

PPK GROUP LIMITED (“PPK”)

INDEPENDENT DIRECTOR ASSESSMENT

A PPK director will be considered *independent* where he or she is:

- independent of management, that is, a non-executive director; and,
- free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of his or her unfettered and independent judgement.

The PPK Board will make its own assessment to determine the independence of each director.

In undertaking its assessment of the independence of its directors, PPK will:

- consider whether the individual director has a business or other relationship with PPK, either directly or indirectly (that is, as a partner, shareholder or officer of a company or other entity that has an interest or a business or other relationship with PPK or another PPK group member), and,
- have regard to whether the director, or an immediate family member has any of the following relationships:
 1. a substantial shareholder¹ of PPK, or an officer of, or otherwise associated directly with, a substantial shareholder of PPK;
 2. within the last three (3) years, employment in an executive capacity by PPK or another PPK group member, or been a director of PPK after ceasing employment with PPK;
 3. within the last three (3) years, been a principal of a material² professional adviser or a material consultant to PPK or another PPK group member, or an employee materially associated with the service provided;
 4. within the last three (3) years, a present or former affiliation with or employment by a present or former external auditor of PPK or another PPK group member who has worked on the PPK (or PPK group member) audit;
 5. a material supplier or customer of PPK or another PPK group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer of PPK or any other PPK group member;

¹ A “substantial shareholder” is a person with a “substantial holding” (as defined in section 9 of the *Corporations Act*.)

² Materiality will be assessed by PPK on a case by case basis and having regard to each director’s individual circumstances.

PPK INDEPENDENT DIRECTOR ASSESSMENT

6. a material contractual relationship with PPK or another PPK group member other than as a director or committee member of PPK or another PPK group member;
7. has served on the Board of PPK or of another PPK group member for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company; or
8. has an interest or a business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of PPK.

PPK will:

- state its reasons if it considers a director to be independent notwithstanding the existence of a relationship of the kind referred to in paragraphs 1-8 above;
- make immediate disclosure to the market if it considers that the independent status of a director is lost for any reason.



Colin Ryan
Chairman



David Hoff
Managing Director

CURRENT VERSION B ■ DATE MODIFIED: 1 SEPTEMBER 2006

APPROVED BY: BOARD OF DIRECTORS

PREVIOUS VERSION: A ■ DATED: 20 APRIL 2004