



**POLICY FOR THE SELECTION AND
APPOINTMENT OF NON-EXECUTIVE
DIRECTORS**

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1 PURPOSE AND SCOPE

Clauses 12.10 and 12.11 of the Company's Constitution authorize the Directors to at any time appoint any person to be Director, either to fill a casual vacancy or as addition to the existing Directors. This procedure has been adopted by the Board on the recommendation of the Nomination and Governance Committee (Committee) to assist the Chair and the Board of Directors (Board) in the exercise of their responsibilities following the exercise by the Committee of its delegated duties (as outlined below).

2 APPLICABILITY

Board and Committee.

3 RESPONSIBILITY AND ACCOUNTABILITY

Chair of the Board.

Chair, Nomination and Governance Committee.

4 FREQUENCY

At all times.

5 RETIREMENT POLICY

The Board's retirement policy is that no Director will serve more than twelve (12) years. Directors are not entitled to any retirement or similar allowance upon ceasing to be a Director for any reason. There is no maximum age limit for the appointment of a Director.

6 PROCEDURE

6.1 General

This Policy has been developed to ensure that:

- The Committee is provided with guidelines for the purposes of the exercise of its delegated authority in relation to the selection process, in particular:
 - the Board should consist of members with an appropriate mix of skills and experience to enable the Board to be an effective decision making body;
 - the procedure for selection of members should be sufficiently flexible to meet the needs of the Company depending on its circumstances at any particular time; and
- the policy for selection of Directors is available to shareholders to review.

6.2 Delegation to Nomination and Governance Committee

The responsibility for the selection and recommendation to the Board of potential Directors has been delegated to the Committee which shall periodically review the composition of the Board to ensure that the Board has at all times the mix of members and expertise necessary for the successful conduct of the Company's business, the achievement of growth and the delivery of value to shareholders.

6.3 Majority of Independent Directors

The Committee and the Board shall ensure that a majority of the Board shall be Non-Executive Directors of integrity and with a blend of relevant experience and skills.

A sufficient majority of the Directors should also be independent of the Company such that a majority of the Board as a whole are both non-executive and independent.

6.4 Board Structure

The optimum size of the Board is six to nine members. Executive Directors should not number more than two.

The Board has the right to fix the size of the Board between the limits referred to in the Constitution of the Company.

6.5 Procedure for Selection and Appointment of Non-Executive Director(s)

The Committee shall:

- assess the current Board's skills and qualities;
- give consideration to the skills regarded as important to be represented on the Board, namely:
 - experience as a Chief Executive;
 - international business experience;
 - financial experience;
 - technology experience especially in the software or computer industries;
 - marketing experience;
 - legal and regulatory experience; and
 - corporate governance and risk management experience;
- assess the future needs of the business;
- develop selection criteria for potential Board candidate(s); these may include, among other things, knowledge, experience, skills, expertise, integrity, diversity, ability to make independent analytical inquiries, understanding of the Company's business environment, willingness to devote adequate time and effort to the perceived needs of the Board;
- consider recommendations from shareholders, management and others as it deems appropriate;
- use, if considered desirable, the services of an independent executive search firm to assess the appropriateness of candidates and/or to provide or supplement the candidate list;
- evaluate the final potential candidates and in particular the extent to which potential Board candidates are (a) likely to work constructively with the existing Directors, (b) contribute to the overall effectiveness of the Board and (c) safeguard the interests of the Company and avoid conflicts of interest;

- consider whether the potential Board candidate is likely to be appointed to any Board committees;
- advise potential Board candidates of the Company's policy regarding its expectations of Directors to ensure that candidates are fully informed of such expectations including regulatory and compliance requirements; and
- provide the Board with a list of potential Board candidates and a recommendation.

The Board shall:

- examine and review the list of potential Board candidates provided by the Committee; and
- authorise the Chairman to approach the desired candidate(s) and provide the Company's draft terms of appointment for review;
- interview the final recommended candidate(s); and
- appoint, if the Board so determines, the final recommended candidate to the Board in accordance with the Company's Constitution and on the terms of the appointment agreed with the potential Board candidate.

6.6 Re-appointment of Non-Executive Directors

The Company's Constitution provides that a Director may not hold office for a continuous period in excess of 3 years or past the third Annual General Meeting (AGM) following the Director's appointment without submitting for re-election. Retiring Directors are subject to the selection and appointment procedures set out in the Constitution of the Company, the ASX Listing Rules and the *Corporations Act 2001 (Cth) (Act)*.

The Board (excluding the retiring Director(s)) shall, at least five months before the date of an AGM at which a Director is scheduled to retire:

- examine and review the recommendation provided by the Committee;
- authorise the Chairman to approach the retiring Director(s) to convey the Board's views concerning the proposed re-election of the retiring Director(s) at the next AGM;
- the Company Secretary shall make the appropriate arrangements in accordance with the Constitution of the Company, the ASX Listing Rules and the Act in respect of the views expressed by the Board concerning the proposed re-election of retiring Director(s); and
- if the Board does not support the re-election of the retiring Director(s) at the next AGM, instruct the Company Secretary to initiate the procedure provided for in clause 6.5 above.