

NZX: SPY  
ASX: SMP

## Smartpay Governance Principle 2 : Lay Solid Foundations For Management And Oversight

The Company will establish and disclose the respective roles and responsibilities of management and board. There is a balance of independence, skills, knowledge, experience, and perspectives among directors so that the board works effectively.

### Useful links/further information:

ASX Corporate Governance  
Principles and Recommendations :  
Principles 1 & 2

NZX Corporate Governance in New  
Zealand Principles and Guidelines :  
Principle 2

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

## Policy Statement

Smartpay strives to provide an environment where all members of the Smartpay Team understand the impact their contributions have on the achievement of business goals and are provided the opportunity for ongoing personal growth. This is accomplished through a strong performance based management process which is a continuous one and includes regular performance reviews.

## Policy Purpose

The objectives of the performance management policy and processes are:

- To ensure each individual, department, committee, group and ultimately the Board is able to effectively fulfil its role
- To identify skills gaps or training requirements required to ensure each member of the team is able to contribute at the appropriate level
- To identify any gaps in processes or information which may be required to improve performance

## Definition

'Performance Management' is the process of appraising, identifying and evaluating performance, to develop skills and processes thereby ensuring that all contributors to the business, and ultimately the organization itself, is able to meet its objectives as effectively and efficiently as possible.

## Responsibility

Performance management is a core management responsibility.

## Staff Performance

Managers are responsible for appraising their staff. This should be an ongoing process with at least one formal annual Performance Review. During an individuals' trial/probationary period performance reviews should be conducted frequently prior to the individual being given a permanent position with the company.

Smartpay has designed an appraisal procedure to meet the following criteria:

- To assist employees to perform their job to the best of their ability, giving maximum job satisfaction and thereby achieving the company's goals.
- Identify individual training and development needs.
- To highlight the potential of each individual member of staff to develop in their current position or to move into another.

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## Senior Management and Executive Director Performance

Senior Managers are subject to the same Performance Review process as all staff. The results of which are reviewed by the Remuneration and Appointments Committee of the Board.

The Remuneration Committee is responsible for setting the performance criteria for Executive Directors, communicating those criteria to the Executives and for assessing their performance against those criteria.

## Individual Director Performance

The performance of individual Directors will be evaluated by a process which includes individual discussions with the Chairman around the contribution to the proceedings of the Board and its Board Committees.

## Board Performance

The Board will regularly evaluate its own performance, and its own processes and procedures, including those of its Board Committees, to ensure they are designed to assist the Board in effectively fulfilling its role, this will be conducted using external expertise at least every third year.

## Where to get more help

The HR Manager can provide detailed advice on the implementation of the Group Performance Management Policy.

**Policy authorised  
7 November 2019**



Greg Barclay  
Chairman