1 - (A / 365))\%$$

Where "A" is the number of days elapsed from (and including) the date of issue of the relevant options ("Issue Date") to (but excluding) the earlier of (a) the date on which the Director ceases to hold office as a director of the Company, and (b) the date falling twelve months following the Issue Date. For the avoidance of doubt, all other Options shall remain exercisable in accordance with these Terms. If the Director ceases to hold office on or after the date falling twelve months following the Issue Date all of the Options will remain exercisable in accordance with their terms of issue on or before the Expiry Date.

- 4.3 If at any time prior to the Expiry Date of any options an Optionholder dies, the deceased Optionholder's Legal Personal Representative may:
- (a) Elect to be registered as the new holder of the deceased Optionholder's options;
 - (b) Whether or not he or she becomes so registered, exercise those options in accordance with and subject to these terms as if he were the Optionholder of them; and

- (c) If the deceased Optionholder had already given the Company a notice of exercise of his or her options, subject to clause 3, pay the Exercise Price in respect of those options.

5. Interpretation

5.1 In these Terms and Conditions:

"Board" means the Board of Directors of the Company as constituted from time to time;

"Business Day" means a day other than a Saturday or a Sunday on which banks are open for business in Auckland, New Zealand.

"Companies Act" means the New Zealand Companies Act 1993 (as amended or substituted from time to time);

"Company" means SmartPay Limited, a company registered in New Zealand under number 304625;

"Director" means the director of the Company:

- (a) to whom the options were originally issued; or
- (b) who nominated the person to whom the options were originally issued,

as the case may be;

"Legal Personal Representative" means the executor, administrator, personal representative, or any trustee of the estate of a deceased person, the assignee of the property of a bankrupt person or a person, including a manager or welfare guardian, appointed to administer property of a person under the Protection of Personal and Property Rights Act 1988 and a donee of an enduring power of attorney complying with that Act;

"Listing Rules" means the official listing rules of NZSX as amended, varied, modified, or waived from time to time;

"NZSX" means the New Zealand stock market operated by NZX Limited;

"Optionholder" means the person registered as the holding of the options;

"Quotation" has the meaning ascribed to it in the Listing Rules; and

"Terms" means these terms and conditions of the March 2016 Director Incentive Options.