

MYSTATE LIMITED (MYS)

'INDEPENDENT DIRECTOR' STANDARDS

A Director is considered to be independent for the purpose of service on the Board and Board Committees of MyState Limited (MYS) if the director satisfies the standards set out below.

To qualify as being "independent", a Director must, in the opinion of the Board, be independent of management 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/her unfettered and independent judgement.

MYS will identify those Directors the Board considers to be independent in its Annual Report.

In judging whether a Director is an "Independent Director" the Board will have regard to whether or not:

- The Director is a Substantial Shareholder in MYS or if he/she represents or is not an officer of or otherwise associated directly with, a Substantial Shareholder of MYS;
- The Director is not and has not within the past three years:
 - been employed by a Group Company or been a Director of a Group Company after ceasing such employment;
 - been a principal of a material professional adviser or a material consultant to a Group Company or been an employee materially associated with services provided by such an adviser or consultant;
 - been affiliated with or employed by a present or former auditor of MYS or an Affiliate; or
 - been part of an interlocking directorate in which an executive officer of MYS has served on the compensation committee of another company that concurrently employed the Director;
- The Director has received any remuneration from MYS other than Directors' fees (which may be paid in cash or by the issue of shares in MYS in lieu of cash), and whether or not the Director participates in any of MYS executive share option or performance-related pay schemes;

- The Director has served on the Board for a period that in the Board's opinion could interfere with the Directors' ability to act in the best interests of MYS;
- The Director is free from any other interests and any business or other relationships that could or could be perceived to interfere with the Directors' unfettered and independent judgement and ability to act in the best interests of MYS;
- The Director has a material contractual or other material relationship with any MYS company other than as a Director; and
- The Director is a material supplier or customer of any MYS company or is an officer or employee of or otherwise associated with a material supplier or customer.

The Board will consider thresholds of materiality in determining the 'independence of Directors on a case by case basis, having regard to both quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (e.g. revenue, equity or expenses), in the context of each situation.
- In general, the Board will consider an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular Director should be reviewed by the Board.
- Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to materially interfere with the Director's ability to act in the best interests of the Company.

Directors are required to disclose family ties or cross directorships that may be relevant in considering continuing independence.

The Board will conduct a regular review of the independence of each of the Directors, based on information provided to it by the Directors. Directors are expected to volunteer information as and when changes occur.

In addition to these criteria, an independent Director who serves on the Audit Committee must satisfy the following requirements:

- The Director must not be an Affiliate of any Group Company; and

- The Director must not accept, directly or indirectly, any advisory or other compensatory fee from any Group Company. This includes the acceptance of such fees by a spouse, a minor child or stepchild, or a child or stepchild sharing a home with the Director or by an entity in which the Director is a partner, member, an officer such as a Managing Director or executive officer, or in which the director occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to a Group Company) and which provides accounting, consulting, legal, investment banking or financial advisory services to a Group Company.

For the purposes of these Standards:

- “Affiliate” means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified. A Director is deemed not to be an “Affiliate” of a Group Company if they are not an executive officer of the Group Company or the direct or indirect beneficial owner of more than 10% of any class of the Group Company’s voting equity shares;
- “Group Company” means MYS or any controlled entity of MYS
- “Substantial Shareholder” means a person with a substantial holding as defined in section 9 of the Corporations Act as follows:

A person has a substantial holding in a body corporate, or listed registered managed investment scheme, if:

- (a) the total votes attached to voting shares in the body, or voting interests in the scheme, in which they or their associates:
 - (i) have relevant interests; and
 - (ii) would have a relevant interest but for subsection 609(6) (market traded options) or 609(7) (conditional agreements);is 5% or more of the total number of votes attached to voting shares in the body, or interests in the scheme; or
- (b) the person has made a takeover bid for voting shares in the body, or voting interests in the scheme, and the bid period has started and not yet ended.