

Audit and Finance Committee Terms of Reference

16 February 2024

Purpose

The Board has established an Audit and Finance Committee (the A&F Committee) to assist the Board to discharge its obligations in respect of financial reporting, risk management, internal control, and auditing processes.

The Terms of Reference are intended to guide the A&F Committee members in fulfilling their responsibilities to the Board.

Composition

The Board will annually confirm the membership of the A&F Committee. The A&F Committee must have a minimum of three directors of the company, at least two of whom will be independent directors. At least one member should have an accounting or financial background.

The Board will appoint one of the independent directors as Chair to the committee. The Chair of the A&F Committee should not also be the Chair of the Board and otherwise not have a long-standing association with Smartpay's external auditors.

Procedural Matters

- The A&F Committee will meet at least four times a year.
- The quorum for a meeting of the A&F Committee is two members.
- At least two days' notice will be given of any meeting of the committee.

Minutes of the meeting will be maintained by the Company Secretary and signed once approved by the Chair of the committee.

All Directors have a standing invitation to attend any meetings of the A&F Committee. Employees, external auditors and other persons will only attend by invitation of the A&F Committee.

The Chair will call a meeting of the A&F Committee if requested to do so by any A&F Committee member or the External Auditors.

Duties and Responsibilities

In addition to any other duties and responsibilities which have been assigned from time to time by the Board, the A&F Committee has the duty and responsibility to:

- Monitor the risk management system to ensure Smartpay continues to have an appropriate and effective system, mechanisms, and internal controls in place to identify and manage material business risks;
- Monitor the integrity of the financial statements and any other announcements relating to financial performance;
- Monitor and oversee Smartpay's relationship with the external auditors; and
- Provide an open avenue of communicating among the external auditors, management, and the Board.

ASX: SMP
NZX: SPY

SHARE INFORMATION

Issued Shares: 238,284,963

www.smartpayinvestor.com

BOARD OF DIRECTORS

Independent Chair:
Gregor Barclay

Managing Director:
Martyn Pomeroy

Independent:
Matthew Turnbull

Independent:
Geoffrey Carrick

Non-Executive:
Carlos Gil

REGISTERED AND PRINCIPAL OFFICES

New Zealand:
205 – 209 Wairau Road
Wairau Valley, Auckland 0627

Email: info@smartpay.co.nz
Phone: +64 (0)9 442 2700
Fax: +64 (0)9 442 2722

www.smartpay.co.nz

Australia:
Level 9, 151 Castlereagh Street,
Sydney, NSW 2000

Email: info@smartpay.com.au
Phone: +61 (0)2 7903 6302
Fax: +61 (0)2 9869 4223

www.smartpay.com.au

To fulfill its duties and responsibilities, the A&F Committee shall do the following:

1. Financial reporting

- Review earnings releases and financial reports;
- Assess the appropriateness of accounting policies and disclosures and consider whether these have been consistently applied and adequately disclosed;
- Review and approve the accounting and disclosure of significant or unusual transactions;
- Assess significant estimates and judgements made in the preparation of the financial statements;
- Confer with management and the independent external auditor in respect of the financial statements;
- Understand management's responsibilities and representations; and
- Assess whether the financial statements present fairly Smartpay's financial position and performance and advise all Directors whether the financial statements comply with regulatory requirements.

2. Risk Management and Internal Controls

- Review and assess Smartpay's business and financial risk management processes, including the adequacy of the overall control environment and controls in selected areas of material risk;
- Review and assess Smartpay's system of internal controls for detecting accounting and financial reporting errors, fraud and defalcations, and legislative and regulatory non-compliance;
- Review and monitor insurance arrangements; and
- Consider annually the need for internal audit.

3. External and Internal Audit

- Recommend to the Board, the engagement, appointment, and removal of the independent auditor;
- Review external auditor fees and scope and timing of the audit of the financial statements;
- Review internal and external auditor reports;
- Review the performance of external and internal auditors at least once per year; and
- Approve the engagement for the external auditor for

any non-audit related services in accordance with the Auditor Independence Policy.

4. Other

- Review and update the terms of reference every two years;
- Review all frauds brought to the attention of the A&F Committee; and
- Any other matters the Board may refer to it from time to time.

Authority

The A&F Committee has no decision-making authority unless specifically authorised by the Board.

The A&F Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee who shall be directed to co-operate with any request from the A&F Committee. The A&F Committee will have complete access to and direct communication with internal and external auditors and accountants. The A&F Committee may also obtain legal or other independent advice, and may secure the attendance at meetings of third parties with the relevant experience and expertise it considers necessary.

The A&F Committee have no executive powers with regard to findings and recommendations.

Reporting

The Chair of each meeting of the A&F Committee is required to report to the Board on key points of discussion and present the recommendations of the A&F Committee at the next scheduled meeting of the Board.

Review of the Audit and Finance Committee

The A&F Committee will undergo an assessment of its performance and recommend to the Board any necessary changes every two years.

Terms of Reference authorised by the Board 16 February 2024



Matt Turnbull
On behalf of the Board