



# Corporate Governance Code

**June 2023**

## **Corporate Governance Principles**

The Board of Directors (“Board”) of PaySauce Limited (“PaySauce” or the “Company”) has adopted the following Corporate Governance Code (the “Code”). The Code should be read in conjunction with the Company’s Constitution, which provides that the Company shall, for so long as it is Listed, comply with the NZX Listing Rules (subject to the terms of any Ruling from time to time given by NZX, and the requirements of the Companies Act and any other applicable legislative or regulatory requirement).

For the avoidance of doubt, in the event of any conflict or inconsistency between the Code and any requirements of the Companies Act, requirements of any other applicable legislation or regulation requirement, the NZX Listing Rules or the Company’s Constitution, The Code shall be subservient

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## Ethical Standards

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation. [Appendix B: Code of Ethics](#) documents the minimum standards of ethical behaviour to which the Company's directors and employees are expected to adhere.

## Board Composition & Performance

**Company objective:** The objective of the Company is to be a fair and equal employer, generate growth, and shareholder gain – all while providing customers with a top-notch experience and cutting-edge product.

**Direction of the Company:** In pursuing this objective the role of the Board is to assume accountability for the success of the Company by taking ultimate responsibility for the direction and management of the Company.

### 1. Role of the Board:

#### 1.1. The main functions of the Board are to:

- 1.1.1. provide overall governance and strategic leadership;
- 1.1.2. oversee management's implementation of the Company's strategic objectives and performance;
- 1.1.3. oversee the development, adoption and communication of a clear strategy for the Company;
- 1.1.4. oversee accounting and reporting systems and ensure the quality and independence of the Company's external audit process;
- 1.1.5. adopt and regularly review the risk management framework;
- 1.1.6. appoint Directors, elect a Chair of the Board, and appoint the CEO;
- 1.1.7. review and approve the Company's operating budgets and major capital expenditure;
- 1.1.8. adopt and from time to time review the Company's remuneration policy and other corporate governance documents;
- 1.1.9. ensure compliance with the Company's Constitution, its continuous disclosure obligations, and the relevant laws, listing rules and regulations and relevant auditing and accounting principles;
- 1.1.10. implement and from time to time review the Company's Code of Ethics, foster high standards of ethical conduct and personal behaviour and hold accountable those Directors, managers or other employees who engage in unethical behaviours; and

- 1.1.11. evaluate from time to time its own effectiveness in carrying out these functions and the other responsibilities of the Board.
- 1.2. **Board relationship with CEO:** The Board recognises that it must provide high level counsel or coaching to the CEO, regularly assess the CEO's performance against the Board's requirements and expectations and respond effectively where the objective of the Company is not being achieved or a correction to management is required.
- 1.3. **Remuneration Committee:** Rather than establishing a Remuneration Committee, the Board is responsible for implementing and undertaking the Remuneration Policy outlined in section 15.
- 1.4. **Nomination Committee:** Rather than establishing a Nomination Committee, the Board is responsible for recommendations and Directors appointments.
- 1.5. **Audit and Risk Committee** - The board will nominate at least two Directors to the Audit and Risk Committee, including a Chair of the Committee who will not be the Chair of the Board.

## 2. Composition of the Board

- 2.1. **Board skills:** There should be a balance of independence, skills, knowledge, experience, gender, and perspectives among the Directors so that the Board can work effectively.
- 2.2. **Appointments to the Board:** Subject to the Company's Constitution, every proposed new appointment to the Board should be considered by the Board as a whole, taking into account the range of relevant attributes a potential new Director may offer the Board and their ability to commit the time needed to be effective as a Director of the Company. This also applies to appointment of the re-election of Directors, and the alternate Directors subject to NZX Listing Rule 2.5. The board shall ensure that:
  - 2.2.1. proper checks are undertaken in relation to the person's character, experience, education, criminal record, and bankruptcy history, and any adverse information revealed is considered;
  - 2.2.2. key information about a candidate is disclosed to shareholders to assist their decision whether or not to elect or re-elect a candidate, such as relevant skills, biographical details, experience, and any other material Directorships held; and
  - 2.2.3. the candidate's independence is considered.

- 2.3. **New Directors:** All new Directors are to enter into a written agreement with PaySauce, which will contain information about the following:
- 2.3.1. The Company's expectations of the Directors in their role;
  - 2.3.2. the Director's expected time commitment to the Company (including other duties);
  - 2.3.3. remuneration entitlements (including any superannuation included);
  - 2.3.4. indemnity and insurance arrangements;
  - 2.3.5. a requirement to disclose interest that may affect the Directors' independence;
  - 2.3.6. a requirement to comply with corporate policies including this Code, the Code of Ethics (Appendix B), and Securities Trading Policy (Appendix C);
  - 2.3.7. the term of appointment;
  - 2.3.8. ongoing rights of access to corporate information;
  - 2.3.9. the right to receive access to information for regulatory or litigation purposes for 7 years post leaving the board;
  - 2.3.10. ongoing confidentiality obligations; and
  - 2.3.11. for executive Directors only – a description of their position, duties and responsibilities, and the person or body to whom they report to.
- 2.4. **Board membership:** The Board has adopted the following principles in relation to the composition of the Board:
- 2.4.1. the Board shall have a minimum number of three Directors and a maximum of 10;
  - 2.4.2. the Board shall have at least two Directors ordinarily resident in New Zealand;
  - 2.4.3. the Board shall maintain at least two Independent Directors (as defined in the NZX Main Board Listing Rules). Where there are eight or more Directors, the board will maintain three or one-third (rounded down to the nearest whole number) of the total number of Directors, whichever is the greater;
  - 2.4.4. a majority of the Directors should not be executives of the Company;
  - 2.4.5. a Director should not have a conflict of interest as set out in paragraph 7.1, other than and to the extent dealt with under paragraph 7.2;
  - 2.4.6. the Board seeks diversity in the skills, attributes and experience of its members across a broad range of criteria, including gender, so as to represent the diversity of shareholders, business types and regions in which the Company operates; and
  - 2.4.7. the Board elects a Chair who can be replaced by the Board at any time.

- 2.5. **Business relationships to be disclosed:** Directors must disclose all relationships that may have a bearing on their role as Directors of the Company. This obligation arises before accepting an appointment as Director, and on an on-going basis once appointed as a Director.
- 2.6. **Openness to review:** In considering new appointments to the Board, the Board shall take such steps as may be appropriate to ensure that the Board maintains an openness to new ideas and a willingness to critically examine its performance.
- 2.7. **Succession planning:** Directors are appointed to the Board for terms of three years, after which they automatically retire. Prior to expiry of a Director's term, the Board considers the succession plan for that Director to ensure that the Board retains the skills required to effectively govern the Company. The succession plan considers options including inviting the Director to offer themselves for re-election, allowing the Director to retire without replacement and seeking a new Director to replace the key skills the retiring Director brought to the Board.
- 2.8. **Annual report:** The Company's annual report will include information about each Directors (including a profile of experience, length of service and ownership interests in the Company), and identify which Directors are independent.

### 3. **Role of the Chair**

- 3.1. **Chair's responsibilities:** The Chair is responsible for coordinating the activities and work streams of the Board and has the following specific responsibilities:
  - 3.1.1. lead the Board, facilitate effective contribution by all Directors and promote constructive and respectful relations between Directors and between the Board and management;
  - 3.1.2. conduct meetings of the Board and of shareholders;
  - 3.1.3. schedule Board meetings in a manner that enables the Board and its committees to effectively perform their duties while minimally interfering with the Company's business;
  - 3.1.4. prepare, in consultation with the CEO, other Directors and committee Chairs and the Board Secretary, the agendas for the Board and committee meetings, and ensure that adequate time is available for discussing agenda items (particularly strategic issues);
  - 3.1.5. define the quality, quantity and timeliness of the flow of information between management and the Board;

- 3.1.6. ensure that issues raised, or information requested, by any Directors are responded to promptly and as fully as possible;
- 3.1.7. approve, in consultation with the Board, the retention of consultants who report directly to the Board;
- 3.1.8. foster a constructive governance culture and assist the Board and management in assuring compliance with, recommended revisions to, and implementation of this Code;
- 3.1.9. promote and maintain the independence of the Board from management;
- 3.1.10. participate in the non-executive Directors' evaluation of the CEO's performance and to meet with the CEO to discuss the Board's requirements and expectations and the evaluation of the CEO's performance by the Board; and
- 3.1.11. to ensure that processes for annually evaluating the performance of the Board, Board committees and individual Directors are in place and lead these processes in conjunction with the Board.

3.2. **Meetings of the Board:** The Chair is responsible for ensuring that Board meetings are sufficiently well-planned and conducted in a manner that ensures effective and efficient use of Board time and energy. The Chair takes particular responsibility for leading the Board and setting the tone for the conduct of its meetings and the way in which issues are debated. The Chair is responsible for ensuring that adequate minutes of the proceedings of meetings of the Board are taken.

3.3. **Relationship with CEO:** The Chair is responsible for establishing a close working relationship with the CEO and acting as their mentor. The Chair shall not be the CEO.

#### 4. **Board Secretary**

4.1. **Board Secretary:** The Board shall appoint a suitable person to act as the Board Secretary. The Board Secretary so appointed shall coordinate all Board business including meeting scheduling, annual work stream planning, agendas, distribution of papers, minutes, statutory filings and regulatory bodies.

#### 5. **Role of Directors**

5.1. **Empowerment:** The Board recognises that the proper empowerment of Directors is essential to the implementation of good governance. Accordingly, each Director is fully empowered to perform their duties as Directors of the

Company and to fully participate in meetings of the Board.

- 5.2. **Meeting without management:** The Directors may hold a private session at the start of Board meetings at which management will not be present when required.
- 5.3. **Meeting participants:** The Chair may require any Directors or other attendee to leave a meeting at any time.
- 5.4. **Attendance at meetings:** Directors are expected to attend all Board meetings when possible. In circumstances where a Director is unable to attend, apologies must be given to the Chair.
- 5.5. **Management attendance:** it is preferred that the CEO and CFO attend all Board meetings whenever possible and other members of management may be invited to attend Board meetings.
- 5.6. **Meeting proceedings:** All Board and Committee meetings will be held in accordance with the Company's Constitution and otherwise as determined by the Chair of the Board or of the relevant Committee.
- 5.7. **Agenda for meetings:** The Chair shall ordinarily determine the agenda for Board meetings unless a Director has requested the meeting, in which case that Director shall determine the agenda. Board members are encouraged to submit items for inclusion in the agenda. In addition, each Board meeting should have a general business item under which Directors may raise issues. Standing items for each full Board meeting will include approval of minutes of the previous meeting, matters arising, register of interests' updates, reports from the CEO and their management team, papers requiring Board approval and consideration of continuous disclosure matters.
- 5.8. **Information for the Board:** Appropriate and timely information is essential to good governance. Accordingly, the Chair and the CEO are responsible for ensuring effective distribution of Board papers and financial reports to Directors that have sufficient detail, quality and objectivity to enable the Board members to be properly informed about the Company's affairs in advance of Board meetings.
- 5.9. **Availability of management:** The CEO and management should be reasonably available to the Board, as facilitated by the Chair and the CEO.



- 5.10. **Evaluation of information:** The Board evaluates the format of the information it receives at least annually.
- 5.11. **Board performance:** The Board shall establish and review from time to time performance criteria for itself and review its performance against those criteria at least annually. As part of its performance review the Board will assess whether appropriate training (as contemplated by paragraph 5.15) has been received by Directors. The same applies to any established committees.
- 5.12. **Relationship with management:** Each Director acknowledges and respects the division of responsibility between Board and management and shall have access to management through the CEO.
- 5.13. **Independent advice:** A Director is entitled to obtain independent advice necessary to effectively discharge their duties. The Company will meet any related expenses subject to the pre-approval by the Chair.
- 5.14. **Ongoing training:** Directors shall undertake appropriate training in order to remain current on how to best perform their duties and responsibilities as Directors of the Company.

## 6. Director responsibilities

- 6.1. **Letter of appointment:** Each Director will receive a letter of appointment setting out the key terms and conditions of their appointment. The letter should also address the other matters set out in the commentary to recommendation 2.3 of the NZX Corporate Governance Code 2017.
- 6.2. **Directors' principal duties:** The Directors are committed to the proper and responsible fulfilment of their duties to the Company and to the shareholders. In particular, the Directors are mindful of their duties contained in the Companies Act 1993 (the "Act"), the Company's Constitution and the applicable NZX Main Board Listing Rules, which include the following:
  - 6.2.1. a Director, when exercising powers or performing duties, must act in good faith and in what the Directors believes to be the best interests of the Company;
  - 6.2.2. a Director must exercise a power for a proper purpose;
  - 6.2.3. a Director must not act, or agree to the Company acting, in a manner that contravenes the law or the Constitution;
  - 6.2.4. a Director must not:

- 6.2.4.1. agree to the business of the Company being carried on in a manner likely to create a substantial risk of serious loss to the Company's creditors; or
  - 6.2.4.2. cause or allow the business of the Company to be carried on in a manner likely to create a substantial risk of serious loss to the Company's creditors;
- 6.2.5. a Director must not agree to the Company incurring an obligation unless the Directors believes at that time, on reasonable grounds, that the Company will be able to perform the obligation when it is required to do so; and
- 6.2.6. a Director when exercising powers or performing duties as a Director, must exercise the care, diligence and skill that a reasonable Directors would exercise in the same circumstances taking into account, but without limitation:
  - 6.2.6.1. the nature of the Company;
  - 6.2.6.2. the nature of the decision; and
  - 6.2.6.3. the position of the Directors and the nature of the responsibilities undertaken by him or her.
- 6.3. **Delegation by the Board:** The business and affairs of the Company must be managed by, or under the direction and supervision of, the Board. If the Board delegates a power, the delegation must be permitted by the Act and the Constitution of the Company. The Board shall always remain responsible for the exercise of the power by the delegate, unless the Board:
  - 6.3.1. believed on reasonable grounds that the delegate would exercise the power in conformity with the duties imposed on Directors by the Act and the Constitution; and
  - 6.3.2. has monitored, by means of reasonable methods properly used, the exercise of the power of the delegate.
- 6.4. **Reliance on information:** A Director may rely on information, financial data and professional or expert advice given by any of the following:
  - 6.4.1. an employee of the Company whom the Directors believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
  - 6.4.2. a professional adviser or expert in relation to matters which the Directors believes on reasonable grounds to be within the person's competence; or
  - 6.4.3. any other Director or committee of Directors upon which the Directors did not serve in relation to matters within the Director's or committee's

delegated authority. A Director may only rely on others, as described above, if the Director:

- 6.4.3.1. acts in good faith;
- 6.4.3.2. makes proper enquiry where the need for enquiry is indicated by the circumstances; and
- 6.4.3.3. has no knowledge that such reliance is unwarranted.

6.5. **Confidentiality of Company information:** A Director who has confidential information in their capacity as a Director must not disclose that information to any person or make use of or act on that information, except:

- 6.5.1. for the purposes of the Company;
- 6.5.2. as required or permitted by law; and
- 6.5.3. in complying with the Director's obligation to disclose their interest in a transaction with the Company.

6.6. **Authorised disclosure of information:** Unless prohibited by the Board and subject to compliance with the Company's continuous disclosure obligations, a Director may disclose information to a person whose interests the Directors represents, and may disclose, make use of, or act on information if:

- 6.6.1. particulars of the disclosure, use, or act are entered in the interests register (see paragraph 7.4); and
- 6.6.2. the disclosure, use, or act will not be likely to prejudice the Company.

6.7. **Resigning Directors:** A Director who resigns before the expiry of their term must give reasons to the Board for their early retirement.

## 7. Conflicts of interest

7.1. **General conflicts:** A Director should not have any significant conflict of interest that is potentially detrimental to the Company, including:

- 7.1.1. material affiliations with competitors of the Company; and
- 7.1.2. material affiliations with parties that are likely to be a regular counterparty to a transaction with the Company, and in either of these events a Director should consider their ongoing role on the Board.

7.2. **Disclosure of interest:** Conflicts of the type described in paragraph 7.1 may arise in the course of a Director's tenure. A Director must declare to the Board any conflict of interest that is potentially detrimental to the Company. As soon as practicable thereafter the Board, or a committee of the Board established for the purpose, will meet to review the conflict and determine a process to



deal with the issue.

- 7.3. **Disclosure of interest (transactional):** A Director who is interested in a transaction with the Company must immediately disclose to the Board the nature, monetary value and extent of the interest. The Directors may not vote in relation to the matter at a meeting of the Board, subject to the Company's Constitution, unless expressly required or has indemnity under the Companies Act 1993.
- 7.4. **Interests register:** The Board maintains an interests register in which the required disclosures made by Directors are entered in respect of matters relating to the Company. The Board will regularly review the independence of each Directors in light of interests disclosed and will disclose any changes to the NZX, as required by the listing rules of those exchanges.
- 7.5. **Acting at arms-length:** A Director who, either directly or indirectly, provides goods or services to the Company or an affiliate of the Company must act on an arm's-length basis and not use their position as a Director to influence commercial decisions by the Company or the affiliate.
- 7.6. **Internal conflict:** A Director who holds multiple roles in the Company shall act in the best interests of the Company, in the capacity in which they are acting.



## 8. Management role and responsibilities; the Chief Executive Officer

- 8.1. **Management:** Management is responsible for the day to day operation and management of the Company under the leadership of the CEO, and for the implementation of the strategic direction approved by the Board.
- 8.2. **Responsibilities of the CEO:** The CEO is the senior executive of the Company and is responsible for:
  - 8.2.1. formulating the vision for the Company;
  - 8.2.2. recommending policy and the strategic direction of the Company for approval by the Board;
  - 8.2.3. providing management of the day to day operations of the Company including sub-delegating various functions to members of the executive management team; and
  - 8.2.4. acting as the spokesperson of the Company.
- 8.3. **Independence of the Board:** The CEO undertakes to respect the independence of Directors so as to permit the Board to challenge management decisions objectively and evaluate corporate performance.
- 8.4. **Other boards:** The CEO will not accept appointments to the boards of other companies without the prior consent of the PaySauce Board.

## Board Committees

### 9. Committees of the Board

- 9.1. **Purpose of committees:** The use of committees can enhance the effectiveness and efficiency of the Board as they allow for closer scrutiny of issues and more efficient decision making by persons with specialist knowledge and experience. The Board should use committees where this purpose would be achieved, while always retaining ultimate Board responsibility.
- 9.2. **Exclusive Board matters:** Issues relating to the Board and the Company's strategy, business and financial plans shall only be dealt with directly by the Board.
- 9.3. **Committees of the Board:** The Board has established the Audit and Risk Committee. The Board may establish ad hoc committees where a particular issue would be most effectively dealt with by specialist knowledge and expertise, such as a Takeover Committee in response to a takeover offer, as outlined in paragraph 10. The Board may establish and appoint committees and members by ordinary resolutions of the Board.
- 9.4. **Composition of committees:** Only Directors may be members of a committee, and each committee shall comprise a minimum of two Directors except as otherwise stated in the applicable committee charters.
- 9.5. **Committee charters:** Each committee (other than ad hoc committees), shall operate under a written charter that outlines the committee's authority, duties, responsibilities and relationship with the Board and which shall be readily available to shareholders. The committee charters are provided in the appendices to this Code.
- 9.6. **Review of committees:** The Board shall annually review the performance of the committees in accordance with their charters, and consider whether or not it is in the best interests of the Company for the committee to continue.
- 9.7. **Annual report:** The Company shall identify all committees and the members of each committee, as well as member attendance at committee meetings, in its annual report.

## **10. Takeover response**

- 10.1. The Board has established protocols that set out the procedure to be followed if there is a takeover offer for the Company.
- 10.2. In summary, the Board's takeover protocols require that takeover response be overseen by a committee of independent Directors. For this purpose, the independence of Directors will be assessed by reference to a Director's independence from the bidder or the offer, rather than independence under the NZX Main Board Listing Rules.

## Reporting & Disclosure

11. **Disclosure and Communication Policy:** The Board has implemented a formal procedure to handle compliance with PaySauce's continuous disclosure obligations and to manage external communications. This policy will be regularly reviewed. All Directors, officers, employees, contractors and advisers of PaySauce and any subsidiaries must comply with the Disclosure and Communications Policy. The version applying is attached as Appendix A.
12. **Code of Ethics:** The Board recognises the importance of high ethical standards to good corporate governance. The Board has implemented a Code of Ethics for the Company and regularly assesses the Company's adherence to that Code. The Code will be regularly reviewed. The Code of Ethics applying as at the date of the adoption of this Code is attached as Appendix B.
13. **Securities Trading Policy:** The Board has implemented a formal procedure to handle the trading in PaySauce's quoted financial products by Directors, officers, employees, contractors and advisers of PaySauce and any subsidiaries. All Directors, officers, employees, contractors and advisers of PaySauce and any subsidiaries must comply with the Securities Trading Policy. The version applying is attached as Appendix C.
14. **Diversity Policy**
  - 14.1. **General principle:** PaySauce acknowledges the importance of treating others with dignity, respect and fairness, and taking into consideration cultural sensitivities, as well as ensuring freedom from unlawful discrimination.
  - 14.2. **Commitment to diversity and inclusion:** PaySauce is committed to creating and maintaining an inclusive and collaborative workplace culture by recognising the values of a diverse and skilled workforce. This commitment extends to all areas of its business, including selection of potential candidates when recruiting for roles at PaySauce.
  - 14.3. **Measurable Objectives:** The Board has considered the need for measurable objectives for diversity and determined that it is not yet appropriate to set measurable objectives due to market conditions and the stage of the company's development. That decision will be reconsidered annually. When appropriate the Board, or a committee appointed by the Board, will set measurable objectives for achieving diversity (which, at a minimum, will



address gender diversity such that at least 30% of its directors self-identify as male and at least 30% of directors self-identify as female). Once measurable objectives have been set, the Board will annually review those objectives and the Company's progress in achieving them.

14.4. **Initiatives:** PaySauce will support the ongoing enhancement of diversity and inclusion of initiatives, which may include:

- 14.4.1. promotion of a discrimination, harassment and victimisation-free working environment, with a focus on respect and inclusion;
- 14.4.2. raising employee awareness of workplace diversity by designing, delivering and measuring the efficacy of gender equality and workforce diversity programmes;
- 14.4.3. promotion of a culture of empowerment that rewards employees to act in accordance with this policy; and
- 14.4.4. striving to ensure that all employees receive equal treatment in all aspects of PaySauce's employment policies and practices.

14.5. **Implementation:** In order to achieve its objectives and initiatives, PaySauce will:

- 14.5.1. ensure that none of its procedures and culture conflicts with its commitment to a nondiscriminatory and inclusive workplace;
- 14.5.2. communicate clear expectations to senior managers and other employees of the kind of conduct and behaviour expected to support a non-discriminatory and inclusive workplace; and
- 14.5.3. provide the relevant training to employees of PaySauce through induction and refresher training. The CEO is responsible to the Board for the implementation of this policy.

14.6. **Review process:** The Board shall annually review this policy, the implementation of this policy, the need for diversity objectives to be established under this policy and once established, progress towards achievement of those diversity objectives.

14.7. **Annual Report:** In accordance with the NZX Main Board Listing Rules and the NZX Guidance Note on Diversity Policies and Disclosure, PaySauce will include in each annual report:

- 14.7.1. a quantitative breakdown of the gender composition of PaySauce's Directors and officers as at PaySauce's balance date, together with comparative figures for the prior balance date (as appropriate); and

- 14.7.2. a statement from the Board providing an evaluation of PaySauce's performance with respect to this policy.

## Remuneration

### 15. Remuneration Policy

- 15.1. **General principle:** The remuneration of Directors and executives should be transparent, fair, and reasonable.
- 15.2. **Shareholders' interests:** The Board promotes the alignment of the interests of the Directors and management with the long term interests of shareholders.
- 15.3. **Review process:** The Board shall annually review the remuneration structure and policy within the Company, as well as the remuneration packages of management and Directors.
- 15.4. **External advice on remuneration:**
  - 15.4.1. The Board may seek independent external advice when reviewing remuneration. The advice should be from a recognised and competent source, and may include an evaluation against comparable peer groups. If independent external advice is sought by the Board, the consultant should provide a declaration of independence to the Company.
  - 15.4.2. A report on Directors remuneration should be provided to the Board. If the Company wishes to make a public statement referring to reliance on independent external advice about Directors remuneration, then the public statement should include a summary of the findings of the report and a confirmation from the consultant as to the independence of the report.
  - 15.4.3. A report on CEO remuneration should be provided to the Board.
  - 15.4.4. A report on remuneration for executives other than the CEO may be provided to the CEO, if the Board considers this is appropriate (provided that no executive should make a decision on their own remuneration).
- 15.5. **Remuneration levels – general principles:** Remuneration of executives, executive Directors and non-executive Directors should be fair and reasonable in a competitive market for the skills, knowledge and experience required by the Company. Guidance in relation to the remuneration of employees of the Company are available in the Pay & Promotions Policy

15.6. **Executive remuneration:**

- 15.6.1. Executive remuneration (including executive Directors) should include an element of performance-based pay that is linked to clear targets aligned with the Company's performance objectives and is appropriate to the Company's risk profile.
- 15.6.2. Fixed remuneration should be fair and based on the scale and complexity of the role and should reflect performance requirements and expectations attached to the role.
- 15.6.3. Equity based remuneration should be carefully designed to support a long term approach and not promote undue risk taking.
- 15.6.4. The relative weighting between performance-based, fixed and equity-based remuneration, as well as the performance criteria used to determine performance-based payments, will be determined on a case-by-case basis, having regard to the nature of the executive's role and other relevant factors.
- 15.6.5. Executive remuneration should be clearly differentiated from non-executive Directors remuneration.

15.7. **Non-executive Directors remuneration:**

- 15.7.1. Non-executive Directors remuneration is paid in the form of Directors' fees which should reflect the time commitment and responsibilities of the role. Non-executive Directors should not receive performance based remuneration. Additional fees may be paid to the Chair, and the Chair and members of a Board committee for the additional responsibilities of the role.
- 15.7.2. The Company may, with the prior approval of shareholders under the NZX Main Board Listing Rules, pay Directors remuneration, in whole or in part, by the issue of equity securities (as this assists to align the interests of Directors with shareholders).
- 15.7.3. If the Board seeks shareholder approval to increase non-executive Directors remuneration, it will do so in a transparent manner. This means that, rather than simply disclosing a total remuneration pool, the Board will disclose its expectations as to what individual Directors are proposed to be paid, including separately disclosing additional remuneration for the Chair or for being a member of, or chair of, a committee. If the total remuneration pool includes a discretionary pool, the Board will disclose the purposes for that discretionary pool and the circumstances in which it would be used.

15.8. **Retiring Directors remuneration:** No special remuneration shall be paid to a retiring Director without the authority of an ordinary resolution of

shareholders.

- 15.9. **Annual report:** The remuneration received by Directors and the CEO will be disclosed in each annual report. Remuneration disclosure:
- 15.9.1. should relate to a clearly defined period which is comparable with historical disclosures;
  - 15.9.2. for Directors will include a breakdown of remuneration paid for committee roles, and identify any fees or benefits paid to a Director for services provided to the Company;
  - 15.9.3. for the CEO should outline each component of remuneration, such as base salary, short-term incentives or long-term incentives. Where incentive payments are subject to performance hurdles, the nature or type of the hurdle should be identified.

## Risk Management

### 16. Risk Management:

- 16.1. **Risk Register:** The Company shall maintain a Risk Register to record the risks, their likelihood, and the impact of each risk to the Company. It shall also identify the key risks and notes the steps taken to mitigate each risk.
- 16.2. **Regular Review:** The Board shall receive regular reporting from management, and therefore be able to regularly review the risks facing the Company.

### 17. Health and Safety:

- 17.1. **Health and Safety Policy:** The Company shall maintain a Health and Safety Policy which shall be maintained by management.
- 17.2. **Regular Review:** The Board shall receive regular reporting from management, and therefore be able to regularly review the effectiveness of Health and Safety Policies in place.
- 17.3. **Responsibilities:** The Board shall carry out all required duties in relation to the Health and Safety At Work Act 2016

## Auditors

### 18. External Audit Policy

- 18.1. **Appointment of auditor:** The Board should inform itself fully on the responsibilities of external auditors and be rigorous in its selection of auditors on professional merit.
- 18.2. **Independence of auditor:** The Audit and Risk Committee and Board should be satisfied that there is no relationship between the auditor and the entity or any related person that could compromise the independence of the auditor, and should require written confirmation of this from the auditor prior to appointment and annually thereafter.
- 18.3. **Attendance at Annual Meeting:** The auditor should attend the Company's annual meeting each year and answer any questions raised by shareholders regarding the audit.
- 18.4. **Regular and full dialogue:** The Board shall facilitate regular and full dialogue among the Audit and Risk Management Committee, the auditor and management.
- 18.5. **Rotation of auditor or audit leader:** The Company's external auditor, or the auditor's lead and engagement audit partners, should be rotated after a maximum of five years such that no persons shall be engaged in leading an audit of the Company for more than five consecutive years.
- 18.6. **Report on audit fees and work:** The Board shall report annually to shareholders and stakeholders on the amount of fees paid to auditors, and should differentiate between fees paid for audit and non-audit (if any) work.
- 18.7. **Internal Audit Function:** The Company does not have an internal audit function. Instead, the Audit & Risk Committee undertakes regular reviews of the internal processes to ensure effective risk management and internal controls.
- 18.8. **Audit Committee:** The Audit & Risk Committee Charter is outlined in Appendix D.

## Shareholder Rights & Relations

### 19. Shareholder participation

- 19.1. **Shareholder rights:** The rights of shareholders are referred to in the Company's Constitution which is available to all shareholders and in the Act.
- 19.2. **Reports to shareholders:** The Board values the opportunity to give comprehensive yet accessible interim and full year reports to shareholders.
- 19.3. **Annual meeting:** The Board recognises that the annual meeting is an important forum at which shareholders can meet with the Board and it encourages shareholders to use the forum to ask questions and make comments on the performance of the Company. The Board will ensure that notice of the annual meeting is posted on its website 20 working days prior to the meeting.
- 19.4. **Questions from shareholders:** The Board welcomes input from shareholders and encourages shareholders to submit questions in writing prior to the annual meeting so that an informed answer can be given at the meeting. The Board will ensure that the Company's external auditors are available for questioning by shareholders at the annual meeting.
- 19.5. **Company website:** The Board recognises that maintaining an up-to-date website is an important way in which shareholders can readily access key information (including annual reports) about the Company. The Company's approach to disclosure of information on its website is set out in paragraph 21.

### 20. Reporting and disclosure

- 20.1. **Annual report:** In addition to all information required by law and the provisions of this Code (including without limitation paragraphs 2.7, 9.7, 14.7, 15.9 and 18.6) the Board acknowledges that the Company's annual reports should include sufficient meaningful information to enable shareholders and stakeholders to be well informed on the affairs of the Company. In addition, the Board will ensure that the annual report provides disclosure on non-financial matters that the Board considers relevant, including reporting on material exposure to environmental, economic and social sustainability risks as well as other key risks. The annual report will explain how the Board plans to manage those risks and how operational or non-financial targets are



measured.

- 20.2. **Financial reports:** The CEO, Chair of the Board, Chair of the Audit and Risk Committee and at least two additional Directors of the Company shall certify in the published financial reports of the Company that the reports comply with generally accepted accounting standards and present a true and fair view of the financial affairs of the Company. The Board will ensure that financial reports are balanced, clear and objective.
- 20.3. **Shareholder reporting:** The Company's reporting to shareholders should:
- 20.3.1. be accompanied by sufficient explanation, and be expressed in a clear and objective manner, to help shareholders and potential investors make meaningful investment decisions. Changes in financial disclosure should be explained and appropriate historical comparisons provided;
  - 20.3.2. be linked to the Company's business model;
  - 20.3.3. be genuinely informative and, where the Board considers it appropriate, include forward-looking elements where this will enhance understanding;
  - 20.3.4. describe the Company's strategy and associated risks and opportunities;
  - 20.3.5. explain the Board's role in assessing and overseeing strategy and the management of risks and opportunities;
  - 20.3.6. be accessible and appropriately integrated with other information that enables shareholders to obtain a picture of the whole organisation;
  - 20.3.7. use key performance indicators that are linked to strategy and facilitate comparisons; and
  - 20.3.8. use objective metrics when they apply and evidence based estimates when they do not.
- 20.4. **Continuous and periodic disclosure:** The CEO shall be responsible for the Company's compliance with applicable statutory, NZX continuous and periodic disclosure requirements and the Board shall be advised of, and consider, continuous disclosure issues at each Board meeting in light of the Company's Disclosure and Communications Policy.
- 20.5. **Code of Ethics:** The Company's Code of Ethics will be published on the Company's website and available to all Directors, shareholders and employees, contractors and other representatives of PaySauce from time to time. The Company will provide regular training on the Code of Ethics to Directors and other personnel.

## 21. Website disclosures

- 21.1. The Company will ensure that key financial and operational information and key corporate governance information is available on its website to shareholders, potential investors and other stakeholders.
- 21.2. In particular, the Company will ensure that the following information is available on its website:
  - 21.2.1. this Code (including the diversity policy at section 14, and the remuneration policy at section 15);
  - 21.2.2. Disclosure and Communications Policy (Appendix A);
  - 21.2.3. Code of Ethics (Appendix B);
  - 21.2.4. Securities Trading Policy (Appendix C);
  - 21.2.5. Audit and Risk Management Committee Charter (Appendix D);
  - 21.2.6. contact details for shareholders, analysts and media to communicate with the Company and contact details for the Company's share registry;
  - 21.2.7. the names and a brief biography of each Directors;
  - 21.2.8. the Company's constitution;
  - 21.2.9. copies of the Company's annual reports and audited financial statements for at least the previous five years (or since listing, as applicable, if shorter);
  - 21.2.10. copies of announcements to NZX for at least the previous two years;
  - 21.2.11. copies of notices of meetings sent to shareholders (including accompanying documents) and results of those meetings;
  - 21.2.12. if available, webcasts or transcripts of shareholder meetings, and presentations to shareholder meetings, for at least the previous two years;
  - 21.2.13. an overview of the Company's business, a description of how it is structured, and a summary of its history;
  - 21.2.14. calendar dates for results announcements, shareholder meetings and other corporate actions (such as dividend record and payment dates);
  - 21.2.15. historical information about the Company's share price over the previous two years;
  - 21.2.16. a description of the securities issued by the Company and the rights attaching to those securities;
  - 21.2.17. the Company's dividend policy (if any);
  - 21.2.18. any relevant shareholder forms.
- 21.3. As the documents in paragraphs 21.2.2 to 21.2.5 are appendices to this Code, PaySauce may comply with those paragraphs by disclosing this Code and the

appendices as a single document.

## Appendix A: Disclosure and Communications Policy

### 1. Introduction and purpose

- 1.1. PaySauce Limited (“PaySauce”) and its Board of Directors (“Board”) believe that:
  - 1.1.1. a cornerstone of New Zealand financial markets law is full and fair disclosure of material information;
  - 1.1.2. timely and non-selective disclosure of material information is crucial to the efficiency and integrity of New Zealand’s financial markets and to investor confidence in PaySauce. Conversely, delayed or selective disclosure of material information has the potential to undermine market integrity and investor confidence; and
  - 1.1.3. high standards of disclosure are essential for proper accountability between PaySauce and its shareholders and other external parties.
- 1.2. PaySauce is subject to the information disclosure regimes set out in NZX Main Board (the “Listing Rules”) and the Financial Markets Conduct Act 2013 (“FMCA”).
- 1.3. In light of the matters set out in paragraphs 1.1 and 1.2, PaySauce and the Board are committed to:
  - 1.3.1. ensuring that the market is fully informed in accordance with relevant law; and
  - 1.3.2. effective communication to and with shareholders and other external parties (such as market participants and analysts).
- 1.4. PaySauce has therefore developed this policy to:
  - 1.4.1. record PaySauce’s commitment to its continuous disclosure obligations under the Listing Rules and the FMCA;
  - 1.4.2. set out the processes to be followed by PaySauce to ensure compliance with those obligations; and
  - 1.4.3. address PaySauce’s general approach to communicating with shareholders and other external parties, with a view to ensuring such

communications are effective, consistent and accurate.

## 2. **Scope and fit**

- 2.1. This policy applies to PaySauce's Directors, officers and employees.

## Disclosure obligations

### 3. **Continuous disclosure**

- 3.1. PaySauce must immediately (i.e. promptly, and without delay) notify the market, by disclosure to NZX Limited ("NZX") through the NZX market announcement platform, of any material information that PaySauce becomes aware of. Unless permitted by the Listing Rules, material information must not be disclosed to any external party before it is disclosed to the market.
- 3.2. Material information is information that:
  - 3.2.1. a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of PaySauce's shares; and
  - 3.2.2. relates to PaySauce's shares, or PaySauce specifically.
- 3.3. Under the Listing Rules, PaySauce is deemed to become aware of material information if one or more of PaySauce's Directors or executive officers come into possession of that information in the course of performance of their duties as a Director or executive officer. For this purpose, PaySauce considers that its executive officers are those persons who report directly to the Board of Directors, and persons who report directly to Direct Board Reports.

### 4. **Guidelines for preventing selective disclosure**

- 4.1. To ensure compliance with PaySauce's continuous disclosure obligations, PaySauce will not selectively disclose to any external party material information which has not been released to the market, except where it can rely on an exception to continuous disclosure. This section 4 sets out guidelines to assist in preventing selective disclosures.
- 4.2. Unless and until material information is released to the market:



- 4.2.1. no material information will be disclosed in any meeting, discussion or conference call with shareholders or analysts; and
- 4.2.2. no Directors, officer or employee of PaySauce will disclose material information to the media.
- 4.3. Information made available to shareholders or analysts, such as briefing and presentation materials, will also be made available on PaySauce's website and released to the market.
- 4.4. If material information is inadvertently disclosed to a shareholder, analyst or the media, it will be immediately disclosed to the market.
- 4.5. Directors, officers and employees are also expected to comply with the requirements of the "external communications" aspects of this policy. Those requirements are intended to assist to guard against selective disclosure of material information.

## 5. **Guidelines for maintaining confidentiality**

- 5.1. As noted in paragraph 5.2, in order to rely on the exception to continuous disclosure the relevant information must be and remain confidential. This section 5 sets out guidelines to assist to maintain confidentiality.
- 5.2. PaySauce will:
  - 5.2.1. ensure that any third parties to whom non-public information may be disclosed are bound by obligations of confidentiality;
  - 5.2.2. limit the number of people with access to material (or potentially material) information to the minimum number of people reasonable in the circumstances; and
  - 5.2.3. ensure that employees and service providers are only provided with material (or potentially material) information where they reasonably need to know that information in the course of their duties.
- 5.3. Each employee owes obligations of confidentiality to PaySauce. This includes maintaining the confidentiality of confidential information about PaySauce, and its customers, and information an employee learns in the performance of their duties.

## 6. **Other disclosure obligations; balanced disclosure**

- 6.1. In addition to continuous disclosure, PaySauce is subject to a number of other disclosure obligations, including the following:
  - 6.1.1. PaySauce has periodic disclosure obligations (e.g. to prepare and disclose annual and half-year announcements and reports);
  - 6.1.2. PaySauce must disclose to the market certain prescribed information and events, as required by the Listing Rules; and
  - 6.1.3. PaySauce must disclose material information to the market to the extent necessary to prevent the development or subsistence of a 'false market' for PaySauce shares.
- 6.2. PaySauce will ensure that public announcements reflect a factual and balanced representation of relevant issues, disclosing (as applicable) relevant positive and negative information.

## 7. **Disclosure Officer**

- 7.1. PaySauce has appointed the CFO as its Disclosure Officer. That person is responsible for monitoring PaySauce's compliance with its continuous disclosure and other disclosure obligations.
- 7.2. The Disclosure Officer will be responsible for:
  - 7.2.1. as appropriate, undertaking or overseeing a verification exercise on announcements to the market, to ensure that each statement of fact is accurate, supportable and not misleading (including by omission) and that each statement of opinion is honestly held and has a reasonable basis;
  - 7.2.2. ensuring that announcements are communicated to NZX in accordance with relevant laws, including the Listing Rules;
  - 7.2.3. administering this policy;
  - 7.2.4. communicating with NZX on Listing Rule compliance matters;
  - 7.2.5. educating Directors, officers and employees on PaySauce's continuous disclosure obligations, policies and procedures and raising awareness of the principles underlying continuous disclosure;
  - 7.2.6. ensuring this policy is reviewed and updated as necessary; and
  - 7.2.7. maintaining an accurate record of all announcements sent to NZX.
- 7.3. If a Director, officer or employee receives an enquiry or approach from NZX regarding PaySauce's disclosure obligations (including, for example, a price enquiry) that enquiry or approach should be directed to the Disclosure Officer

in the first instance.

## 8. **Board responsibility**

- 8.1. The Board has ultimate responsibility for ensuring that PaySauce complies with this policy and its continuous disclosure and other disclosure obligations.

## Disclosure process

### 9. **Identification of information for disclosure**

- 9.1. PaySauce's Directors and executive officers (see paragraph 3.3) are responsible for actively considering and identifying any information which may be material information and, accordingly, may require disclosure to the market.

### 10. **Reporting of information**

- 10.1. If, outside of a Board meeting context, a Director or executive officer believes that they have identified or become aware of information which may be material information, that person must immediately report that information to the Disclosure Officer. Doing so should take first priority over other duties.
- 10.2. If the Disclosure Officer is, or is likely to be, unavailable or unable to deal with the matter, the Director or executive officer must immediately report to a person who is available and able to deal with the matter in the following order of precedence:
- 10.2.1. CEO;
  - 10.2.2. Chair of the Board; or
  - 10.2.3. any other Directors.

### 11. **Disclosure decisions**

- 11.1. If the Disclosure Officer or a person referred to in paragraph 10.2 ("Report Recipient") receives a report of information which may be material information, they will consider whether the information is material information and, if so, whether the exception to continuous disclosure applies. The Report Recipient may seek legal advice to assist in this consideration.



- 11.2. If the Report Recipient considers that the information is, or is likely to be, material information, they must immediately:
  - 11.2.1. if the Report Recipient considers that a market disclosure is required, arrange for an appropriate market announcement to be prepared on an urgent basis; and
  - 11.2.2. refer to the CEO and Chair of the Board for a decision on whether to disclose the information to the market and, if applicable, for approval of the draft market announcement.
- 11.3. If the CEO and/or Chair of the Board is unavailable, the Report Recipient may refer the decision to any other Directors or alternate Directors.
- 11.4. Any Directors or alternate Directors (including the Chair of the Board) who is asked to make a decision on whether to disclose information to the market under this section 11 may seek legal advice and may also discuss with other Directors where appropriate or expedient to do so (having regard to the nature and complexity of the issue and the urgency of any potentially required disclosure).
- 11.5. If no Directors or alternate Directors is available or able to make a decision under this section 11 and the information is considered to be of a nature that disclosure is required as a matter of urgency, then the CFO is authorised to make the disclosure decision and approve any market announcement, after seeking legal advice.
- 11.6. The decision as to whether or not to disclose information to the market and the reasons for the decision must be advised to the Disclosure Officer. In addition, a copy of any announcement which is released to the market must be circulated to all Directors, the CEO, and the Disclosure Officer.

## 12. **Information identification and disclosure decisions at Board meetings**

- 12.1. At each Board meeting the Board will specifically consider whether there is any material information or whether there are any matters which require disclosure.
- 12.2. If at a Board meeting the Board considers that PaySauce has material information:
  - 12.2.1. the Board may take legal advice;

- 12.2.2. if the Board considers that the information is required to be disclosed to the market, the chair of the meeting must arrange for a draft market announcement to be prepared; and
- 12.2.3. the Chair of the meeting must notify the Disclosure Officer about the decision as to whether or not to disclose information to the market and the reasons for the decision. The Chair must also provide the Disclosure Officer with any announcement which is, or is to be, released to the market.

### 13. **Preparation of early draft market announcements**

- 13.1. Where it is possible to anticipate that an event will or may be material information that requires disclosure to the market (such as the entry into of a material agreement or the launch of a capital raising), the Disclosure Officer will prepare (or arrange for the preparation of) a draft market announcement in advance of the event to ensure that PaySauce is able to make an announcement immediately if and when the event occurs.

### 14. **Trading halts**

- 14.1. PaySauce may request a trading halt from NZX if PaySauce is unable to immediately announce material information to the market.
- 14.2. The only persons authorised to determine whether a trading halt is required are the Board or the Disclosure Officer and the only person authorised to request a trading halt from NZX is the Disclosure Officer or the CEO or Chair of the Board if the Disclosure Officer is unavailable.

### 15. **Website updates**

- 15.1. If PaySauce announces material information to the market it will, after NZX acknowledges receipt of that announcement, promptly and without delay, publish the material information on PaySauce's website.

## **External communications**

### 16. **Authorised spokesperson**

- 16.1. In order to ensure the consistent delivery of information to shareholders and financial markets, only the following people should conduct discussions with

shareholders, analysts and the media, unless approved by the CEO:

- 16.1.1. Chair of the Board;
- 16.1.2. CEO; or
- 16.1.3. CFO.

16.2. All shareholder, analyst and media inquiries will be directed to the CFO in the first instance.

## 17. **Relevant information**

17.1. To ensure that the shareholders have access to all relevant information, PaySauce will:

- 17.1.1. make available, and announce to the market, quarterly operational updates on its business performance;
- 17.1.2. maintain an up-to-date website, which focuses on the needs of investors by making accessible PaySauce's current and historical financial information as well as market announcements;
- 17.1.3. make available, and announce to the market, its half-yearly and annual reports in accordance with the Listing Rules; and
- 17.1.4. make additional announcements to the market from time to time as necessary to comply with continuous disclosures and other relevant laws or as the Board otherwise considers appropriate.

## 18. **Shareholder meetings**

18.1. Shareholder meetings in general will be held at the time and place most convenient to ensure full participation from shareholders.

18.2. Shareholder meetings will generally include:

- 18.2.1. the opportunity for shareholders to raise concerns and general questions during the meeting;
- 18.2.2. the availability of the senior management and auditors at the meeting in order to answer any specific queries that the shareholders may have; and
- 18.2.3. the opportunity for shareholders to discuss any questions or concerns that they may have informally with the senior management and the Board after the conclusion of the meeting.

19. **Additional communications**

- 19.1. Shareholders may, at any time, direct questions or requests for additional information to Directors or management through PaySauce's website or by contacting PaySauce's CEO.

## Appendix B: Code of Ethics

The PaySauce Code of Ethics (the “Code”) is fundamental to the way that PaySauce Limited (“PaySauce” or the “Company”) intends to do business, where every Director and employee acts honestly and with personal integrity at all times. The purpose of the Code is to ensure high ethical standards. The Code aims to achieve this purpose by the use of principles that provide guidance on appropriate standards and conduct. As the Code and the principles set out in it cannot capture every situation that might arise, PaySauce personnel should assess actions and decisions against the backdrop of the principles and spirit of the Code and always seek to act consistently with that. This Code has been approved by the Board of Directors (the “Board”) of PaySauce and all of PaySauce’s personnel are expected to be familiar with it. In addition, all of PaySauce’s personnel (including Directors, employees, contractors and other representatives of PaySauce from time to time) must comply with the letter and spirit of the Code. This is especially true of Directors and senior management. Breaches of the Code will result in appropriate disciplinary or legal action. If you are unsure at any time of what the Code requires, or if you become aware of a breach of the Code or a legal obligation, please let the Chair of the Board know. If that is inappropriate, then please contact a member of the Audit and Risk Management Committee.

### 1. **Conflicts of interest**

- 1.1. A conflict of interest means that a person’s interests are in conflict with those of the Company or appear to be in conflict with the Company’s interests. PaySauce expects its personnel to act in the Company’s interests at all times.
- 1.2. PaySauce personnel will excuse themselves from making any decision about an issue at hand in which a conflict of interest arises or could arise. If an actual or potential conflict of interest arises, PaySauce personnel must disclose in writing the relevant facts and explain the circumstances that create or could create the conflicts of interest to:
  - 1.2.1. their manager, the CEO or the Chair of the Board; or
  - 1.2.2. a member of the Audit and Risk Committee if the manager, the CEO or Chair of the Board is not the appropriate person in the circumstances.
- 1.3. PaySauce personnel will not:

- 1.3.1. take any business or corporate opportunity or otherwise engage in any commercial activity that could conflict with their ability to perform their duties to PaySauce;
- 1.3.2. support or advocate for any political organisation or cause other than in a personal capacity;
- 1.3.3. be directly or indirectly involved in any competitor to PaySauce, provided that this shall not prevent an individual from owning up to 5% of the shares or other securities in any competitor that is a listed company; or
- 1.3.4. do any other thing that may result in a conflict of interest, unless PaySauce has provided prior written consent.

## 2. **Receipt and use of Company information**

- 2.1. All information that is received by you as a result of your connection to PaySauce is Company property. You should not use or disclose that information without PaySauce's approval, unless necessary to perform your duties to PaySauce.
- 2.2. PaySauce personnel will:
  - 2.2.1. follow Company policy in dealing with Company information;
  - 2.2.2. take all reasonable precautions to protect Company information from unintended disclosure;
  - 2.2.3. not use Company information for their own purposes; and
  - 2.2.4. not in any other way use information in a way that may not be in PaySauce's best interests.
- 2.3. PaySauce personnel will maintain and protect the confidentiality of information entrusted to PaySauce about work colleagues, stakeholders and the Company's business and financial affairs, except where disclosure is allowed by the Company or is required by law.
- 2.4. PaySauce's Disclosure and Communications Policy is set out in **Appendix A** to PaySauce's Corporate Governance Code.

## 3. **Receipt and use of Company assets and property**

- 3.1. All property that you receive as a result of your connection to PaySauce belongs to PaySauce. You should only use that property as PaySauce authorises you to.

3.2. PaySauce personnel will:

- 3.2.1. protect PaySauce property from loss of all kinds;
- 3.2.2. only use PaySauce assets and property for lawful Company purposes and not for personal gain; and
- 3.2.3. only create, and retain, information and communications required for business needs or to meet legal obligations, unless PaySauce allows otherwise.

#### 4. **Directors' attention to the matters before them**

4.1. PaySauce expects its Directors to be critically engaged with the affairs of the Company.

4.2. PaySauce Directors will:

- 4.2.1. give due consideration to all decisions that they make;
- 4.2.2. understand the limits of their ability and when help is needed;
- 4.2.3. meet all of their legal, fiduciary and ethical obligations; and
- 4.2.4. have an awareness of issues important to the success of PaySauce.

#### 5. **Acting honestly and in the best interests of the Company, shareholders and stakeholders**

5.1. All PaySauce personnel should act fairly, honestly and in the best interests of the Company, and as required by law, shareholders and other stakeholders. In doing so, PaySauce personnel will:

- 5.1.1. be honest and professional, and act with personal integrity, in all their dealings;
- 5.1.2. not act in a misleading or deceptive way, or in a way that might be misleading or deceptive;
- 5.1.3. not promise on behalf of the Company to act in a way that the Company cannot or does not intend to act;
- 5.1.4. undertake their duties with appropriate care and due diligence;
- 5.1.5. meet all of their obligations required by law;
- 5.1.6. not accept or offer bribes, kick-backs; and
- 5.1.7. not accept or offer gifts or personal benefits of any value to or from internal or external parties if it could be perceived this could compromise or influence any decision by PaySauce, and must comply with paragraph 7 of this Code.

- 5.2. PaySauce personnel must comply with any Company procedures about whistle blowing. Personnel who report matters in compliance with any whistle blowing procedures adopted by the Company are entitled to the Company's protection and support, regardless of any action taken by the Company in response to the report.

## 6. Valuing personnel

- 6.1. PaySauce personnel will:
  - 6.1.1. treat others with dignity, respect and justice, taking into consideration cultural sensitivities;
  - 6.1.2. not discriminate on the grounds of race, religion, colour, age, nationality, sex, sexual orientation or any other personal or social condition different from merit and capacity;
  - 6.1.3. not permit any form of violence, harassment or abuse at the workplace;
  - 6.1.4. promote the professional development, training and promotion of PaySauce personnel where appropriate;
  - 6.1.5. link remuneration and promotion to merit and capacity;
  - 6.1.6. prioritise health and safety on the job, taking any such measures as are considered reasonable to maximise prevention of occupational risk.

## 7. Gifts

- 7.1. It is a common business practice for gifts (including hospitality) to be given or received and, depending on the circumstances, this can be good corporate behaviour. However, in giving and receiving gifts, PaySauce personnel must comply with the procedures set out below.
- 7.2. In giving gifts:
  - 7.2.1. PaySauce personnel must comply with all relevant laws and must not engage in bribery or corruption; and
  - 7.2.2. PaySauce personnel must ensure that gifts are given for a proper purpose, and are not given for the purpose of improperly influencing the recipient of the gift.
- 7.3. In receiving gifts:
  - 7.3.1. PaySauce personnel must disclose any gift (including hospitality), or related or repeated gifts, which is or are reasonably likely to be valued, individually or in aggregate, over NZ\$250 to their manager or, in the



case of the CEO or a Director, to the chair of the Audit and Risk Management Committee;

- 7.3.2. PaySauce personnel must not accept any gift (including hospitality), or related or repeated gifts, which is or are reasonably likely to be valued, individually or in aggregate, over NZ\$500 without the prior approval of their manager or, in the case of the CEO or a Director, the approval of the chair of the Audit and Risk Management Committee or the Board;
- 7.3.3. as a general and overriding principle, PaySauce personnel must not accept any gift which is of a value which is likely to influence them.

## 8. Reporting breaches of the Code

- 8.1. All PaySauce personnel have a responsibility to report breaches of this Code and other policies and procedures established by PaySauce.
- 8.2. In particular:
  - 8.2.1. PaySauce personnel must report any breach that they become aware of to their manager, the CEO or the Chair of the Board; or
  - 8.2.2. if the manager, the CEO or Chair of the Board is not the appropriate person in the circumstances, then the breach should be reported to a member of the Audit and Risk Management Committee.
- 8.3. Reports must be made in good faith and the report and the identity of the reporter must be treated confidentially, so far as possible. The reporter is entitled to protection, support and fair treatment, regardless of the outcome.

## 9. Managing breaches of the Code

- 9.1. The Board of the Company has implemented procedures to record and evaluate compliance with this Code.
- 9.2. Any investigation of a breach of this Code by a Director or the CEO will be undertaken by the Board (or a committee appointed by the Board) and any sanctions will be determined by the Board.
- 9.3. Any investigation of a breach of this Code by PaySauce personnel (other than a Director or the CEO) will be undertaken by the Company's Human Resources function. If a member of PaySauce's personnel is found to have breached this Code, any sanctions will be determined by Human Resources in conjunction with the staff member's manager.

- 9.4. PaySauce will deal with any breach of this Code in an even-handed manner which is consistent with past decisions where possible.
- 9.5. Sanctions may include serious disciplinary action, removal from office and termination of contract as well as other remedies, to the extent permitted by law and as appropriate under the circumstances.

## 10. **Transparency**

- 10.1. PaySauce will provide a copy of this Code to all new personnel. If this Code is updated, PaySauce will ensure that the updated Code is circulated to all personnel.
- 10.2. PaySauce will ensure that this Code is easily accessible on its website.
- 10.3. If the Board or the CEO considers it appropriate or beneficial, PaySauce will provide training on this Code to its personnel.

## 11. **Annual review**

- 11.1. This Code is subject to annual review by the Board of the Company. If you have feedback on the Code please contact the Chair of the Board.



## Appendix C: Securities Trading Policy

This policy applies to all Directors, officers, employees (including former employees), and contractors of PaySauce Limited (“PaySauce”) and its subsidiaries who intend to trade in PaySauce’s quoted financial products.

The policy also applies to any trading in PaySauce’s quoted financial products in which you are involved or associated, whether or not the quoted financial products are held or beneficially owned in your name, that of your spouse or partner, dependent children and/or trusts of which you are a trustee or any company of which you have control.

In this policy, “trade” includes buying or selling quoted financial products, or agreeing to do so, whether as principal or agent, but it does not include subscription for, or the issue of, new quoted financial products.

In addition to this policy, further specific and stringent rules also apply to trading in PaySauce’s quoted financial products, by “restricted persons” (see “Additional trading restrictions for restricted persons” below).

The Board of Directors (the “Board”) of PaySauce has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by written notice.

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

It is important that if you do not understand any part of this policy, or how it applies to you, you raise the matter with PaySauce’s CFO in the first instance before dealing in any “Restricted Securities” (as defined below) or other quoted financial products covered by this Policy. The boundary between what is and is not in breach of the law is not always clear or easy to determine. If you have any doubt you should raise the matter with the CFO before dealing in any Restricted Securities or other quoted financial products covered by this policy.

The terms of this policy do not replace your legal obligations and this policy is not intended to be legal advice and is not a substitute for legal advice.

## Introduction and purpose

This document sets out PaySauce's policy relating to, and rules for dealing in, the following "Restricted Securities":

- PaySauce's ordinary shares; and
- any other quoted financial products of PaySauce, and any listed derivatives (including futures contracts listed on an authorised futures exchange) in respect of PaySauce's quoted financial products, from time to time.

The application of the policy and the requirements under it are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand, and any other applicable country where the Restricted Securities may be listed or quoted.

### Insider trading laws

If you have any "material information" (as defined below), it is illegal for you to:

- trade PaySauce's quoted financial products;
- advise or encourage another person to trade or hold PaySauce's quoted financial products;
- advise or encourage a person to advise or encourage another person to trade or hold PaySauce's quoted financial products; 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, PaySauce's quoted financial products.

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

## The fundamental rule - insider trading is prohibited at all times

If you possess material information, then you must not (irrespective of whether or not you are a "Restricted Person" (as defined below)):

- trade Restricted Securities;

- advise or encourage others to trade, or hold any Restricted Securities;
- advise or encourage others to 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;
- regardless of why you are trading;
- regardless of whether you make a profit on the trade; and
- not only to information concerning PaySauce's quoted financial products. If you have material information in relation to quoted financial products of another issuer, you must not trade in those financial products.

## What is “material information”?

“Material information”, in relation to PaySauce, is information that:

- a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of Restricted Securities; and
- relates to the Restricted Securities, or PaySauce, rather than to financial products generally or listed issuers generally.

Information is generally available to the market if it has been released as an NZX announcement, or investors that commonly invest in the Restricted 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 (for example whether you learn it in the course of carrying out your responsibilities, by overhearing it walking through a building, in passing in the kitchen, in a lift or at a social function).

It includes information which is insufficiently definite to warrant disclosure to the public, including rumours, matters of supposition, intentions of a person (including PaySauce) and other types of similar information.

Whilst the following list is intended to be illustrative only and not exhaustive, material information may include information concerning:

- the financial performance of PaySauce;
- a possible change in the strategic direction of PaySauce;

- the introduction of a significant new product or service;
- receipt by PaySauce of any proposal or notice of a potential acquisition of PaySauce;
- a possible acquisition or sale of any assets or company by PaySauce;
- entry into or termination of (or likely entry into or termination of) material contracts or other business arrangements that are not publicly known;
- a possible change in PaySauce's capital structure;
- a change in historical pattern or intention as to payment of dividends;
- Board or senior management changes;
- a material legal claim by or against PaySauce;
- a possible change in the regulatory environment affecting PaySauce; and
- any other unexpected liability which has not been released to the market.

## Permissible trading

This Policy is not intended to restrict you from and does not apply to:

- acquisitions and disposals by gift or inheritance;
- acquisitions through an issue of new Restricted Securities, such as an issue of new shares on the exercise of options, under a share split or rights issue, or a dividend reinvestment plan; or
- acquisitions or disposals arising from transfer of legal or beneficial interest in Restricted Securities under the PaySauce Share Incentive Scheme.

## Short term trading discouraged

Short term trading (meaning here the buying or selling of quoted financial products within a 3 month period) can be a strong indicator of insider trading, particularly if undertaken on a regular basis and/or in relation to large amounts. Therefore, to reduce the risk of an allegation of insider trading, you are encouraged not to trade quoted financial products on a short term basis unless there are exceptional circumstances discussed with and approved by the relevant personnel at PaySauce. Please contact the CFO in the first instance if you have any questions.

## **Breaches of policy**

Strict compliance with this policy is a condition of employment and engagement of contractors and advisers. Breaches of this policy will be subject to disciplinary action, which may include termination of employment or a contract for services.

## **If you leave PaySauce**

If you leave the Company you are required to remain subject to the provisions of this policy for a period of six months from your date of departure.

## **If in doubt, don't trade**

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 trade.

## **Monitoring of trading**

PaySauce may monitor the trading of Directors, officers, employees, contractors and advisers as part of the administration of this policy.

The Financial Markets Authority, the NZX, and governance advisers take an interest in whether PaySauce is complying with this policy.

## **Confidential information**

In addition to the above, you also have a duty of confidentiality to PaySauce. You must not reveal any confidential information concerning PaySauce to a third party (unless that third party has signed a confidentiality agreement with PaySauce and you have been authorised to disclose the confidential information), or to use confidential information in any way which may adversely affect or cause loss to PaySauce, or use confidential information to



gain an advantage for yourself. You should ensure that external advisers keep PaySauce information confidential.



## Additional trading restrictions for restricted persons

### Persons covered by restricted securities trading restrictions

The additional trading restrictions set out below apply to:

- all Directors and employees of PaySauce and its subsidiaries;
- trusts and companies controlled by such persons; and
- anyone else notified by the CFO from time to time. (together referred to as “Restricted Persons”).

Employees and Directors 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.

### 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:

- from the date that is 30 days prior to PaySauce’s first quarter end, until the first trading day after the release of PaySauce’s operational performance for that quarter to NZX;
- from 30 days prior to PaySauce’s half-year balance date, until the first trading day after the half-year results are released to NZX;
- from the date that is 30 days prior to PaySauce’s third quarter end, until the first trading day after the release of PaySauce’s operational performance for that quarter to NZX;
- from 30 days prior to PaySauce’s year-end balance date, until the first trading day after the full-year results are released to NZX; and
- such other period as determined by the Board (for example including prior to release of a product disclosure statement for a regulated offer of Restricted Securities).

Restricted Persons are not permitted to trade any Restricted Securities during a black-out period unless the 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.***

## Requirements before trading

Before trading in Restricted Securities, at any time, Restricted Persons must, in writing:

- notify the Company CFO of their intention to trade in PaySauce's quoted financial products, seek consent to do so (using the 'Request for consent to trade' form attached) and receive a signed copy of the consent to trade;
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibit trading in any Restricted Securities.

Unless otherwise notified to you in writing by the Board, a consent is only valid for a period of 10 trading days after notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

Approval for the 'Request for consent to trade' form can be granted in the following manner:

- All requests must be submitted to the CFO for their approval;
- If an employee of PaySauce is either a member of the senior management or a Director or the value of the proposed trade exceeds \$50,000, the CFO must also obtain the CEO's approval;
- If the CFO proposes to trade in PaySauce's quoted financial products, they must submit the notice to the CEO for their consent to trade;
- If the CEO proposes to trade in PaySauce's quoted financial products, they must submit the notice to the Chair of the Board for their consent to trade; and
- If the Chair of the Board proposes to trade in PaySauce's quoted financial products, they must submit the notice to the full Board for their consent to trade.

## Requirements after trading

A Restricted Person must advise person(s) from whom they have obtained the consent to trade promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations it has under the Financial Markets Conduct Act 2013 and the Financial Markets Conduct Regulations 2014 without delay.

## Exceptional circumstances

If you need to trade in PaySauce's quoted financial products during a black-out period due to exceptional circumstances please complete a 'Request for consent to trade' form and include a description of your exceptional circumstance, which will need to be approved by the full Board.

Exceptional circumstances for these purposes may include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the Board.



## Request for consent to trade

**To:** PaySauce

In accordance with PaySauce's Securities Trading Policy and Additional Trading Restrictions for Restricted Persons, I request PaySauce's consent to the following proposed transaction to be undertaken either by me or persons associated with me, within 10 trading days of approval being given. I acknowledge PaySauce is not advising or encouraging me to trade or hold financial products and does not provide any recommendation relating to financial products.

Name

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Name of registered holder transacting (if different)

---

Registered address

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Position

---

CSN/Holder number (if known)

---

Description and number of financial products

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

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

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Likely date of transaction (on or about)

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## Request for consent to trade (cont.)

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 PaySauce's listed securities if it were generally available to the market. I know of no reason to prohibit me from trading in PaySauce's listed securities and certify that the details given above are complete, true and correct.

Signature

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Date

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PaySauce 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 of the date of this consent, and in compliance with PaySauce's Securities Trading Policy and Additional Trading Restrictions for Restricted Persons.

Name

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Position

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Signature

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Date

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on behalf of PaySauce Limited

## Appendix D: Audit and Risk Committee Charter

### 1. Constitution

- 1.1. The Audit and Risk Committee (the "ARC") shall be a committee of the Board of Directors (the "Board") of PaySauce Limited ("PaySauce" or the "Company").

### 2. Purpose

- 2.1. **Purpose:** The purpose of the ARC is to:

- 2.1.1. assist the Board in fulfilling its responsibilities for Company financial statements and external financial reporting;
- 2.1.2. assist the Board in monitoring and ensuring the quality and independence of the Company's external audit process;
- 2.1.3. assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to oversight of:
  - 2.1.3.1. the integrity of external financial reporting;
  - 2.1.3.2. the application of accounting policies;
  - 2.1.3.3. financial management;
  - 2.1.3.4. internal control systems;
  - 2.1.3.5. the risk management framework and compliance monitoring in relation to that framework;
  - 2.1.3.6. related party transactions;
  - 2.1.3.7. protection of the Company's assets; and
  - 2.1.3.8. compliance with applicable laws, regulations, standards, NZX Main Board Listing Rules, and best practice guidelines as they relate to financial disclosure;
- 2.1.4. review managements' letter of representation;
- 2.1.5. facilitate the continuing independence of the external auditor;
- 2.1.6. assess the external auditor's independence and qualifications, including requiring the confirmation in writing of compliance with all professional regulations in relation to auditor independence;
- 2.1.7. ensure that the ability of the external auditor to carry out the statutory audit role is not impaired or could reasonably be perceived to be impaired;
- 2.1.8. maintain the quality, credibility and objectivity of the accounting and financial reporting process;
- 2.1.9. oversee and monitor the performance of internal audit work (if the Company has an internal audit function) and external auditors;

- 2.1.10. if the Company has an internal audit function, provide a reporting and communication structure for internal audit and facilitate the maintenance of the objectivity of the internal audit process; and
- 2.1.11. provide a formal forum for communication between the Board, senior financial management and the auditor.

### 3. Duties and responsibilities

3.1. **Mandate required:** The ARC shall not take actions or make decisions on behalf of the Board unless specifically mandated.

3.2. **Responsibilities:** The Board has delegated certain functions to the ARC which is responsible for:

3.2.1. monitoring all aspects of the external audit of the Company's affairs including:

- 3.2.1.1. recommending the appointment of the external auditor to the Board (provided the appointee is appropriately qualified, meets the independence criteria set out in the External Audit Policy in the Company's Corporate Governance Code and subject to shareholder approval) and termination of the external auditor's appointment as appropriate;
- 3.2.1.2. discussing with the auditor, before the commencement of each audit, the nature and scope of their audit, including the level of materiality to be adopted;
- 3.2.1.3. reviewing the auditor's service delivery plan and proposed audit fee;
- 3.2.1.4. approving the Company's letter of representation to the auditor;
- 3.2.1.5. having direct communication with and unrestricted access to the external auditors or accountants and any internal auditors;
- 3.2.1.6. identifying any threats to auditor independence and referring matters of a material or serious nature to the Board;
- 3.2.1.7. discussing with the external auditor any material matters relating to the financial statements and considering their views as to the accuracy of the financial statements where they are unaudited; and
- 3.2.1.8. discussing with the auditor any problems, reservations, or issues arising from the audit together with management's responses and referring matters of a material or serious nature to the Board;

3.2.2. ensuring that processes are in place (and monitoring those processes) to ensure that the Board is properly and regularly informed about significant financial matters relating to the Company;

- 3.2.3. addressing what, if any, services (whether by type or level) other than their statutory audit roles the auditors may provide to the Company and to approve and monitor any service provided by the external auditors to the Company other than in their statutory audit role;
- 3.2.4. reviewing the annual and interim financial statements, and any other financial statements to be released by the Company, before submission to the Board, focusing particularly on:
  - 3.2.4.1. any change in accounting policies and practices;
  - 3.2.4.2. truth and fairness of the statements;
  - 3.2.4.3. major judgemental areas;
  - 3.2.4.4. significant adjustments;
  - 3.2.4.5. the solvency of the Company;
  - 3.2.4.6. the going concern assumption;
  - 3.2.4.7. compliance with accounting standards; and
  - 3.2.4.8. compliance with legal, stock exchange and other regulatory requirements;
- 3.2.5. ensuring that financial reports comply with applicable law and advising the Board accordingly;
- 3.2.6. ensuring that the Company meets the requirement of the External Audit Policy in the Company's Corporate Governance Code to change external auditors, or lead and engagement audit partners, at least every five years;
- 3.2.7. reviewing with management and the auditor any non-routine statements to be issued by the Company relating to financial performance (actual or anticipated) or any other financial matter including announcements to NZX concerning financial results;
- 3.2.8. regularly reviewing the Company's internal controls and systems;
- 3.2.9. putting in place arrangements by which Company employees may, in confidence, raise concerns about possible improprieties;
- 3.2.10. monitoring and regularly reviewing the authorities, delegations and procedures under which the Company may be committed;
- 3.2.11. establishing procedures for receipt, retention and treatment of concerns received by the Company regarding accounting, internal accounting controls and auditing matters;
- 3.2.12. establishing procedures for confidential, anonymous submission of concerns in relation to questionable accounting and auditing matters by employees of the Company, including a whistle blowing scheme;
- 3.2.13. considering the findings of any internal investigations and management's response thereto;
- 3.2.14. monitoring compliance by the Company with its Constitution, applicable laws and regulations and stock exchange requirements;
- 3.2.15. promoting integrity in all aspects of the Company's financial reporting;



- 3.2.16. providing a medium for the auditor to discuss with the ARC their judgements about the quality, not just the acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the Company;
- 3.2.17. maintaining a risk register identifying key risks and steps taken to mitigate those risks; and
- 3.2.18. establishing and regularly reviewing a procedure to identify other situations or circumstances in which the Company may be materially at risk (exclusive of Health and Safety Risks - which are monitored and reported on by management, for review by the Board as a whole) and initiating appropriate action through the Board or the CEO.

3.3. **Procedure:** In carrying out its responsibilities, the ARC shall:

- 3.3.1. regularly report to the Board on the operation of the Company's internal control processes;
- 3.3.2. report to the Board on any incident involving fraud or failure of internal controls;
- 3.3.3. provide sufficient information to the Board to allow the Board to report annually to shareholders and stakeholders on risk identification and management procedures and relevant internal controls of the Company;
- 3.3.4. make recommendations to the Board about the Company's insurance policies having regard to the Company's business and insurable risks; and
- 3.3.5. attend to any other matter put to the ARC for consideration by the Board.

3.4. **Communications with the auditor:**

- 3.4.1. The ARC should ensure that there is a standing agenda item, and allow time at each meeting, to meet with the auditors without employees present, in order to provide an opportunity for open dialogue between the auditor and the ARC.
- 3.4.2. The chair of the ARC will maintain regular direct contact with the auditor. These communications should not include employees.
- 3.4.3. The auditor will be advised on an annual basis that it is the expectation of the Board and the ARC that the auditor proactively raise relevant issues (including issues relating to the Company's audit processes, financial reporting, internal systems, and compliance with law) directly with the ARC.
- 3.4.4. Among other things, the communications protocols in this paragraph 3.4 are intended to provide the auditors with the ability to raise

concerns directly with the ARC, and for the ARC to engage with the auditor, in an independent and confidential manner.

#### 4. **Membership**

- 4.1. **Appointment and removal:** Members of the ARC shall be appointed and removed by the Board and shall comprise a minimum of three Directors.
- 4.2. **Composition:** The ARC shall comprise solely of non-executive Directors and a majority of independent Directors. At least one member must be a Director with an accounting or financial background.
- 4.3. **Chair:** The Board shall appoint a chair from among the members of the ARC but shall not appoint the chair of the Board as the chair of the ARC. The chair shall be independent with the external audit firm.

#### 5. **Secretarial and meetings**

- 5.1. **Secretary:** The secretary of the ARC shall be appointed by the Board. The secretary shall coordinate all Committee business including meeting scheduling, annual work stream planning, agendas, and distribution of papers and minutes.
- 5.2. **Proceedings:** Proceedings will be as determined by the Committee Chair.
- 5.3. **Meetings:** The Committee will meet at least three times a year and may meet at other times as required to satisfy the responsibilities of the ARC and to regularly monitor and review the internal accounting practices of the Company.
- 5.4. **Quorum:** A quorum of members of the ARC shall be a majority of members.
- 5.5. **Meeting attendance:** The following provisions apply to attendance at meetings:
  - 5.5.1. the ARC may invite members of management and such other persons including external advisers, as it considers necessary to provide appropriate information and advice; and
  - 5.5.2. Directors who are not members of the ARC, employees, and other persons shall only attend ARC meetings at the invitation of the ARC.
- 5.6. **Notice of meeting:** Reasonable notice of meetings and the business to be conducted shall be given to the members of the ARC, all other members of

the Board and to all other relevant persons as directed by the Board.

- 5.7. **Management:** The ARC shall meet without the CEO or other management being present as part of the process for reviewing the Company's financial statements.
- 5.8. **Management access:** Members of the Company's executive management team have the right to raise with the Committee Chair any matters of material concern that have been raised through normal management processes but have not been advised to the Committee.
- 5.9. **Meeting request:** Any member of the ARC may request a meeting at any time if they consider it necessary.
- 5.10. **Request by auditor:** The ARC will convene a meeting if the auditor so requests.

## 6. Authorities

- 6.1. **Power to make recommendations only:** The ARC shall make recommendations to the Board on all matters requiring its decision. The ARC does not have the power or authority to make a decision in the Company's name or on its behalf.
- 6.2. **External information:** The ARC is authorised by the Board, at the Company's expense, to obtain outside legal, accounting or other independent information and advice including market surveys and reports, and to consult with management and other outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.
- 6.3. **Investigation:** The ARC is authorised by the Board to investigate any activity, and may communicate with any Company employee to seek any information they require, in order to carry out its role.

## 7. Reporting procedures

- 7.1. **Communication to Board:** As soon as practicable after each ARC meeting the ARC chair shall communicate its findings and recommendations to the Board.
- 7.2. **Minutes:** Minutes of all meetings shall be kept. Minutes of all meetings will be circulated to all Directors (to allow other Directors to question committee members) and to the auditor within 10 days of each meeting. Extracts from

the minutes may be made available to other such persons as the Board directs, as may be necessary to enable them to properly carry out their functions.

## 8. Disclosure

### 8.1. The Company's annual report will:

- 8.1.1. identify the members of the ARC; and
- 8.1.2. describe the Company's risk assessment process.

8.2. A copy of this Charter will be made available on the Company's website.

## 9. Review of the Audit and Risk Management Committee

- 9.1. **Annual self-review:** The ARC shall undertake an annual self-review of its objectives and responsibilities. These shall also be reviewed (as against this ARC Charter) by the Board, the CEO, and any other person the Board considers appropriate.