

## ASSESSING THE INDEPENDENCE OF DIRECTORS POLICY

### 1. Independence Defined

In considering whether a particular director is assessed as independent, the board is responsible for making that determination.

An independent director is defined as ***"a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than those of an individual security holder or other party."***

In making the Independence assessment, the Board looks to this definition and most notably that the director being assessed is:

- not a current member of management (or has held a management position) across the least last three financial years);
- free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

### 2. Consideration of Relationships

It is the Board's policy that in determining a Director's independence the Board it considers information and or any relationships which may affect independence as set out in Box 2.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition), When determining the independent status of a Director the Board should considers whether each Director:

- (a) is, or has been, employed in an executive capacity by the Company or any of its subsidiaries and there has not been a period of at least three years between **ceasing** such executive employment and serving on the Board;
- (b) receives performance-based remuneration (including options or performance rights) **under their current terms of employment as a Non-executive Director**, or participates in an employee incentive scheme of, the Company;
- (c) is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Company or any of its subsidiaries, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is, represents, or is or has been within the last three years an officer or employee of, or a professional adviser to, a substantial shareholder of the Company;
- (e) has close personal ties with any person who falls within any of the categories described above; and/or
- (f) has been a Director of the Company for such a period that their independence from management and substantial shareholders may have been compromised.

### 3. Making an Assessment

The Board assesses the independence of all and any Director who serves on the Board at least annually, with independence considerations in-built into the day-to-day dealings of the board, ensuring that appropriate independence considerations are made for all matters for decision at a board level.

In each case, the materiality of the relevant interest, position, association or relationship needs is assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual shareholder or other party.

The Board notes that the mere fact that a Director has served on a Board for a substantial period does not mean that he or she has become too close to management or substantial shareholders to be considered non-independent.

Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence and should be disclosed to the Board.

For the purposes of determining materiality, the Company discloses its Materiality Thresholds in its Board Charter.

### 4. Review of Policy

This Policy is subject to annual review by the Nomination Committee, with any material changes recommended to the Board of Directors for approval.

Policy Ref.	Policy Name	Version	Author	Approving Authority	Approved Date
21	Annual Director Independence Review	1	Company Secretary	Board of Directors	12 Jan 2014