



Southern Cross Payments Ltd

Corporate Governance Policies

Remuneration Committee Charter

1. Composition

The Committee shall be members of, and appointed by, the Board of Directors and shall comprise at least three non-executive directors, where possible. One member shall be appointed to chair the Remuneration Committee. All Committee members shall have a reasonable understanding of the industries in which the Company participates.

From time to time, non-Committee members may be invited to attend Committee meetings when remuneration matters are being discussed, if it is considered appropriate.

2. Role

The function of the Remuneration Committee is to review and make recommendations to the Board in relation to:

- (a) the entity's remuneration framework for directors, including the process by which any pool of directors' fees approved by security holders is allocated to directors;
- (b) the remuneration packages to be awarded to senior executives;
- (c) equity-based remuneration plans for senior executives and other employees;
- (d) superannuation arrangements for directors, senior executives and other employees; and
- (e) whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

3. Operations

The Committee shall consider remuneration matters at least once a year and otherwise as required. Minutes of the consideration of such matters are to be kept and provided to the Board as part of their next meeting papers.

4. Responsibilities

The responsibilities of the Committee include a review of:

- (a) the Company's remuneration policy and framework;
- (b) senior executives' remuneration and incentives;
- (c) superannuation arrangements; and
- (d) remuneration by gender.

4.1 Executive Remuneration

In considering the Company's remuneration policy and levels of remuneration for executives, the Committee makes decisions which:

- (a) motivates Executive Directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;
- (b) demonstrates a clear correlation between senior executives' performance and remuneration;

- (c) aligns the interest of key leadership with the long term interests of the Company's shareholders; and
- (d) prohibits executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

4.2 Non-Executive Remuneration

In considering the Company's remuneration policy and levels of remuneration for non-executive Directors, the Committee is to ensure that:

- (a) fees paid to Non-Executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;
- (b) Non-Executive Directors are remunerated by way of fees (in the form of cash and superannuation benefits);
- (c) Non-Executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (d) Non-Executive Directors are not entitled to participate in equity based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders. To the extent that Non-Executive Directors do participate in equity based remuneration schemes, they are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its Non-Executive Directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

4.3 Incentive Plans and Benefits Programs

The Committee is to:

- (a) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
- (b) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and
- (c) continually review and if necessary improve any existing benefit programs established for employees.

5. Authorities and Resources

The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Committee may, when it considers it necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters.