

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2012 Annual General Meeting of ThinkSmart Limited (the "Company") will be held at Level 36, 250 St George's Terrace, Perth, Western Australia on Thursday, 24 May 2012 at 2.30pm (WST).

An Explanatory Statement containing information in relation to each of the Resolutions to be put to Shareholders accompanies this Notice of Meeting.

The 2011 Annual Report is available on the Company's website: www.thinksmartworld.com

AGENDA ITEMS

ORDINARY BUSINESS

1. Financial Reporting

To receive and consider the financial report of the Company and the consolidated entity and the reports of the directors and the auditors for the financial year ended 31 December 2011.

There is no vote on this item.

2. Resolution 1 – Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report contained within the Company's financial report for the year ended 31 December 2011 be adopted."

This resolution is advisory only and does not bind the directors or the Company.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of a member of the Company's key management personnel ("KMP"), details of whose remuneration is included in the Remuneration Report, or their closely related parties (such as close family members and any companies the person controls). However, the Company need not disregard a vote cast on Resolution 1 by a member of the KMP or their closely related parties if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1 and the vote is not cast on behalf of a member of the KMP or their closely related parties.

3. Resolution 2 – Election of Director – Nancy Fox

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Nancy Fox, having been appointed as a director of the Company since the last annual general meeting and who retires under rule 8.1(b) of the Company's constitution, and being eligible, is elected a director of the Company."

4. Resolution 3 – Retirement by rotation and re-election of Director – Steven Penglis

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Steven Penglis, being a director of the Company who retires by rotation under rule 8.1(e) of the Company's constitution, and being eligible, is re-elected as a director of the Company."

SPECIAL BUSINESS

5. Resolution 4 – Approval of Long Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.2, Exception 9(b) and for all other purposes, the future grant of shares under the Company’s Long Term Incentive Plan as described in the Explanatory Statement accompanying this Notice of Meeting be approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4:

- by a Director of the Company, except those ineligible to participate in any employee incentive scheme of the Company, and any of their associates; and
- as proxy by a member of the KMP or their closely related parties.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person entitled to vote, in accordance with a direction on the Proxy Form; or
- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 5 – Approval of potential termination benefits under Long Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of sections 200B and 200E of the *Corporations Act 2001* (Cth) (“Corporations Act”) and for all other purposes, the giving of benefits under the Company’s Long Term Incentive Plan to a person by the Company in connection with that person ceasing to hold a managerial or executive office in the Company or a related body corporate on the terms set out in the Explanatory Statement accompanying this Notice of Meeting be approved.”

Voting Exclusion Statement

If any Shareholder is an employee or Director of the Company or a related body corporate or an associate of an employee or Director and wishes to preserve the benefit of the approval sought by Resolution 5 for that employee or Director, they should not vote on the Resolution. If they do vote on the Resolution, the employee or Director will lose the benefit of the approval sought by Resolution 5 (if passed by Shareholders at the Meeting).

In addition, the Company will disregard any votes cast on Resolution 5 as a proxy by a member of the KMP or their closely related parties, unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

7. Resolution 6 – Approval of Participation by Ned Montarello in Long Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of shares to Mr Ned Montarello under the Long Term Incentive Plan and on the terms and conditions described in the Explanatory Statement accompanying this Notice of Meeting be approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6:

- by a Director of the Company, except those ineligible to participate in any employee incentive scheme of the Company, and any of their associates; and
- as proxy by a member of the KMP or their closely related parties.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person entitled to vote, in accordance with a direction on the Proxy Form; or
- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

ENTITLEMENT TO VOTE

It has been determined that under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the annual general meeting, shares will be taken to be held by the persons who are the registered holders at 5:00pm (WST) on Tuesday, 22 May 2012. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

PROXIES

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative at the meeting.

If such evidence is not received at the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

Members of the KMP (which includes each of the Directors and the Company Secretary) will not be able to vote as proxy on Resolutions 1, 4, 5 or 6 unless shareholders direct them how to vote. If a shareholder intends to appoint a member of the KMP (such as one of the Directors or the Company Secretary) as their proxy, they should ensure that they direct that person how to vote on Resolutions 1, 4, 5 and 6.

As a member of the KMP, the Chairman of the Meeting will not be permitted to vote undirected proxies on Resolutions 1, 4, 5 and 6. If a shareholder intends to appoint the Chairman as their proxy in relation to Resolutions 1, 4, 5 and 6, or the Chairman will be appointed as their proxy by default, the shareholder can direct the Chairman how to vote by either marking the boxes for each of Resolutions 1, 4, 5 and 6 (for example, if the shareholder wishes to vote 'for', 'against' or 'abstain' from voting), or by marking the Chairman's box on the Proxy Form (in which case the Chairman will vote in favour of Resolutions 1, 4, 5 and 6).

A shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A Proxy Form accompanies this Notice and to be effective must be received:

in person at: **ThinkSmart Limited** by post to: **ThinkSmart Limited** by facsimile on: **(+61 8) 9463 7555**
Level 1, The West Centre,
1260 Hay Street **PO Box 991**
WEST PERTH WA 6005 **WEST PERTH WA**
 6872

by no later than 2:30pm (WST) on Tuesday, 22 May 2012.

By order of the Board



Alistair Stevens
Company Secretary

Date: 17 April 2012

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the accompanying Notice of Meeting.

The directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting:

1. Financial Statement and Reporting

The *Corporations Act 2001* (Cth) ("Corporations Act") requires:

- The reports of the directors and auditors; and
- The annual financial report, including the financial statements of the Company for the year ended 31 December 2011,

to be laid before the annual general meeting. Neither the Corporations Act nor the Constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given ample opportunity to raise questions or make comments on the financial affairs of the Company.

Also, a reasonable opportunity will be given to members as a whole at the meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

2. Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 31 December 2011 is put to Shareholders for adoption.

The vote on this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the discussion on this Resolution and the outcome of the vote into account when considering the Company's remuneration policy. In addition, Shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report at the Annual General Meeting.

As a result of amendments to the Corporations Act known generally as the 'two strikes rule', Shareholders should note that if 25 per cent or more of the votes cast on this Resolution are voted against the Resolution (constituting a 'first strike'), a resolution on whether to hold a further meeting to spill the Board (a 'spill resolution') would be put to Shareholders if a 'second strike' occurs at the 2013 Annual General Meeting. This spill resolution would be included in the 2013 Notice of Meeting.

The Chairman intends to vote all available proxies in favour of Resolution 1.

3. Resolution 2 – Election of Director

The Company's constitution requires that where a director has been appointed by the other directors in accordance with rule 8.1(b), that director if they are not a managing director, shall hold office until the conclusion of the next AGM following their appointment.

Nancy Fox was appointed on 10 October 2011 by the directors in accordance with rule 8.1(b) and accordingly offers herself for election.

A brief description of the candidate follows:

Nancy Fox BA, JD (Law), FAICD

Ms Fox joined the Board on 10 October 2011 and the Audit and Risk Committee on 25 November 2011. She is currently Chairman of Adelaide Managed Funds Limited, a subsidiary of Bendigo & Adelaide Bank and is also a board member of APA Ethane Limited, the responsible entity of the Ethane Pipeline Income Fund (EPX), HCF Life, the Taronga Conservation Society of Australia and the Australian Theatre for Young People.

Ms Fox was previously the Managing Director of Ambac Assurance Corporation with responsibility for the Asia Pacific Region. Prior to joining Ambac, Ms Fox was an investment banker for 15 years and has held a number of senior positions as head of securitisation and structured finance at ABN AMRO, AIDC and Citibank. Before moving to investment banking, she was an attorney in New York.

The Directors consider that Ms Fox brings considerable experience to the Board, in particular in the areas of risk management, credit analysis and securitisation funding, and will continue to be a key contributor to the Company seeking to continue its product and channel diversification strategy.

The Directors (other than Ms Fox) recommend that Shareholders vote in favour of Resolution 2. Ms Fox, who has an interest in the outcome of Resolution 2, declines to make a recommendation.

4. Resolution 3 – Re-election of Director

The Company's constitution requires that, after excluding managing directors and directors standing for election after being appointed under rule 8.1(b), one third of the remaining directors must retire from office. Mr Steven Penglis, being a director of the Company, retires in accordance with rules 8.1(d) and 8.1(e) of the Company's Constitution, with effect from the end of the meeting and offers himself for re-election.

A brief description of the candidate follows:

Steven Penglis
B. Juris and LLB

Mr Penglis joined the Board on 1 July 2000 and stepped down as Chairman on 6 May 2007. Mr Penglis has been a Partner at Freehills since 1987 and specialises in the area of Corporate and Corporations Law Litigation, advising many public companies (including ThinkSmart before his appointment to the Board). He is a part-time Senior Member of the Commonwealth Administrative Appeals Tribunal; a former elected member and Chairman of the Legal Practice Board of Western Australia; and an elected member of the Council of the Law Society of Western Australia. Steven is currently Chair of the Nomination and Remuneration Committee of ThinkSmart.

The directors consider that Mr Penglis brings considerable commercial and legal experience to the Board and will continue to be a key contributor to the Company seeking to continue its product and channel diversification strategy.

The Directors (other than Mr Penglis) recommend that Shareholders vote in favour of Resolution 3. Mr Penglis, who has an interest in the outcome of Resolution 3, declines to make a recommendation.

5. Resolution 4 – Approval of Long Term Incentive Plan

The Board has adopted a Long Term Incentive Plan. The Long Term Incentive Plan is designed to increase the motivation of staff and create a stronger link between increasing shareholder value and employee reward.

The Plan is intended to replace the Company's existing share option plan following changes to the tax treatment of share options in Australia. The Long Term Incentive Plan is a loan-funded share plan under which, broadly, the Board can invite executives or key staff ("Participants") to take up the opportunity to be issued ordinary shares in the Company ("Plan Shares"). The Company's Non-executive Directors will not be eligible to participate in the Plan.

No consideration is payable by Participants at the time the Plan Shares are issued. Instead, the purchase price will be 100% funded by a loan provided by the Company. The Plan Shares will be issued to and held by a trustee ("Plan Trustee") on trust for the Participants until they vest, the loan is repaid or beyond, at the election of the Participants.

The loan will be limited recourse in that the Participant's liability will be limited to the lesser of the outstanding loan value and the value of the Plan Shares, and will be interest free. It will be repayable in full on the earlier of 5 years after the

date of issue and the date on which the Participant disposes of their Plan Shares.

The Plan Shares will vest subject to the continued employment of Participants for 3 years from the date of issue and subject to the satisfaction of any performance conditions attached to the Plan Shares by the Board at the time of issue. Under the rules of the Plan, the Board will also have the discretion to determine that unvested Plan Shares vest where a Participant's employment ceases in certain circumstances before the expiry of the 3-year period (for further details, see Annexure A).

The Long Term Incentive Plan is a new incentive scheme and the Company has not yet issued any Plan Shares under it. The Board intends to issue Plan Shares to senior management and other members of management. For the Company's 2012 financial year, the Board proposes to issue Plan Shares to senior managers (the number is still to be finally determined by the Board) subject to the same performance conditions as the Plan Shares to be issued to Mr Montarello. However, the proportion of Plan Shares that vest on satisfaction of the relevant conditions will be different – 25% of each manager's Plan Shares will vest on satisfaction of the First Condition, 50% on satisfaction of the Second Condition and the remaining 25% on satisfaction of the Third Condition (these conditions are defined in relation to Resolution 6 below). For the Company's 2012 financial year, the Board does not intend to impose any performance conditions in respect of other members of management. The Board may attach different performance conditions to Plan Shares issued in future years.

A summary of the key terms of the Long Term Incentive Plan is attached as Annexure A to this Explanatory Statement.

Shareholders may obtain a copy of the full rules of the Long Term Incentive Plan on request from the Company Secretary.

Reasons for the Long Term Incentive Plan

The Board believes that issues made to eligible employees under the Long Term Incentive Plan will provide an important tool to underpin the Company's employment strategy, and that the implementation of the Long Term Incentive Plan will:

- enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- align the financial interest of Participants in the Long Term Incentive Plan with those of Shareholders; and

- provide incentives to Participants to focus on superior performance that creates shareholder value.

Reasons for seeking Shareholder approval

ASX Listing Rule 7.1 prohibits the Company issuing equity securities which, in aggregate, exceed 15% of the fully paid ordinary share capital of the Company in any 12-month period, unless the Company obtains shareholder approval for the issue or an exemption applies.

Exception 9(b) in ASX Listing Rule 7.2 provides that Listing Rule 7.1 does not apply to the issue of equity securities by the Company under an employee incentive scheme if the scheme has been approved by shareholders within 3 years before the date of issue.

The Company is seeking approval of the Long Term Incentive Plan for the purposes of Listing Rule 7.2 exception 9(b) so that the issue of shares under the plan will not reduce the Company's 15% capacity under Listing Rule 7.1.

The issue of any shares to a director of the Company will require specific approval under Listing Rule 10.14.

In addition, there are restrictions in the Corporations Act in relation to a company taking security over its own shares and in relation to financially assisting a person to acquire shares in the company. The loan to be provided to eligible employees under the Long Term Incentive Plan may be considered financial assistance to which the Corporations Act applies, and the rules of the Plan allow the Company to take what may be considered a form of security over Plan Shares. However, the Corporations Act provides exemptions from these restrictions for financial assistance provided, or security taken, in connection with an employee incentive scheme approved by Shareholders. Therefore, Shareholder approval of the Long Term Incentive Plan will also allow the Company to rely on these exemptions under the Corporations Act.

The Directors, with Mr Ned Montarello (who is eligible to participate in the Long Term Incentive Plan) abstaining, recommend that Shareholders vote in favour of Resolution 4.

The Chairman intends to vote all available proxies in favour of Resolution 4.

6. Resolution 5 – Approval of potential termination benefits under Long Term Incentive Plan

The Corporations Act restricts the benefits that can be given to persons who hold a 'managerial or executive office' (as defined in the Corporations

Act) on leaving their employment with the Company or any of its related bodies corporate.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office with the Company or any of its related bodies corporate if the benefit is approved by shareholders or an exemption applies.

Amendments to the Corporations Act in 2009 significantly expanded the scope of these provisions and lowered the threshold for termination benefits that do not require shareholder approval.

The term 'benefit' has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Long Term Incentive Plan. Where a Participant in the Long Term Incentive Plan has left employment or their position before their Plan Shares have vested, the Board may exercise its discretion to determine that some or all of the Plan Shares will vest.

The exercise of these discretions may constitute a 'benefit' for the purposes of section 200B of the Corporations Act.

The Company is therefore seeking Shareholder approval for the exercise of the Board's discretions in respect of any current or future Participant in the Long Term Incentive Plan who holds:

- a managerial or executive office in the Company or any of its related bodies corporate at the time of their leaving or at any time in the three years prior to their leaving; and
- Plan Shares under the Long Term Incentive Plan at the time of their leaving.

Provided Shareholder approval is given, the value of these benefits may be disregarded when applying subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act (ie the approved benefit will not count towards the statutory cap under the legislation).

The Board's current intention is to only exercise this discretion:

- where the employee leaves employment without fault on their part; and
- so as only to preserve that number of unvested Plan Shares as are pro-rated to the date of leaving, which are then tested in the same way as if the employee had remained and only vest to the extent that the performance conditions are satisfied.

The value of the benefits that the Board may give under the Long Term Incentive Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of vesting and the number of Plan Shares that the Board decides to vest.

The following additional factors may also affect the benefit's value:

- the Participant's length of service and the portion of any relevant measurement periods that have expired at the time they leave employment;
- the Participant's total fixed remuneration at the time Plan Shares are issued under the Long Term Incentive Plan and at the time they leave employment; and
- the number of unvested Plan Shares that the Participant holds at the time they leave employment.

The Directors, with Mr Ned Montarello (who is eligible to participate in the Long Term Incentive Plan) abstaining, recommend that Shareholders vote in favour of Resolution 5.

The Chairman intends to vote all available proxies in favour of Resolution 5.

7. Resolution 6 – Approval of Participation by Ned Montarello in Long Term Incentive Plan

Resolution 6 seeks Shareholder approval for the grant of Plan Shares to Mr Ned Montarello, the Company's Executive Chairman and Chief Executive Officer, under the Long Term Incentive Plan, and otherwise on the terms and conditions set out in this Explanatory Statement.

The Company's remuneration policy is to ensure that executive remuneration is competitive in attracting, motivating and retaining executives of high calibre and properly reflects the duties and responsibilities of each relevant executive.

The remuneration structure used by the Company to achieve these objectives includes the combination of fixed annual remuneration and performance related remuneration – including participation in employee incentive schemes such as the Long Term Incentive Plan.

The Board considers it appropriate to include the issue of Plan Shares in Mr Montarello's remuneration package for the 2012 financial year.

ASX requires, under Listing Rule 10.14, that Shareholders approve the grant of securities to a director under an employee share scheme.

Accordingly, Shareholder approval is sought for the issue of Plan Shares under the Long Term Incentive Plan to the Plan Trustee to hold on behalf of Mr Montarello as set out below.

Number of Plan Shares

As part of Mr Montarello's remuneration for the Company's 2012 financial year, the Plan Trustee will be issued 1 million Plan Shares to hold on behalf of Mr Montarello.

The Plan Shares will be held subject to the terms and conditions of the Long Term Incentive Plan, the key terms of which are summarised in Annexure A to this Explanatory Statement and a full copy of which is available to Shareholders on request from the Company Secretary.

Performance conditions attached to Plan Shares

Mr Montarello's Plan Shares will also be issued subject to the performance conditions outlined below.

First Condition: One-quarter of Mr Montarello's Plan Shares, or 250,000, will vest at the end of the 3 years from the date they are issued ("Performance Period") if at any time during the Performance Period the volume-weighted average price of the Company's Shares on ASX ("VWAP") over any consecutive 30 trading days is or is in excess of 40% greater than the VWAP of the Company's Shares on ASX over the 30 trading days prior to the date of issue ("Initial VWAP").

Second Condition: A further quarter of Mr Montarello's Plan Shares, or 250,000, will vest at the end of the Performance Period if at any time during the Performance Period the VWAP over any consecutive 30 trading days is or is in excess of 80% greater than the Initial VWAP.

Third Condition: The remaining half of Mr Montarello's Plan Shares, or 500,000, will vest at the end of the Performance Period if at any time during the Performance Period the VWAP over any consecutive 30 trading days is or is in excess of 120% greater than the Initial VWAP.

Regulatory information

ASX Listing Rule 10.15 requires the following information regarding the Long Term Incentive Plan to be included in this Explanatory Statement:

- Subject to Shareholder approval being obtained, the number of Plan Shares that the Company may issue to the Plan Trustee on behalf of Mr Montarello will be 1 million.
- No consideration is payable by Mr Montarello at the time of issue of the Plan Shares. However, the purchase price of the Plan Shares (which will be deemed to be the closing price of the Company's shares on ASX on the day they are transferred or issued to Mr Montarello) will be funded by a non-recourse, interest free loan from the Company which will be repayable on the earlier of 5 years after the Plan Shares are issued and the date on which they are disposed of by Mr Montarello.
- No Directors have received securities under the Long Term Incentive Plan prior to its approval at the meeting the subject of this Notice.

- Only executives and other employees determined by the Board will be eligible to participate in the Long Term Incentive Plan. Non-executive Directors will not be entitled to participate in the Long Term Incentive Plan.
- The Company will provide a non-recourse, interest free loan to fund the purchase price of the Plan Shares. The loan will be non-recourse in that Mr Montarelli's liability will be limited at all times to the lesser of the outstanding loan value and the value of the Plan Shares. In the event that the performance conditions are not satisfied, Mr Montarelli's Plan Shares will be acquired by the Company and the loan offset against the value of the Plan Shares. In that case, Mr Montarelli would receive no value from the unvested Plan Shares.
- The Company will issue the Plan Shares to the Plan Trustee to hold on trust for Mr Montarelli as soon as practicable following the meeting the subject of the Notice of Meeting and no later than 12 months after the meeting.

The Board, with Mr Montarelli abstaining, recommends that Shareholders vote in favour of Resolution 6.

The Chairman intends to vote all available proxies in favour of Resolution 6.

Annexure A – Summary of key terms of the Long Term Incentive Plan

Eligibility	The Board will have discretion to determine any executives or key staff to be eligible to participate (Eligible Employees). Non-executive Directors of the Company will be ineligible to participate.
Type of shares	Ordinary shares (shares issued under the Plan being Plan Shares).
Source of shares	The Company will either issue new shares to Eligible Employees who take up an invitation to participate in the Plan (Participants) or purchase existing shares on market to transfer to Participants. The Company will apply to ASX for quotation of Plan Shares when they are issued.
Cap on issues	<p>The Board is not entitled to invite an Eligible Employee to participate in the Plan if the Plan Shares the subject of the invitation, together with:</p> <ul style="list-style-type: none"> • all Plan Shares issued to a Participant under the Plan or the subject of outstanding invitations to participate in the Plan; • all outstanding options granted under any similar employee incentive scheme; and • all shares issued on exercise of any such options, in the previous 3 years, would exceed 7.5% of the Company's ordinary issued share capital.
Trustee	Shares will be issued to a Plan Trustee to hold on trust for Participants.
Vesting Period	3 years from the date the Plan Shares are issued or transferred to the Participant (that date being the Issue Date).
Vesting conditions	<p>Plan Shares will vest in the Participant provided that the Participant remains in continuous employment by the Company or one of its related bodies corporate during the Vesting Period.</p> <p>In addition, the Board has the discretion to attach performance conditions to the Plan Shares at the time they are issued (Performance Conditions). Plan Shares subject to Performance Conditions will vest only if the Performance Conditions are satisfied during the Vesting Period, subject to the rules of the Plan. Performance Conditions are only tested at the end of the Vesting Period.</p>
Purchase price and value of loan	<p>Plan Shares issued by the Company will be deemed to have been acquired by the Participant at the volume-weighted average price of the Company's shares on ASX during the 5 trading days up to and including the Issue Date.</p> <p>The purchase price for the Plan Shares will be funded by a loan provided by the Company (Loan).</p>
Loan Term	<p>The Loan commences on the Issue Date and ceases and becomes repayable on the earliest of the following:</p> <ul style="list-style-type: none"> • 5 years from the Issue Date; • cessation of employment with the Company or one of its related bodies corporate; or • the date the Participant disposes of their Plan Shares.
Repayment of loan	<p>The Loan must be repaid before the expiration of the Loan Term.</p> <p>The after-tax value of dividends will be applied to repay the Loan until such time as the Loan is repaid. The balance, being the estimated tax payable on the dividends, is passed to the Participant to fund their tax liability on the value of dividends received.</p> <p>The loan is limited-recourse. At the expiration of the Loan Term, the amount to be repaid shall be the lower of:</p> <ul style="list-style-type: none"> • the Loan less any amounts already repaid (including reductions as a result of dividends being applied), and • the value of the Plan Shares at the closing price of the Company's shares on ASX at the relevant time (Market Value). <p>As a result, the Participant's liability will at all times be limited to the value of the Plan Shares on ASX.</p>
Interest rate	The Loan will be interest free.
Disposal restrictions	<p>The Participant may not deal with, transfer or dispose of Plan Shares:</p> <ul style="list-style-type: none"> • until the end of the Vesting Period; and • until the Loan has been repaid or appropriate arrangements for repayment of the Loan have been approved.

	<p>Once the above conditions have been satisfied, any restrictions on the shares will lift and the Participant may instruct the Plan Trustee to dispose of their Plan Shares.</p>
Forfeiture	<p>A Participant will forfeit their interest in their Plan Shares where the Participant:</p> <ul style="list-style-type: none"> • is a Bad Leaver; • breaches any term of the Loan; or • does not satisfy the Vesting Conditions within the Vesting Period, subject to the Board's discretion. <p>A Bad Leaver is a Participant who the Board determines has ceased employment with the Company or one of its related bodies corporate in any of the following circumstances:</p> <ul style="list-style-type: none"> • committed any serious or persistent breach of any terms of employment; • been convicted of any criminal offence which involves fraud or dishonesty; • engaged in any conduct which brings the Company into substantial disrepute; • committed any wrongful or negligent act or omission which has caused the Company substantial liability; • engaged in grave misconduct, fraud or recklessness in the discharge of the Participant's duties; • become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation; • within 12 months of cessation of employment with the Company, commenced employment with, become a director of, provided any service to, or, acquired, directly or indirectly, a 5% or greater ownership in, a direct competitor of the Company.
Cessation of employment	<p>On cessation of employment with the Company or one of its related bodies corporate:</p> <ul style="list-style-type: none"> • vested Plan Shares – a Participant who is a Good Leaver or Leaver may retain vested Plan Shares; and • unvested Plan Shares – subject to the Board's discretion, where an employee is a Good Leaver, unvested Plan Shares will vest pro rata based on the proportion of the Vesting Period that has elapsed as at the date on which employment ceases and having regard to the extent to which any Performance Conditions have been achieved; and where the employee is a Leaver, the extent to which unvested Plan Shares will vest is in the Board's absolute discretion. <p>A Good Leaver is a Participant who ceases employment with the Company or one of its related bodies corporate due to retirement with the agreement of the Board, total and permanent disablement or ill-health, redundancy or death.</p> <p>A Leaver is a Participant who ceases employment with the Company and who is neither a Bad Leaver nor a Good Leaver.</p>
Treatment on expiry of Loan Term where Loan unpaid	<p>Subject to the Board's discretion, Plan Shares will be forfeited and the Company will buy-back the Plan Shares at Market Value if the Loan Term expires before the Loan has been repaid. The proceeds of the buy-back of the Shares will be offset in total satisfaction of the outstanding Loan balance. Provided that the Participant is not a Bad Leaver, the Participant will receive any surplus.</p>
Treatment on change of control	<p>Subject to the Board's discretion, any unvested Plan Shares will vest and, providing the terms of the Loan are complied with, the Participant may dispose of those Plan Shares by way of:</p> <ul style="list-style-type: none"> • sale on his or her own behalf; or • requesting the Company buy-back the Shares, <p>on the occurrence of:</p> <ul style="list-style-type: none"> • the merger or consolidation of the Company into another company; or • the acquisition of a minimum of 50% of the shares of the Company by one party or parties who are associated (as defined by the Corporations Act), <p>or similar event determined by the Board.</p>
Amendment	<p>The Board may by resolution alter the rules of the Plan at any time. The Board will also retain the discretion to suspend or terminate the Plan without notice to Participants. However, the suspension or termination of the Plan will not affect any existing Plan Shares already issued or transferred to a Participant, and the terms of the Plan will continue to apply to such Plan Shares.</p>

THINKSMART

ThinkSmart Limited

ABN 24 092 319 698

Lodge your vote:



By Mail:

ThinkSmart Limited
PO Box 991
West Perth WA 6872

Alternatively you can fax your form to
(within Australia) (08) 9463 7555
(outside Australia) +61 8 9463 7555

000001 000 TSM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 2:30pm (WST) Tuesday 22 May 2012

How to Vote on Items of Business

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

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Thinksmart Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of ThinkSmart Limited to be held at Level 36, 250 St George's Terrace, Perth, Western Australia on Thursday, 24 May 2012 at 2:30pm (WST) and at any adjournment of that meeting.

Important for Resolutions 1, 4, 5 and 6 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default
 By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 as set out below and in the Notice of Meeting and you are also expressly authorising the Chairman of the Meeting to exercise your proxy on Resolution 4, 5 and 6.

If you do not mark this box, and you have not directed your proxy how to vote on Resolutions 1, 4, 5 and 6 the Chairman of the Meeting will not cast your votes on Resolutions 1, 4, 5 and 6 and your votes will not be counted in computing the required majority if a poll is called on these items. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolutions 1, 4, 5 and 6.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1, 4, 5 and 6.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 1, 4, 5 and 6 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolutions 1, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of KMP and/or even if the Chairman of the Meeting has an interest in the outcome of these Resolutions and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Director - Nancy Fox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Retirement by rotation and re-election of Director - Steven Penglis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of potential termination benefits under Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of Participation by Ned Montarello in Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____