

Corporate Governance

Smartpay is committed to maintaining high standards of ethical behaviour, social and environmental responsibility throughout the organisation; at the heart of our business are our values:

- **One Team** – we will work together to create an inspiring company that we are all proud to work for
- **Fearless** – in our approach and our focus on the customer
- **We deliver** – by listening, engaging and being held accountable

Our Governance Framework sets out our accountabilities to our stakeholders, how we expect to conduct our business, communicate, and manage risks. The framework and the individual policies are reviewed on a regular basis. The key documents can be found on our investor website: smartpayinvestor.com. A commentary on our Framework is contained in the pages that follow.

A key responsibility for our Audit and Finance Committee is the oversight and management of the Governance Framework as set out in its Terms of Reference.

We have reviewed our governance framework with reference to the NZX Corporate Governance Code issued in 2017 and believe that in most respects our framework complies with the Code, exceptions are identified in the narrative that follows. Following transition to the new NZX Listing Rules the Board will review its policies and procedures in line with the new Rules and Governance Code, this will be reported in the Annual Report for FY20.

This Corporate Governance Statement was approved by the Board on 14th June 2019.

Ethical behaviour

Our values of teamwork, focus on the customer, delivery and accountability are at the heart of what we do and how we do it. Our Board has established a formal Ethics and Code of Conduct policy which sets the standards of behaviour required of all members of the Smartpay team when they represent us.

The Policy covers the conduct expected and deals with:

- responsibilities of all individuals;
- standards of personal behaviour;
- unacceptable behaviours;
- equal employment opportunities;
- discrimination, harassment and bullying;
- unauthorised removal of property;
- responsibilities to shareholders and the financial community; and
- reporting of incidents

It is one of our key documents that can be found on our website smartpayinvestor.com.

The Policy includes our approach to equal opportunities and diversity, protection of our assets, securities trading, diversity and inclusion, conflicts, interests and related parties and reporting of incidents. Many of these are covered in more detail in additional supporting policies such as our Securities Trading Policy, which can also be found on our website.

Our Staff handbook, which is issued to all members of the Smartpay team contains specifically those values and standards expected of employees including confidentiality, protected disclosures, and equal opportunities.

The implementation and management of the Code is undertaken by our management team and any breaches dealt with as appropriate through our disciplinary process.

Board Composition and Performance

Our Board is committed to ensuring that it has the skills, knowledge and experience to effectively govern and direct the Smartpay group recognising that it has the overall responsibility for our strategy, culture, health and safety, governance, performance and the management of risk.

Our Performance Management Policy, available on our website smartpayinvestor.com, is reviewed annually and applies to all staff, senior executives, individual directors' the Board as a whole and its committees. The Board is undertaking the Institute of Directors Board Evaluation process for its board evaluation this year, having determined in its policy that these should be conducted externally at least every third year.

The Board comprises three independent directors, one non-executive director and two executive directors, independence being defined in our Board Charter, also available on our website. An outline of each director's skills and experience can be found on our website and in our Annual Report. Details of their ownership of shares in our Company are set out in the Annual Report on page 86.

The induction process established for new directors ensures that any new director appointed to the board receives the

information he/she needs to be able to contribute to board proceedings when they join the Board.

The process includes the requirement for written agreements to be entered into which outline the expectations and terms of appointment.

To ensure directors' ongoing effectiveness our directors are encouraged to undertake training and we are corporate members of the Institute of Directors which provides our directors with access to training and development opportunities, information and reference material.

The full board meets at least six times a year, the record of attendance at both Board and Committee meetings by directors for FY19 is detailed below:

	Status	Board	Audit & Finance Committee	Remuneration & Nominations Committee
Meetings Held/Attended		7	5	4
Greg Barclay [#]	Independent Chairman	7	5	4
Bradley Gerdis	Managing Director	7	0	n/a
Marty Pomeroy [#]	Executive Director	7	1	n/a
Matt Turnbull	Independent Director	7	5	4
Bruce Mansfield [*]	Independent Director	4	3	2
Carlos Gill [†]	Non-Executive Director	2	0	n/a
William Pulver [^]	Independent Director	2	n/a	0

* Bruce Mansfield resigned from the Board, Audit and Finance Committee and Remuneration and Nominations Committee on 7 September 2018 and was present at all full board meetings, Audit and Finance Committee and Remuneration and Nominations Committee meetings held up until his resignation.

Marty Pomeroy was appointed to the Audit and Finance Committee following Bruce's resignation on 7 September 2018 and stepped down from the Committee following Carlos Gil's appointment on 11 December 2018. He attended all meetings during his appointment.

† Carlos Gil was appointed to the Board on 5 December 2018 he has attended all meetings of the Board since his appointment. He was appointed to the Audit and Finance Committee on 11 December 2018, there has been one meeting since his appointment and his apologies were accepted.

^ William Pulver was appointed to the Board on 11 December 2018 and he has attended all meetings of the Board since his appointment. He was appointed as Chair of the Remuneration and Nominations Committee on 11 December 2018, there were no meetings between his appointment and the end of FY19.

≠ Greg Barclay stepped down from the Remuneration and Nominations Committee on 11 December 2018, he attended all meetings of the Committee prior to stepping down.

The Board Papers provided by management before each meeting provide comprehensive information on operations, financial and risk aspects of the business and directors have unrestricted access to any other information or records. Reporting to the Board is structured to require reporting by Management against the Board's identified strategic goals. Where directors are

unable to participate in a meeting they are encouraged to forward their views to another director in advance of the meeting. Senior Management are available at the Board's request to address queries and to assist in developing the Board's understanding of issues facing us and the performance of our business.

Committees

The Board will use committees where this enhances its effectiveness in key areas while still retaining Board responsibility.

The Board has constituted two Committees which report to the Board:

- Audit and Finance Committee
- Remuneration and Nominations Committee

These Committees focus on specific responsibilities in greater detail and operate under written terms of reference.

Given the size of our business the Board has determined that the roles and functions of Remuneration and

Nominations committees can be effectively dealt with by one committee and the Terms of Reference for its Remuneration and Nominations Committee include the roles and functions for nomination and remuneration of directors, senior managers and policies for the company as a whole. The Board Charter recognises that the ultimate responsibility for Board appointments and remuneration rests with the Board.

The Board appoints the committee members, current membership is as follows:

Audit & Finance Committee			Remuneration & Nominations Committee	
Name	Appointed	Position	Appointed	Position
Matt Turnbull	1 April 2013	Chair	5 June 2013	Member
Greg Barclay	24 May 2010	Member	24 May 2010 resigned 11 December 2018	Chair until 11 December 2018
Bruce Mansfield	28 November 2017, resigned 7 September 2018	Member	6 May 2018 resigned 7 September 2018	Member
Marty Pomeroy	Appointed 7 September 2018, resigned 11 December 2018	Member	n/a	n/a
Carlos Gil	Appointed 11 December 2018	Member	n/a	n/a
William Pulver	n/a	n/a	Appointed 11 December 2018	Chair from 11 December 2018

The Board reviews its Board Charter at least annually and as part of the formal review considers the benefits of constituting additional committees. It has elected not to establish a takeover committee or protocols setting out

the procedure to be followed in the event of a takeover offer. Given the small size of the Board it has determined that it can effectively, efficiently and independently manage any additional issues as a whole Board.

Reporting and Disclosure

We are committed to the promotion of investor confidence by taking steps within our power to ensure that trade in our securities takes place in an effective and informed market. To this end we are committed to providing timely, orderly and credible information consistent with legal and regulatory requirements.

The key policy documents within our Governance Framework are available on our website at smartpayinvestor.com and include our:

- Board Charter
- Audit and Finance Committee Terms of Reference
- Remuneration and Nominations Committee Terms of Reference
- Disclosure and Communication Policy
- Audit Independence Policy
- Fraud Risk Management Policy
- Diversity and Inclusion Policy
- Performance Management Policy
- Health and Safety Policy
- Risk Management Policy
- Disclosure and Communication Policy
- Ethics and Code of Conduct
- Remuneration Policy
- Securities Trading Policy
- Stakeholder Communication Policy

While the ultimate responsibility to ensure the integrity of our financial reporting rests with our Board, we have in place a structure of review and authorisation designed to ensure truthful and factual presentation of our financial position. This includes an appropriately resourced Audit and Finance Committee operating under written terms of reference which require it to review and consider the accounts and preliminary releases of results to the market. We have an Audit Independence Policy which requires that our external auditor remains independent and identifies that the appointment of the auditor is reviewed regularly by the Audit and Finance Committee.

We also have a Fraud Risk Management Policy designed with three objectives:

- **Prevent:** reduce the risk of fraud and misconduct occurring
- **Detect:** Discover fraud and misconduct when it occurs
- **Respond:** Take corrective action and remedy the harm caused by fraud or misconduct.

The Board has required rigorous processes to ensure that it can reasonably rely on the information provided to it by our Management team. All financial reporting provided to the Board goes through a tiered review process and is accompanied by management sign-offs.

The Board and Auditors review information contained in our Financial Statements to ensure its compliance with GAAP.

Our Board is committed to the promotion of investor confidence by taking steps within its power to ensure that trade in our securities takes place in an effective

Remuneration

Our Board has identified one of its strategic goals is to attract and retain the best people and to be recognised as the preferred employer in the payments industry. To this end we are committed to providing structures in our performance management and remuneration that enables us to recognise each individual's contribution to the business and to attract, reward and retain staff by providing a remuneration environment that rewards activities that are aligned with the values and strategic goals of the business.

Our Remuneration Policy can be found on our website and applies to executive and non executive directors, senior management and all employees at Smartpay.

Performance and Remuneration are key responsibilities of our Remuneration and Nominations Committee, the terms of reference for whom can also be found on our website.

and informed market. To this end it is committed to providing timely, orderly and credible information consistent with legal and regulatory requirements and has adopted a Disclosures and Communication Policy which can be found at [smartpayinvestor.com/corporate-documents](https://www.smartpayinvestor.com/corporate-documents), it reinforces our commitment to the continuous disclosure obligations imposed by the NZX, ensures timely and accurate information is provided equally to all shareholders and market participants and provides guidance on the process to ensure compliance. This policy, together with our procedures relating to disclosure, is designed to ensure accountability at a senior management level and compliance with our disclosure obligations under the NZSX Listing Rules and New Zealand law such that all investors have equal and timely access to material information concerning our company, our financial position, performance and governance and that Company announcements are factual and are presented in a clear and balanced way.

The Board has appointed our Managing Director as our Market Disclosure Officer who is responsible for monitoring our business to ensure we meet our disclosure obligations. He is supported by the Company Secretary and, when necessary, will consult professional legal advisers.

In addition, a key role of the Audit and Finance Committee is to monitor legislative and regulatory compliance.

We report non-financial information about the business through-out our Annual Report, and specifically in respect of our key stakeholders at the end of this Corporate Governance Section.

Directors Remuneration

Our non-executive directors are paid a basic fee as ordinary remuneration for their appointment as a Director of Smartpay, in addition they may be paid extra remuneration for their membership of Board appointed committees and/or in consideration for their

appointment as Chairman or Deputy Chairman. They receive no retirement or other benefits. In the event that the total remuneration of the directors exceeds the current limit approved by shareholders no changes can be made until shareholder approval is obtained. In order to accommodate the appointment of 2 new directors at the 2018 Annual Meeting the shareholders approved the increase in the limit available to pay non executive directors, the new limit being \$300,000 per annum.

Executive Directors and Officers

Our executive directors are paid as employees of Smartpay and remuneration payable to them and our officers is be made up of three components:

1. Fixed Remuneration
2. At risk/variable remuneration to reward performance in the form of a bonus scheme which is linked to key performance indicators set and reviewed by the Remuneration and Nominations Committee annually.
3. Long term incentive plans. We do not currently have a long term incentive plan in place except as negotiated with individuals. These currently take the form of share options and directors' interests in share options are detailed in the Statutory Information section of our annual report on page 82.

The remuneration of individual executive directors and officers of the Company is reviewed annually by the Remuneration and Nominations Committee, part of this review includes a review of the appropriateness of long term incentive plans. We have no pre-determined weighting for the balance of each remuneration element to be awarded, this is contemplated in the context of our strategic plans and budget process to ensure that remuneration packages remain closely aligned with our values, vision and strategy whilst ensuring that high caliber individuals are appropriately incentivised.

The detail of the remuneration payments to directors of Smartpay Holdings Limited are included in the related party note to the Financial Statement on page 70 and their individual shareholdings are detailed in the Statutory Information section of the Annual Report on page 82. The subsidiary companies' directorships are detailed in the Statutory Information section on page 82, the subsidiary company directors are also directors of Smartpay Holdings Limited, they receive no additional fees for being directors of subsidiary companies.

Chief Executive Officer

	Base Salary	Other benefits including superannuation contributions	Subtotal	At Risk Incentive STI*	% STI against maximum	Total Remuneration
FY19	418,000	20,000	438,000	137,500	68.75%	575,500
FY18	418,100	19,900	438,000	125,000	62.50%	563,000

*STI (Short Term Incentive) is based on payments made in the period but relates to assessment of performance in the prior period.

The review and approval of the Chief Executive's remuneration is the responsibility of the Remuneration and Nominations Committee.

External benchmarking and advice is sought by the Remuneration and Nominations Committee and external advice was last obtained in May 2016.

The Chief Executive's remuneration currently comprises a base salary plus an at risk short term incentive payable annually.

There is no long-term incentive plan currently in place. The at-risk incentives are paid against targets which are agreed with the Chief Executive annually and are based on financial measures, including earnings targets and progress against objectives relating to the strategic plan and other personal objectives.

The figures above are shown in AU\$ as the Chief Executive is based in Australia and receives his remuneration in Australia.

Employees

Our Remuneration Policy applies to all employees, whether they are based in our New Zealand or our Australia offices. As part of our salary review process we benchmark our salaries against the appropriate regional market, this is an exercise we undertake annually for the business as a whole and when employees join the business or change roles. In July 2017 we reviewed our New Zealand salaries cognisant of the recognised Living Wage in New Zealand and for FY19 every NZ employee was paid a minimum of \$20.55 per hour which was the Living Wage from 1 April 2018. The NZ Living Wage is being increased to \$21.15 with effect from September 2019 and the Company will review its salaries in line with this later in FY20.

During the year the number of employees, not being directors of the company received remuneration and other benefits that exceeded NZ\$100,000 (overseas amounts are converted into NZ \$ for these purposes):

Remuneration Range \$	Number of Employees
280,000 – 289,000	1
270,000 – 279,000	1
220,000 – 229,000	1
170,000 – 179,000	1
160,000 – 169,000	3
150,000 – 159,000	2
140,000 – 149,000	3
130,000 – 139,000	2
120,000 – 129,000	4
110,000 – 119,000	5
100,000 – 109,000	5

Risk Management

Risk Management is a critical business discipline that reduces uncertainty and strengthens and complements other corporate governance initiatives. We actively manage all material risks in order to conduct business as usual and to accept an appropriate level of commercial, financial, compliance and strategic risk consistent with desired profitability.

There are three main policies which make up our Risk Management Framework:

- Risk Management Policy
- Health and Safety Policy
- Fraud Risk Management Policy

Each of these policies can be found on our website. Supporting each policy are detailed management frameworks which ensure the comprehensive management and reporting of risk in our business.

Our Risk Management Policy and Risk Register was established based on The Committee of Sponsoring Organisations (COSO) Enterprise Risk Management (ERM) framework. Each risk identified is evaluated in terms of impact and likelihood, and then re-evaluated post the mitigating factors identified and implemented by our management team.

A comprehensive risk register is maintained which identifies the risks facing the business, potential consequences of those risks and the mitigating factors management have identified to minimise or remove any impact of such risks to our business. Risks are categorised as operational, financial, compliance and strategic risks and enable the Board to easily identify risks that may require additional investment and/or processes in order to mitigate further. The review of the Register is a standing

agenda item for our regular Senior Management meetings and Management review the risk register in response to new business initiatives, and notably has recently included in our risk register our new product offerings including acquiring. In addition, our Management team reviews the risk register prior to each board meeting and provides the board with reporting as to risks, mitigating factors that may have changed, a summary report of changes. The full risk register is included in the board pack for each Board meeting

Our internal control systems support our risk management and include processes which enable the identification, quantification and monitoring of significant risks, the development of risk mitigation strategies, the monitoring of compliance and the review of systems and records.

Whilst we don't have sufficient scale to have a dedicated internal audit function we do have an active Compliance Team which comprises stakeholders from each part of our business covering acquiring, operations, governance, financial, sales and product. We recognise the value an internal audit process adds, and we place emphasis on the systems and policies in place, including the Delegation of Authorities Manual and other processes which ensure the separation of duties in relation to the authorisation of, and commitment to, expenses and obligations and that such decisions are made at the appropriate level. It is continually looking to further improve its systems and processes to ensure good controls are in place.

Health, Safety and Wellness

We are committed to maintaining a safe and healthy working environment for anyone working on Smartpay premises and to a culture of ensuring the wellbeing of our staff.

We believe that no business activity should take priority over health and safety and are committed to protecting all people from injury or illness as a result of our operations so they can go home safe to their families at the end of each day.

Our Board has the ultimate responsibility for health and safety and is closely involved with the review of our health and safety management system receiving the full health and safety risk register in its board packs and considering health and safety issues as a standing agenda item of its board meetings. It obtains external advice from specialists in the field when necessary.

Management and each person in our business has an important role to play by being involved, engaged and accountable, ensuring that health and safety remains a priority.

Our Board sets annual Health and Safety objectives for management. For FY19 this included the automation of our existing induction process which has been implemented and ensures the efficient and timely induction of all individuals working on Smartpay premises.

During FY19 there were no Health and Safety serious harm incidents reported, and no accidents or incidents occurring in the workplace which resulted in sick leave being taken. We have utilised our rehabilitation policy for individuals suffering illness or injured outside of the work place to enable their smooth transition back to the workplace.

True to our "One Team" value we have an active Wellness Committee whose responsibilities cover health and safety and premises issues. In addition, they run various 'wellness' initiatives such as mindfulness information, yoga and exercise classes, sporting competitions, financial wellness seminars, flu vaccinations and blood donations to name but a few.

We recognise that when life works better, business works better; life is not always stress or crises free and if left unattended these may in turn lead to time off, increased risk of accidents, high levels of stress and possible health issues. As part of our commitment to promoting a healthy workplace and caring for our team we have an Employee Assistance Programme in place which is facilitated by an external expert organisation. This enables employees to access specialist assistance on an anonymous and confidential basis.

Auditors

The ultimate responsibility to ensure the quality and independence of the external audit process rests with our Board.

The framework in place to enable our Board to discharge this responsibility include:

- an appropriately resourced Audit and Finance Committee operating under written terms of reference
- Audit Independence Policy defining the services that may or may not normally be performed by Smartpay's external auditors

Both these documents can be found on our website.

Following a review process KPMG became auditors to the company for the FY13 year end and Malcolm Downes was the lead audit partner for Smartpay. In accordance with our Audit Independence policy he stepped down as lead audit partner following the completion of the FY17 audit and Lauder Erasmus was appointed as the lead audit partner for the FY18 audit

Our Auditors are invited to Audit and Finance committee meetings leading up to and during the audit and work closely with the Chairman of the Audit and Finance

Committee during this time. We promote good dialogue and encourage a supportive relationship, and the Audit team has unfettered access to our senior executive team and finance team members at all times.

Smartpay engages other external advisors to assist with such matters as taxation to support the business in its tax dealings to ensure a true separation of duties. Where there are overlaps with audit work KPMG are engaged to provide only additional audit related advice.

KPMG have confirmed their independence in relation to the audit and that there have been no contraventions of any applicable code of professional conduct in relation to the audit.

The fee paid to the auditors is detailed on page 51.

Stakeholder rights and relations

We recognise that our key stakeholders are our shareholders and the investment community. We also acknowledge that we have other, no less important, stakeholders both externally and internally to the organisation. For us, sustainability means building a long-term business through relationships with all who we interact with.

We are committed to using our best endeavours to familiarise ourselves with the issues of concern to all stakeholders, including shareholders, customers, staff, the payments industry and the communities in and around

our Company. We seek to ensure that we maintain good relationships with all stakeholders, to develop brand awareness and to clearly communicate our goals strategies and performance.

Our Shareholders

We are committed to adding value for our shareholders and our strategic plan is structured with this target in our sights.

Goal/Challenge	Progress	Areas of Focus/Measurement
Build a profitable and diversified payments business		<ul style="list-style-type: none"> Maintain and grow the market in NZ through the introduction of new products Australia – Organic Growth
Deliver increasing value to shareholders		<ul style="list-style-type: none"> Product innovation Implementation of acquiring capability in Australia

 Achieved  Work in progress

More detail on our progress as a business can be found in our Chief Executive’s report on page 6 of our Annual Report.

In September 2018 we held our Annual Meeting in Australia, recognising that the majority of our shareholders in terms of holdings of shares are held by Australian investors and wanting to make the meeting as accessible as possible to our investors.

We were also pleased to be able to offer any shareholder, not able to attend the meeting in person, the opportunity to attend via a remote meeting platform, through which they were able to ask questions and vote on resolutions, and we intend to hold future meetings in a similar fashion.

Voting at the meeting was conducted by poll rather than show of hands reflecting the principle of one share one vote.

We maintain websites specific to our New Zealand and Australian customers with a separate one for our investors. When a shareholder first invests in our Company they are sent a welcome letter which provides information on where to find our website and an invitation to elect to receive communications from us electronically.

Our Stakeholder Communications policy sets out our expectations of how we will communicate with our shareholders and around our annual meeting.

Our customers

Fearless – in our approach and focus on the customer.

Goal/Challenge	Progress	Areas of Focus/Measurement
To be the provider of choice to customers in the NZ market		<ul style="list-style-type: none"> Product stability, security and compliance Product development aligned with customer demand and technological developments
Have a business in Australia the equal of New Zealand		<ul style="list-style-type: none"> Expand the Customer Success team to ensure customers are getting value from our products and solutions
Provide leading edge/innovative solutions through superior technology		<ul style="list-style-type: none"> Develop a best in class Customer service team to manage all customer queries across ANZ
Develop and deliver an end to end payment solution		<ul style="list-style-type: none"> Competitive pricing to customer segments Continue with customer Research to gain ongoing insights Manage any customer complaints effectively

 Achieved  Work in progress

Customer success has been key focus for us for FY19 and continues to be our focus.

We restructured and refocused our retention team to focus on reducing customer churn by proactively undertaking “health checks” with customers to ensure they are getting value from our products and solutions, raise any potential issues and identify any opportunities for additional products or services required. They are now the first point of contact for customer cancellations to ensure we can try and retain customers who wish to leave.

We are developing more ways in which customers can interact with us via our website and social media, recognising that customers communication preferences vary.

Our Customer Service teams have been growing to accommodate the growth in our acquiring product in Australia – additional support, training and tools have been implemented to ensure we provide excellent customer service for our merchants – across both countries.

Key Performance indicators and service level requirements throughout the business are structured to ensure that behaviours are directly linked to customer success.

Our community

Alongside our shareholders and our people, the Smartpay community includes the payments industry in which we play a key role, and the communities in which we operate.

Goal/Challenge	Progress	Areas of Focus/Measurement
Dependency on strategic partners		<ul style="list-style-type: none"> • Build strong relationships with key strategic partners in the payments industry • Contribution to payments events • Attendance at Global Payments forums
Minimise environmental impact		<ul style="list-style-type: none"> • Obtain maximum use/shelf life of terminals • Recycling of obsolete terminals • Minimise waste and maximise recycling at our premises

 Achieved  Work in progress

The Board approved Stakeholder Communication Policy recognises the interests of stakeholders wider than its shareholders and investment community. It is committed to using its best endeavours to familiarise itself with the issues of concern to all stakeholders including customers, staff, the payments industry and the communities in and around the Company.

It has established its Ethics and Code of Conduct and Communications and Disclosures Policy which are covered in more detail on pages 10 and 12.

Smartpay’s business is an integral part of the payments industry and as such has an important role to play in ensuring that public confidence in the payments infrastructure and ecosystem is maintained. Key external stakeholders in the payments industry, many who have strategic partnerships with Smartpay, are the Banks, Paymark and Visa/Mastercard.

We acknowledge that our operations have minimal environmental impacts compared to many industries however we strive to play our part in reducing environmental impact.

We maximise the useful life of terminals, which has three key impacts:

- Minimises impact/inconvenience to our customers
- Minimises operational costs
- Minimises waste and our environmental impact.

We achieve this by enabling remote updating of software onto terminals, re-furbishing returned equipment for re-deployment and sending obsolete and de-commissioned terminals to specialist recyclers.

We hope to expand our approach to the recycling of office waste that we have in our Auckland office into Sydney office.

As a business we can offer discounted rates on short term rentals for Charities and our staff are able to have the use of a short-term rental for events such as school fairs, sports events etc.

As a team we participate in charitable events and our Social Club and Wellness Committee organises a variety of events, with the emphasis on the giving of our time and efforts. Events include mid-winter food collections for the City Mission in Auckland, collections of children’s Christmas gifts donated to the Salvation Army and donating our time to events such as the Christmas Parade in Auckland as donation collectors for charities.

Our People

One Team – we will work together to create an inspiring company that we are all proud to work for.

Goal/Challenge	Progress	Area of Focus/Measurement
Attract and retain the best people		<ul style="list-style-type: none"> • Pay parity • Maintain Immigration NZ Accredited Employer status • Group and Individual Training Plans • Internal Promotion of staff • Introduction of Confluence as a source of information and support material

 Achieved  Work in progress

We recognise that delivering on our goals, including providing excellent customer service, innovative new products and building a profitable and diversified payments business, is directly linked to our ability to attract and retain the best people in our business.

It is essential to our ongoing success that we ensure our people feel confident, appreciated and inspired, have opportunities to develop and are motivated to excel. Our teams are based largely in Auckland and Sydney with small representation in Wellington and Christchurch. Our culture and values are fundamental to our attraction and retention strategies and we periodically test our success at this through internal staff surveys and feedback, formal reporting on retention rates has not yet been established we aim to ensure that we understand what is motivating any turnover we do have so we can address as appropriate.

Our strategies for attracting and retaining the best people are on three fronts:

- *Culture:* We continually strive for a culture that engages our people, the past 12 months has seen an emphasis on customer success and, through our management structures, we have focused on ensuring that each individual in our business, regardless of role, has an understanding of the contribution they make to our customer experience.

We have active an active Social Club and Wellness Committee which support our One Team Value.

- *Learning and Development:* We take a continuous improvement approach to learning and development, performance reviews are conducted throughout the business from a member of our Equipment Management Team, through our management structure all the way to our Board, clear performance outcomes are set with our customer success a focus. Training starts on day one with our induction programme after which, training and development is largely planned and constructed for individual requirements. We ensure we deliver consistent approaches and messaging to staff through group training sessions and regular toolbox meetings and updates.

We are committed to a workplace culture that promotes and values diversity and inclusion.

We introduced a Diversity and Inclusion Policy for the first time during 2017. Taking a broad sense of diversity and recognising, valuing and considering our employees' different backgrounds, knowledge, skills, needs and experiences, we set ourselves targets to be achieved.

We have not yet set numerically measurable standards and instead have set objectives which promote diversity across the business, these include:

Target	Progress
To achieve and maintain NZ Immigration Accredited employer status to ensure access to a wide pool of talent	
Working towards living wage and gender pay parity	
Skills diversity of the board – appoint a new director	

 Achieved  Work in progress

We continue to review pay parity for male and female members of staff doing the same role and are pleased to report that there is no difference in the salaries paid in those roles. Our approach to our staff has always been to have the right people in the role without reference to bias or discrimination and it is important to us that our staff are reflective of the communities in which we operate.

For commentary on the living wage see the Remuneration section on page 15.

The Board's skills matrix is cornerstone to the identification of skills needed on the Board and is reviewed and updated annually and whenever a new director joins the Board. The Board remains committed to improving gender diversity in its membership however, as a small board, any appointment must also be aligned with any skills gap identified.



Diversity disclosure

Directors

As at 31 March 2019

■ Male: 6/100% ■ Female: 0/0%



As at 31 March 2018

■ Male: 5/100% ■ Female: 0/0%



Senior Managers

Senior Managers of the company include anyone who is not a director but occupies a position that allows that person to exercise significant influence over the management or administration of the Company. The list of people considered to be senior managers by the company is contained in the directory at the back of the Annual Report.

As at 31 March 2019

■ Male: 1/50% ■ Female: 1/50%



As at 31 March 2018

■ Male: 1/50% ■ Female: 1/50%



Other Staff

As at 31 March 2019

■ Male: 87/64.4% ■ Female: 48/35.6%



As at 31 March 2018

■ Male: 63/64.3% ■ Female: 35/35.7%



