

VERIFONE HOLDINGS, INC.
POLICY REGARDING
DIRECTOR INDEPENDENCE DETERMINATIONS

The Board of Directors of VeriFone Holdings, Inc., acting upon the recommendation of its Corporate Governance and Nominating Committee (the “Committee”), has adopted this Policy with regard to Independence Standards.

Background. In order for a director to qualify as independent under the New York Stock Exchange Listing Requirements and VeriFone’s Corporate Governance Guidelines, the Board of Directors must determine affirmatively that the director has no relationship that would interfere with the director’s exercise of independent judgment in carrying out his or her responsibilities. The Board of Directors has adopted the following categorical standards to assist it in making this determination. For purposes of this Policy, references to “VeriFone” mean VeriFone Holdings, Inc. and its consolidated subsidiaries.

Application. Any relationship listed under the heading “Material Relationships” below will, if present, be deemed material for the purposes of determining director independence. If a director has any relationship that is considered material, the director will not be considered independent. Any relationship listed under the heading “Immaterial Relationships” below will be considered categorically immaterial for the purpose of determining director independence. Multiple “Immaterial Relationships” will not collectively create a material relationship that would cause the director to not be considered independent. In addition, the fact that a particular relationship is not addressed under the heading “Immaterial Relationships” will not automatically cause a director to not be independent. If a particular relationship is not addressed under the standards established by the Board, the Board will review all of the facts and circumstances of the relationship to determine whether or not the relationship, in the Board’s judgment, is material.

Material Relationships. Any relationship listed below will, if present, be deemed material for the purposes of determining director independence. If a director has any relationship that is considered material, the director will not be considered independent.

- **Auditor Affiliation.** The director is a current partner or employee of VeriFone’s internal or external auditor or a member of the director’s immediate family (including the director’s spouse; parents; children; siblings; mothers-, fathers-, brothers-, sisters-, sons-, and daughters-in-law; and anyone who shares the director’s home, other than household employees) is a current employee of such auditor who participates in the firm’s audit, assurance, or tax compliance (but not tax planning) practice or a current partner of such auditor. Or the director or an immediate family member of the director was a partner or employee of the firm who personally worked on VeriFone’s audit within the last five years.
- **Business Transactions.** The director is an employee of another entity that, during any one of the past five years, received payments from VeriFone, or made payments to VeriFone, for property or services that

exceeded the greater of \$1 million or 2% of the other entity's annual consolidated gross revenues. Or a member of the director's immediate family has been an executive officer of another entity that, during any one of the past five years, received payments from VeriFone, or made payments to VeriFone, for property or services that exceeded the greater of \$1 million or 2% of the other entity's annual consolidated gross revenues.

- **Employment.** The director was an employee of VeriFone at any time during the past five years or a member of the director's immediate family was an executive officer of VeriFone in the prior five years.
- **Interlocking Directorships.** During the past five years, the director or an immediate family member of the director was employed as an executive officer by another entity where one of VeriFone's current executive officers served at the same time on the Compensation Committee.
- **Other Compensation.** A director or an immediate family member of a director received more than \$100,000 per year in direct compensation from VeriFone, other than director and committee fees, in the past five years.
- **Professional Services.** A director is a partner or officer of an investment bank or consulting firm that performs substantial services to VeriFone on a regular basis.

Immaterial Relationships. For purposes of this Policy, the following relationships are deemed to be categorically immaterial and will not be considered by the Board of Directors for purposes of determining an individual director's independence.

- **Affiliate of Stockholder.** A relationship arising solely from a director's status as an executive officer, principal, equity owner, or employee of an entity that is a stockholder of VeriFone.
- **Certain Business Transactions.** A relationship arising solely from a director's status as an executive officer, employee or equity owner of an entity that has made payments to or received payments from VeriFone for property or services, so long as the payments made or received during any one of such other entity's last five fiscal years are not in excess of the greater of \$1 million or 2% of such other entity's annual consolidated gross revenues.
- **Director Fees.** The receipt by a director from VeriFone of fees for service as a member of the Board and committees of the Board.

- ***Other Relationships.*** Any relationship or transaction that is not covered by any of the standards listed above in which the amount involved does not exceed \$25,000 in any fiscal year.

Notwithstanding the foregoing, no relationship will be deemed categorically immaterial pursuant to the above section to the extent that it is required to be disclosed in U.S. Securities and Exchange Commission (“SEC”) filings under Item 404 of the SEC’s Regulation S-K, as amended from time to time. The list of categorically immaterial relationships may be amended or supplemented by Legal to exclude relationships that are required to be disclosed under Item 404 of Regulation S-K, all of which will be considered by the Board of Directors in making its independence determination.