



Southern Cross Payments Ltd

ACN 075 419 715

Corporate Governance Policies

Procedures for Selection and Appointment of Directors

1. Procedures for Selection and Appointment of Directors

The Board shall ensure that, collectively, it has the appropriate range and expertise to properly fulfil its responsibilities, including

- (a) accounting and finance;
- (b) business development and risk management;
- (c) industry and public company experience; and
- (d) an appropriate ratio and skills matrix for executive and non-executive directors.

In the circumstances where the Board believes there is a need to appoint another Director, whether due to retirement of a Director or growth or complexity of the Company, certain procedures will be followed, including the following:

- (a) determine the skills and experience appropriate for the appointee having regard to those of the existing directors and any other likely changes to the Board;
- (b) agree the process and timetable for seeking such a person, which may involve an external search firm;
- (c) a short list of candidates will be prepared for the Board's consideration and interview. The selection process will encourage visitation to the Company's operating sites and an understanding of management information systems. Candidates will be assessed on the following basis:
 - (i) competencies and qualifications;
 - (ii) independence;
 - (iii) other directorships;
 - (iv) time availability;
 - (v) contribution to the overall balance of the composition of the Board;
 - (vi) experience in the information technology, banking or security industry; and
 - (vii) depth of understanding of the role and legal obligations of a director.
- (d) undertake appropriate checks before appointing a person, or putting forward to securities holders a candidate for election, as a Director; and providing securities holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Board comprises of only 3 persons which, for the size of the Company, is currently considered appropriate to provide the balance of skills and experience necessary for the conduct of the Company's activities.

The Executive Chair regularly reviews the composition of the Board to ensure that the Board continues to have the mix of skills and experience necessary for the conduct of the Company's activities.

If an invitation to become a Director is accepted, the Board will appoint the new Director, subject to the entering into of a written agreement with that Director, and that person will

then stand for re-election by shareholders at the next annual general meeting. Shareholders will be provided with relevant information on the candidates for re-election.

When appointed to the Board, a new Director will receive an induction appropriate to their experience.

This policy is reviewed annually.