



NZX: SPY  
ASX: SMP

### Smartpay Governance Principle: Ethical Standards

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for delivering these standards throughout the organisation.

### Useful links/further information:

Corporate Governance in New Zealand Principles and Guidance  
Principle 1: Ethical Standards

Financial Markets Conduct Act 2013

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

# Smartpay Securities Trading Policy and Guidelines

21 October 2020

## Policy Statement

Smartpay is committed to maintaining high standards of ethical behaviour throughout the organisation and to the promotion of investor confidence by taking steps within its power to ensure that trade in its securities takes place in an informed market where no category of trader is privy to more or less information than any other.

## Policy Purpose

This document details the Smartpay's policy on, and rules for trading in the following securities ("**Restricted Securities**"):

- Smartpay Holdings Limited listed ordinary shares; and
- Any other listed securities of Smartpay or its subsidiaries, and any listed derivatives (including futures contracts listed on an authorized futures exchange) in respect of Smartpay securities, from time to time.

The requirements imposed by this policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand, Australia and any other country where those securities may be listed. Accordingly, under New Zealand and/or Australian insider trading laws a person who possesses "material information" may be prohibited from trading even where trading is permitted by this policy.

## Definitions

In this policy "**trade**" includes buying or selling listed securities, or agreeing to do so, whether as principal or agent, but it does not include subscription for, or the issue of, new securities.

"**Material information**" is information that:

- Is not generally available to the market; and
- If it were generally available to the market, would have a material effect on the price of Smartpay's listed securities.

Information is generally available to the market if it has been released as an NZX announcement, an ASX announcement, or investors that commonly invest in Smartpay's listed securities can readily obtain the information (whether by observation, use of expertise, purchase or other means).

It does not matter how you come to know the material information (including whether you learnt it in the course of carrying out your responsibilities, or in passing in the corridor, or at a social function).

Information includes rumours, matters of supposition, intentions of a person (including Smartpay), and information, which is insufficiently definite to warrant disclosure to the public.

## Examples of material information

The following list is illustrative only. Material information could include information concerning:

- The financial performance of Smartpay;
- A possible change in the strategic direction of Smartpay;
- The introduction of an important new product or service;
- A possible acquisition or sale of any assets or company by Smartpay;
- Entry into of the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- A possible change in Smartpay's capital structure;
- A change in the historical pattern of dividends;
- Senior management changes;
- A material legal claim by or against the Issuer; or
- Any other unexpected liability,

which has not been released to the market.

For the purposes of insider trading laws, the term “**material information**” is often referred to as “**inside information**”.

## Application

This policy applies to all directors, officers, employees, contractors and professional advisors during the period of their engagement with Smartpay and its subsidiaries in New Zealand and Australia who intend to trade in Smartpay's listed securities in New Zealand or Australia and any trusts or companies controlled by such persons and anyone else notified by the Company Secretary from time to time (“**Restricted Persons**”). Restricted Persons will be considered responsible for the actions of trusts and companies controlled by them. In this respect “control” is not to be construed in a technical way but by looking at how decisions are made in practice.

## Exceptions

This policy does not apply to:

- Acquisitions and disposals by gift or inheritance;
- Acquisitions through an issue of new listed securities, such as an issue of new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan.

## Notice and acknowledgement of the policy

This policy and guidelines are required to be included in the standard appointment terms for all directors, officers, employees, contractors, and professional advisors (Restricted Persons). Where it is not specifically incorporated into the terms and conditions of engagement, this policy should be used as an addendum to the appointment terms and the Restricted Person will be required to sign to acknowledge their agreement to comply with the terms of this policy and guidelines.

All restricted persons are required to disclose any interests they currently hold in Smartpay at the commencement of their engagement.

## Guidance

### Fundamental Rule – Insider trading is prohibited at all times

If you possess “material information” (refer to definition above), then **whether or not** you are a Restricted Person, you must not:

- Trade Restricted Securities;

- Advise or encourage others to trade, or hold any Restricted Securities; or
- Pass on the material information to others.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading.

The prohibition on insider trading applies not only to information concerning Smartpay's securities. If a person has material information in relation to listed securities of another issuer (including futures contracts listed on an authorised futures exchange) over listed securities, that person must not trade in those securities.

### Insider trading Laws

If you have any **material information**, it is illegal for you to:

- Trade Smartpay's listed securities;
- Advise or encourage another person to trade or hold the Smartpay's listed securities;
- Advise or encourage a person to advise or encourage another person to trade or hold Smartpay's listed securities; or
- Pass on the **material information** to anyone else – including colleagues, family or friends – knowing (or where you ought to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold Smartpay's listed securities.

**This offence, called “insider trading”, can be subject to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or Smartpay, for any loss suffered as a result of illegal trading.**

### Short term trading discouraged

You should not engage in short term trading (the buying or selling of listed securities within a 6 month period unless there are exceptional circumstances discussed with and approved in writing by the Company Secretary).

Short term trading can be a key factor of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade listed securities on a short term basis.

### Short selling

You should not engage in short selling (borrow the security and sell it in the hope that you will be able to buy the security back at a lower price and close the short position at a profit).

Short selling can send a negative message to the market about the level of confidence around the prospects of the entity and/or may indicate that there is negative insider information available that the market is not aware of.

### If in doubt, don't

The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading. If in doubt, don't!

## Permitted Trading by Restricted Persons

### Requirements before trading

Before trading in Restricted Securities, at any time, Restricted Persons must, in writing (this does not include via email as original signatures are required):

- Notify Smartpay's Chairman (if the request relates to a director, officer or any key management personnel) or the Company Secretary (for all other employees, contractors or professional advisors) of their intention to trade in securities, and seek consent to do so (using the Request for Consent to Trade in Listed Securities form attached);
- Expressly advise whether they seek to trade during a black-out period;
- Confirm that they do not hold any material information;
- Confirm that there is no known reason to prohibit trading in any Restricted Securities; and
- Receive written approval from the Chairman or the Company Secretary (as relevant) by way of signature on the completed Request for Consent to Trade in Listed Securities form.

A consent is only valid for a period of 10 trading days (5 trading days in the case of black-out periods) after notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

### Requirements after trading

A Restricted Person must advise the Company Secretary promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations under the Financial Markets Conduct Act 2013.

### Additional trading restrictions for Restricted Persons (black-out period)

Restricted persons are prohibited from trading in any Restricted Securities during the following specific "black-out" periods:

- 30 days prior to Smartpay's half-year balance date, until the half-year results are released to NZX, ASX and the market has had sufficient time to become informed; and
- 30 days prior to Smartpay's year-end balance date, until the full-year results are released to NZX, ASX and the market has had sufficient time to become informed; and
- 30 days prior to release of a prospectus for a general public offer.

Restricted Persons are not permitted to trade any Restricted Securities during a black-out period unless Smartpay's Board provides a specific exemption.

**Please note that if you hold material information you must not trade Restricted Securities at any time – regardless of these periods.**

### Exceptions to restricted persons trading during black-out periods:

- Trading which result in no change to the beneficial interest in the securities.
- The undertaking to accept or the acceptance of a takeover offer.
- Written approval (valid for 5 trading days from the date of the consent):
  - In exceptional circumstances, the Chairman in consultation with the Chairman of the Audit and Finance Committee has the authority to approve (by way of signature on the completed Request for Consent to Trade in Listed Securities form) trading by directors, officers or key management personnel during a black-out period with a full disclosure to be made to the market.

- In exceptional circumstances, the Chairman of the Audit and Finance Committee has the authority to approve (by way of signature on the completed Request for Consent to Trade in Listed Securities form) trading by the Chairman.
- In the case of any other employee wishing to trade in Smartpay securities during a black-out period, approval (by way of signature on the completed Request for Consent to Trade in Listed Securities form) may only be granted by the Chairman in situations where the employee is in severe financial hardship or other circumstances deemed by the Chairman to be exceptional.

For the avoidance of doubt, written approval will only be given in exceptional circumstances, which will be determined (in their absolute discretion) by either the Chairman in consultation with the Chairman of Audit and Finance Committee (if the request relates to a director, officer or any key management personnel) or the Company Secretary (for all other employees).

### **Monitoring of trading**

Smartpay may monitor the trading of directors and employees as part of the administration of this policy.

### **Confidential Information**

In addition to the above, you also have a duty of confidentiality to Smartpay. You must not reveal any confidential information concerning Smartpay to a third party (unless that third party has signed a confidentiality agreement with Smartpay and you have been authorized to disclose the confidential information), or to use confidential information in any way which may injure or cause loss to Smartpay, or use confidential information to gain an advantage for yourself. You should ensure that external advisers keep the Smartpay's information confidential.

### **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.

Strict compliance with this policy is a contractual condition. Breaches of this policy by employees will be subject to disciplinary action, which may include termination of employment. For contractors breach may result in breach and therefore termination of contract. In addition breaches may also give rise to personal exposure to regulatory penalties.

### **Where to get more help**

If you do not understand any part of this policy, or how it applies to you, you should raise this matter with the Company Secretary before trading any securities covered by this policy.

### **Application of policy**

To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails over them.

### **Policy authorised by the Board**

21 October 2020



**Signed by Greg Barclay  
For and on behalf of the Board**

**SMARTPAY HOLDINGS LIMITED  
REQUEST FOR CONSENT TO TRADE IN LISTED SECURITIES**

To : Smartpay Holdings Limited  
Chairman ([greg@claymore.co.nz](mailto:greg@claymore.co.nz))  
Company Secretary ([rowena.bowman@smartpay.co.nz](mailto:rowena.bowman@smartpay.co.nz))

In accordance with Smartpay's Securities Trading Policy and Guidelines I request Smartpay's consent be given to the following proposed transaction to be undertaken either by me or by persons associated with me, within 10 days of approval being given. I acknowledge Smartpay is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

**Name :**

**Name of Registered Holder Transacting (if different):**

**Address:**

**Position:**

**Description and number of securities:**

**Type of proposed transaction:** Purchase/sale/other (specify)

**To be transacted:** on NZX/ on ASX/off market trade/other (specify)

**Likely date of transaction (on or about):**

**Does the likely transaction date fall within a black-out period:** Yes / No (specify)

**Reason for trading during a black-out period (if applicable):**

I declare that I do not hold information which;

- Is not generally available to the market; and
- Would have a material effect on the price of Smartpay's listed securities if it were generally available to the market.

I know of no reason to prohibit me from trading in Smartpay's listed securities and certify that the details given above are complete, true and correct. I understand that consent is given at the discretion of the Company and in the event that consent is not given this information is confidential and I may not disclose it to anyone.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Smartpay hereby consents/does not consent to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 10 trading days (or 5 trading days in the case of trading during a black-out period) of the date of this consent, and in compliance with Smartpay's Securities Trading Policy and Guidelines.

\_\_\_\_\_  
Name (position):  
On behalf of Smartpay

\_\_\_\_\_  
Date