

Stakeholder Communication Policy

18 August 2020

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

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.

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

ASX: SMP
NZX: SPY

SHARE INFORMATION
Issued Shares: 238,284,963

WEBSITES
www.smartpay.co.nz
www.smartpay.com.au
www.smartpayinvestor.com

BOARD OF DIRECTORS

Independent Chair:
Gregor Barclay
Managing Director:
Martyn Pomeroy
Independent:
Matthew Turnbull
Independent:
Geoffrey Carrick
Non-Executive:
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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

18 August 2020



Signed by Greg Barclay
For and on behalf of the Board