

DIRECTOR INDEPENDENCE

Premier Investments Limited has adopted the ASX Corporate Governance Council, *'Corporate Governance Principles and Recommendations'* (2nd ed) ("**Recommendations**") in relation to the definition of 'independence'.

The Recommendations state that an independent director is a non-executive director (ie is not a member of management) and:

- (a) is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
- (b) within the last three years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such appointment;
- (c) within the last three years has not been a principal of a material professional adviser or material consultant to the company or another group member, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has no material contractual relationship with the company or another group member other than as a director of the company;
- (f) has not served on the board 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; and
- (g) is free from any interest and any 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 the company.

Family ties and cross-directorships may be relevant considering interests and relationships which may compromise independence, and should be disclosed by directors to the board.