



NZX: SPY
ASX: SMP

**Smartpay Governance Principle 8 :
Respect the rights of shareholders
and stakeholder interests**

The Company respects the rights of shareholders and will facilitate the effective exercise of those rights, fostering constructive relationships with shareholders that encourage them to engage with the entity. The board respects the interests of stakeholders within the context of its place and role in the payments industry.

Useful links/further information:

NZX Corporate Governance Code:
Principle 4: Reporting and Disclosure
Principle 8: Shareholder rights and relations

ASX Corporate Governance Principles and Recommendations
Principle 5: Make timely and balanced disclosure.
Principle 6: Respect the rights of security holders

FMA Corporate Governance Handbook Principles and Guidance
Principle 4: Reporting and Disclosure
Principle 8: Shareholder relations
Principle 9: Stakeholder interests

Smartpay Disclosure and Communication Policy

Smartpay reserves the right to amend, update or withdraw its corporate policies without prior notice.

Smartpay Stakeholder Communication Policy

6 March 2018

Policy Statement

Smartpay recognises that key stakeholders are its shareholders and the investment community, it however acknowledges that it has other, no less important, stakeholders both externally and internally to the organisation. It is committed to using its best endeavours to familiarise itself with the issues of concern to all stakeholders, including shareholders, customers, staff, the payments industry and the communities in and around the Company. The Company seeks to ensure that it maintains good relationships with all stakeholders, to develop brand awareness and to clearly communicate its goals strategies and performance.

To this end and to ensure that communications with all stakeholders are managed efficiently the Company has developed this communications framework and strategy along with other policies and procedures which ensure a full, fair and timely disclosure of relevant information which are consistent and accurate on a broad, non-exclusive basis.

Policy Purpose

The purpose of this policy is to reinforce Smartpay's commitment to:

- the efficient communication with its stakeholders,
- the clear communication of its goals strategies and performance
- develop brand awareness,
- deliver a consistent, measurable communications plan,
- ensure timely and accurate information is provided equally to all shareholders and market participants,
- its code of ethics and core values in relation to its dealings with stakeholders, and to
- provide guidance on the process to ensure compliance.

Stakeholder definition

Smartpay has identified four key groups of stakeholders:

External:

1. Shareholders/investors
2. Customers
3. Payments industry

Internal:

4. Staff and Contractors

Responsibility

The Board retains overall responsibility for the communication strategy of the Group, specific responsibilities have been delegated as follows:

1. Shareholders/investors

In order to ensure consistency, the board delegates to the Managing Director as the point of contact for analysts, media or investor relations issues. The Managing Director is the Company's appointed Disclosure Officer responsible for managing and authorising all communications with shareholders and investors, including all announcements, he will be present at all meetings with investors and analysts.

2. Customers

The management of good customer communication and the promotion of brand awareness is a core management responsibility. Key drivers are the promotion of customer consideration and improvement of customer retention rates.

3. Payments Industry

The Managing Director and Country General Managers for NZ and Australia are responsible for ensuring the maintenance of strong positive working relationships with the Banks, Paymark, resellers and other payments industry stakeholders.

4. Staff and Contractors

The Managing Director and the Country General Managers for NZ and Australia are responsible for communication with staff that collaboratively brings together the staff into one team.

Breaches

Failure to comply with this Policy may lead to a breach of applicable legislation or the Stock Exchange Listing Rules. A Breach could result in liability for Smartpay and in turn may lead to personal penalties for directors and officers. Breaches of this Policy may lead to disciplinary action being taken, including dismissal in serious cases and personal exposure to regulatory penalties.

Guidance

To apply this policy the Company will produce an annual communications plan which will identify:

- the key drivers for communication for the year in line with the Company's strategy and legal obligations,
- the target audiences,
- success measures, and
- delivery methods.

The budget for the annual communications plan will be incorporated into the Marketing Budget for the year.

In addition the following guidance is given:

1. Shareholder

The company seeks to ensure its shareholders are appropriately informed on its operations and results, with the delivery of timely and focused communication, and the holding of shareholder meetings in a manner conducive to achieving shareholder participation.

In order to familiarise itself with the issues of concern to shareholders the Board reviews its Share Register on a regular basis. The Company will regularly monitor the share register to observe significant changes in shareholdings and a weekly report will be obtained from the Share Registry, detailing all transactions. In addition the Board receives a summary of the monthly movements which are reviewed at each scheduled board meeting during the year.

The Company prepares an annual Communication Plan which sets out scheduled reporting expectations for the year, including the Annual and Half Year Report and Annual Meeting.

The Company recognises that information produced by analysts and media is a key source of information available to shareholders, and therefore ensures that it deals with analysts and media in a structured and consistent manner providing information that is consistent with the information disclosed to the market generally.

The Company ensures that all information it provides to analysts and the media is accurate and verifiable. It will not generally comment on market speculation however it will assess the required level of press follow-up or ASX/NZX announcement in consultation with the ASX and NZX relationship managers if it believes that the press or analyst commentary has created a false market.

The Company releases information to the media immediately after notifying the NZX and ASX, through frequent press releases (using email and the Company internet site).

The Company monitors and evaluates:

- all press comments,
- brokers' reactions / circulars, and
- analysts' reports.

Minimum expectations around shareholder communications can be found at Appendix 1.

2. Customer:

The Company recognises that customer retention is fundamental to its business model and that the key to this is good communication with, and service delivery to, its customers. As such it has developed its key performance indicators for its operating structures and processes based around the customer experience; these translate into how each area of the business operates and interacts with customers or supports the customer experience.

These include but are not limited to:

- Technical help desk – call response times, technical and customer handling training
- Equipment handling – turnaround of product out to customers, accuracy of dispatches
- Sales – product information, clear guides on offerings

3. Payments industry:

Smartpay's business is an integral part of the payments industry and as such the business has an important role to play in ensuring that public confidence in the payments infrastructure and ecosystem is maintained, key stakeholders are:

- Paymark
- Banking partners
- Resellers

4. Staff:

Following the release of information externally this will be communicated internally via email to all staff. The business holds monthly staff meetings at which its performance is appraised, individuals' contribution acknowledged and developments identified.

All members of staff receive an induction pack and training which ensure consistency and thereafter receive product updates and training as required. The Company also has a Staff Handbook, Delegations of Authority and Job Descriptions which ensure each member of staff knows what is expected in their roles.

Where to get more help

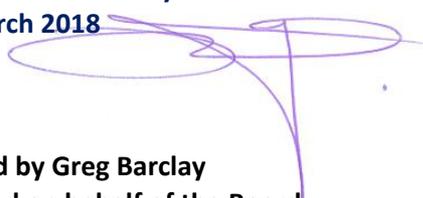
Smartpay has developed the following documents which compliment this policy:

1. Staff handbook,
2. Smartpay Communications and Disclosure Policy
3. Delegated Authorities Manual,
4. Template contracts used through the business include clauses covering obligations of disclosure and share trading in the light of ASX/NZX listing
5. Board Charter
6. Ethics Policy and Code of Conduct

The Senior Management team can provide detailed advice on the implementation of the Smartpay Stakeholder Communication Policy.

Policy authorised by the Board

6 March 2018

A handwritten signature in purple ink, appearing to be 'Greg Barclay', written over a faint circular stamp or watermark.

Signed by Greg Barclay
For and on behalf of the Board

Appendix 1: Shareholder Communication – minimum expectations

SHAREHOLDER COMMUNICATION

To ensure shareholders have access to relevant information the company:

- maintains a website a dedicated section of which is primarily focused on the needs of investors, and on which both current and historical information on the company is recorded (see further detail below);
- sends a welcome letter to all new shareholders providing website details and inviting them to receive communications electronically
- makes available printed half year and annual reports but encourages shareholders to access these documents on the website;
- publishes advice on issues/events that may have material information content that could impact on the price of its traded securities under its Communications and Disclosure Policy; and
- issues additional explanatory memoranda where circumstances require

SHAREHOLDER MEETINGS

- In the event that that there is a major decision to be made that is likely to change the nature of the Company the Company will hold shareholder meetings to enable shareholder participation.
- Shareholder meetings will be held in a location and at a time which best ensures full participation by shareholders, participation online will be offered to those not able to attend in person.
- Notice will be provided of any meeting of shareholders at least 28 days prior to the meeting
- Voting will be by poll
- The format adopted for annual meetings will generally include:
 - the use of audio/visual media in support of presentations, including where possible webcasting;
 - adequate opportunity for shareholders' questions during the meeting;
 - senior management and auditors present to assist in answering any specific queries raised; and
 - an opportunity for informal discussion with directors and senior management for a period after the meeting concludes

NON FINANCIAL REPORTING

STRATEGY

The Board sets the strategy and vision for the Company from which management establish its strategic plan, which include Key Performance Indicators which are 'SMART' (Specific, Measurable, Attainable, Relevant, Timely) and against which performance will be reported in the Annual Report and at the Annual Meeting of the Company.

ANNUAL REPORT

The Financial Statements will be accompanied with sufficient notes to the statements which are clear and meaningful, and include changes in financial disclosures and historical comparisons, to ensure investors are able to make informed decisions regarding their investment. In addition to the reporting required of NZ Legislation the Company will provide in its Annual Report to shareholders a clear and understandable assessment of its performance, its business model, progress against meeting its strategic objectives.

ANNUAL MEETING

In addition to the necessary agenda items the Company takes the opportunity at each Annual Meeting of Shareholders to share with its investors a report on its strategic goals for the business, both looking forwards and reporting on its performance against these goals.

INVESTOR/ANALYST PRESENTATIONS

Following the release of its full and half year results, and at certain other times during the year as identified by the Communications Plan, or otherwise, the Company will hold investor presentations. Committed to the maximising of shareholder participation the Company will release the presentation to be delivered to the NZX and ASX prior to the first presentation and where available provide notification of access details to a webcast of that first presentation.

WEBSITE

The Company Maintains an Investor Relations website which is primarily focused on the needs of investors, and on which both current and historical information on the company is recorded. To ensure that investors are able to have a good understanding of how the business is managed the following documents are published on its website:

- Board Charter
- Terms of Reference of the Audit and Finance Committee
- Terms of Reference of the Remuneration and Nominations Committee
- Profiles of the current Directors of the Company
- Its Annual Governance Statement
- Current and Historical Annual Report and Financial Statements
- Current and Historical Half Year Report and Financial Statements
- Health and Safety Policy
- Ethics and Code of Conduct
- Share Trading Policy
- Stakeholder communication Policy
- Disclosure and Communication Policy
- Risk Management Policy
- Audit Independence Policy
- Performance Management Policy
- Fraud Risk Management
- Diversity and Inclusion Policy
- Remuneration Policy
- NZX and ASX releases