

14 February 2014

To Whom it May Concern

Smartpay Holdings Limited – securities subject to voluntary escrow

As detailed in the Information Memorandum dated 2 August 2013 and our letter dated 2 September 2013, Smartpay Holdings Limited ARBN 160 712 210 (“Smartpay”) advises that 6,737,500 of its total fully paid ordinary shares currently on issue are subject to voluntary escrow and that some of the restrictions ceased on 23 January 2014.

On 23 January 2013 Smartpay issued 15,400,000 shares at NZ\$0.15 per share (on a pre-2013 Share Consolidation basis) to TEOV Limited (then Viaduct Limited) in part payment of the purchase price for the business and assets of Viaduct. TEOV Limited and its majority shareholders are party to an escrow deed with Smartpay which imposes certain restrictions on dealing in 87.5 per cent of the shares issued to TEOV Limited, being the Restricted Shares. The Restricted Shares are attributable to ownership interests in TEOV Limited associated with Martyn Pomeroy and Mark Unwin, Smartpay’s General Managers. Except in certain circumstances (including in the event of a takeover offer being made for Smartpay), TEOV Limited and its majority shareholders were precluded from disposing of any of the Restricted Shares on or before 23 January 2014, this restriction has now ceased. The voluntary escrow contains a further restriction and they may now only dispose of up to 50 per cent of the Restricted Shares between 24 January 2014 and 23 January 2015. The restrictions on the disposal of the Restricted Shares cease entirely on 25 January 2015.

The holders of the shares issued to TEOV Limited have undertaken to notify Smartpay if they wish to dispose of such shares and to follow reasonable instructions of Smartpay with respect to such disposal.

Yours faithfully



Bradley Gerdis
Managing Director

