

Tranzact Financial Services Limited
ABN 84 089 997 731

Notice of Annual General Meeting and Explanatory Memorandum

Date: Wednesday 10 November 2010

Time: 11 a.m.

Place: Level 5, 241 Castlereagh Street
Sydney, New South Wales

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2010 Annual General Meeting of Tranzact Financial Services Limited (the 'Company') will be held at the registered office of the Company at Level 5, 241 Castlereagh Street, Sydney, New South Wales on Wednesday, 10 November 2010 at 11 a.m.

Ordinary Business

1. Financial Report

To receive and consider the Financial Report of the Company and its controlled entities, together with the related Directors' Report, Directors' Declaration and the Independent Auditor's Report, for the year ended 30 June 2010.

2. Remuneration Report

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

'That the Remuneration Report for the year ended 30 June 2010 be adopted.'

Note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Re-election of Directors

(a) To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Mr Anthony Ractliffe be re-elected as a Director of the Company.'

(b) To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Mr Richard Rodgers be re-elected as a Director of the Company.'

Special Business

4. Company Constitution amendment

To consider and, if thought fit, to pass the following as a special resolution:

'That every Board meeting must include one independent Director to form a quorum.'

This resolution, once passed, will replace the last sentence of Article 91(1) of the Company's Constitution.

By order of the Board



Maan Beydoun
Company Secretary
4 October 2010

Notes

- 1.If you are unable to attend the meeting, you may appoint a proxy to attend and vote for you. A proxy need not be a shareholder of the Company.
- 2.A proxy form is included for shareholders with this Notice of Annual General Meeting. Proxy voting instructions are provided on the back of the proxy form.
- 3.Proxy forms must be received by the Company by 11 a.m. on Monday, 8 November 2010. Proxy forms may be lodged with the Company either by mailing the form to PO Box 20314, World Square, Sydney NSW 2002, by facsimile to (02) 9236 5699 or by delivery in person at Level 5, 241 Castlereagh Street, Sydney NSW 2000.
- 4.In accordance with section 1074E(2)(g)(i) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations, the holders of the Company's shares for the purpose of the meeting, will be those registered as holders of the Company's shares at 7.00 p.m. on Tuesday, 9 November 2010.

EXPLANATORY MEMORANDUM

1. Financial Report

As required by the Corporations Act 2001, the Financial Report, including the Directors' Report, Directors' Declaration and Independent Auditor's Report of the Company and its controlled entities for the most recent financial year ended 30 June 2010, will be laid before the meeting. There is no requirement for a formal resolution on this item.

Shareholders will have a reasonable opportunity at the meeting to ask questions about or comment on the Financial Report and the management of the Company.

The auditor of the Company will also be available to answer any questions regarding the audit of the Company.

2. Adoption of the Remuneration Report

The Annual Report for the year ended 30 June 2010 contains a Remuneration Report (refer to pages 8 to 12) which sets out the policy for the remuneration of Directors of the Company and specified executives of the Company.

The Corporations Act 2001 requires the agenda for an annual general meeting to include a resolution for the adoption of the Remuneration Report. The resolution is advisory only and does not bind the Directors or the Company.

Shareholders will have a reasonable opportunity at the meeting to ask questions about or comment on the Remuneration Report.

3. Re-election of Directors

(a) Mr Anthony Ractliffe

The Directors (with Mr Ractliffe abstaining) recommend that shareholders vote in favour of Item 3(a). A business consultant and professional Company Director, Mr Ractliffe is Chairman of the NZ Export Credit Office as well as Grosvenor Financial Services Group Limited. Previously he was Deputy Chairman of Accident Compensation Corporation (NZ) and before that NZ CEO of the National Mutual Group (now AXA NZ). Further information about Mr Ractliffe is contained in the Annual Report (refer to page 4).

(b) Richard Rodgers

The Directors (with Mr Rodgers abstaining) recommend that shareholders vote in favour of Item 3(b). Mr Rodgers has over 35 years' experience in the Australian accounting industry. Mr Rodgers, a Chartered Accountant, established his own practice in 1984, which he continues to operate. As part of his day to day business Mr Rodgers is involved in many aspects of the Australian financial and superannuation industry and is a director of a number of private companies. Further information about Mr Rodgers is contained in the Annual Report (refer to page 4).

4. Company Constitution amendment

The Directors recommend unanimously that shareholders vote in favour of Item 5. To ensure that at least one independent Director participates in Board decisions, it is proposed to amend the Company's constitution to require the Board to include an independent Director to form a quorum for Board meetings. The Board regards this more stringent independence requirement to be desirable from a corporate governance perspective. This resolution, once passed, will replace the last sentence of Article 91(1) of the Company's Constitution.

Proxy Form 2010 AGM

Tranzact Financial Services Limited

ABN 84 089 997 731

1. Member's Name and Address

Name/Title _____

Address _____

2. Appointment of Proxy

I/We being a member/s of Tranzact Financial Services Limited and entitled to attend and vote hereby appoint

☐ the Chairman
of the Meeting
(mark with an 'X') **OR**

Write the name of the person you are appointing
if this person is **someone other than the**
Chairman of the Meeting.

or failing the person named, or if no person 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 Tranzact Financial Services Limited to be held at Level 5, 241 Castlereagh Street, Sydney New South Wales on 10 November 2010 at 11.00 a.m. and at any adjournment of that meeting.

3. Voting directions to your proxy – please mark 'X' to indicate your directions

Ordinary Business

Item 1. To adopt the Remuneration report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Item 2(a). To re-elect Mr William Anthony Ractliffe as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Item 2(b). To re-elect Mr Richard Rodgers be re-elected as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Special Business

Item 3. To adopt the Company Constitution amendment

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote undirected proxies in favour of each these items of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

4. Appointing a second Proxy

☐ Mark with an 'X' if
you wish to appoint
a second proxy **AND** ☐ %
Indicate the percentage of
your voting shares or the number
of shares for this proxy form **OR** Number
of shares

5. PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

*Individual or
Shareholder 1*

Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director / Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date _____

How to complete this Proxy Form

1 Your Name and Address

Please complete your name and address as it appears on the Company's share register.

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy (if desired)

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the shareholders must sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

Lodgement of Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting – i.e. 11 a.m. on Monday, 8 November 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- by posting to PO Box 20314, World Square, Sydney NSW 2002
- by delivery to the registered office of Tranzact Financial Services Limited being Level 5, 241 Castlereagh Street, Sydney NSW 2000; or
- by facsimile to (02) 9236 5699