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Policy on Independence of Directors

POLICY STATEMENT	
Who does this policy apply to?	This policy applies to all MLA, MDC and NLIS directors, employees and contractors.
Background	<p>The MLA Board is committed to adopting a high standard of corporate governance. Those standards require that a majority of the members of the Board (including the Chairman) are independent, and that a majority of members of Board committees are independent. All Board committees should be chaired by an independent director.</p> <p>This policy has been developed taking into account the commentary and recommendations on independence in the ASX Corporate Governance Councils' <i>Corporate Governance Principles and Recommendations 3rd ed 2014 (ASX Principles)</i> and applies for all MLA Group companies.</p>
Purpose	<p>This policy has been developed to:</p> <ul style="list-style-type: none"> • specify how the Board will assess the independence of each director; • identify the information that will be considered in determining the independence of each director; and • outline the disclosure of information to members.
Independence Assessment	<p>3.1 The Board will assess the independence of directors in accordance with the definition of independence set out in the Recommendations, namely:</p> <p><i>“An independent director is a director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.”</i></p> <p>3.2 The Board will assess each director’s independence on an annual basis or at any other time where the circumstances of a director change so as to require further assessment.</p>
Information considered by the Board in assessing independence	<p>4.1 The Board will consider any facts and circumstances which it considers relevant to the definition of independence in order to determine the independence of directors.</p> <p>In assessing independence, the Board will take into account the relationships and recommendations set out in the ASX Principles which may affect independence, namely whether the director:</p> <ol style="list-style-type: none"> 1. is, or has been, employed in an executive capacity by the entity or

	<p>any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;</p> <ol style="list-style-type: none"> 2. is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities; 3. is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship; 4. is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity; <p><i>* A “substantial shareholder” is a person with a substantial holding as defined in section 9 of the Corporations Act. A person has a “substantial holding” if:</i></p> <p><i>(a) the total votes attached to voting shares in the body...in which they or their associates:</i></p> <p><i>(i) have relevant interests...</i></p> <p><i>...is 5% or more of the total number of votes attached to voting shares in the body...”</i></p> <ol style="list-style-type: none"> 5. has a material contractual relationship with the entity or its child entities other than as a director; 6. has close family ties with any person who falls within any of the categories described above; or 7. has been a director of the entity for such a period that his or her independence may have been compromised. <p>4.2 The Board may adopt materiality thresholds from time to time to assist it in assessing and determining whether the materiality of a director’s interest, position, association or relationship 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 and its members generally.</p>
Disclosure	<p>The Board will make the following disclosures in the MLA Annual Report:</p> <ul style="list-style-type: none"> • Independent and Non-Independent Directors will be identified; • Any thresholds adopted by the Board to assist in determining independence; • Material relationships of each Director; and • The length of services of each Director.

Approval			
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