

TATTERSALL'S LIMITED
ACN 108 686 040

**MINUTES OF MEETING NO. 4 OF THE GOVERNANCE AND NOMINATION
COMMITTEE HELD AT TATTERSALL'S HOUSE, 615 ST KILDA ROAD, MELBOURNE,
VICTORIA, 3004 ON THURSDAY 30 AUGUST, 2007 AT 2PM**

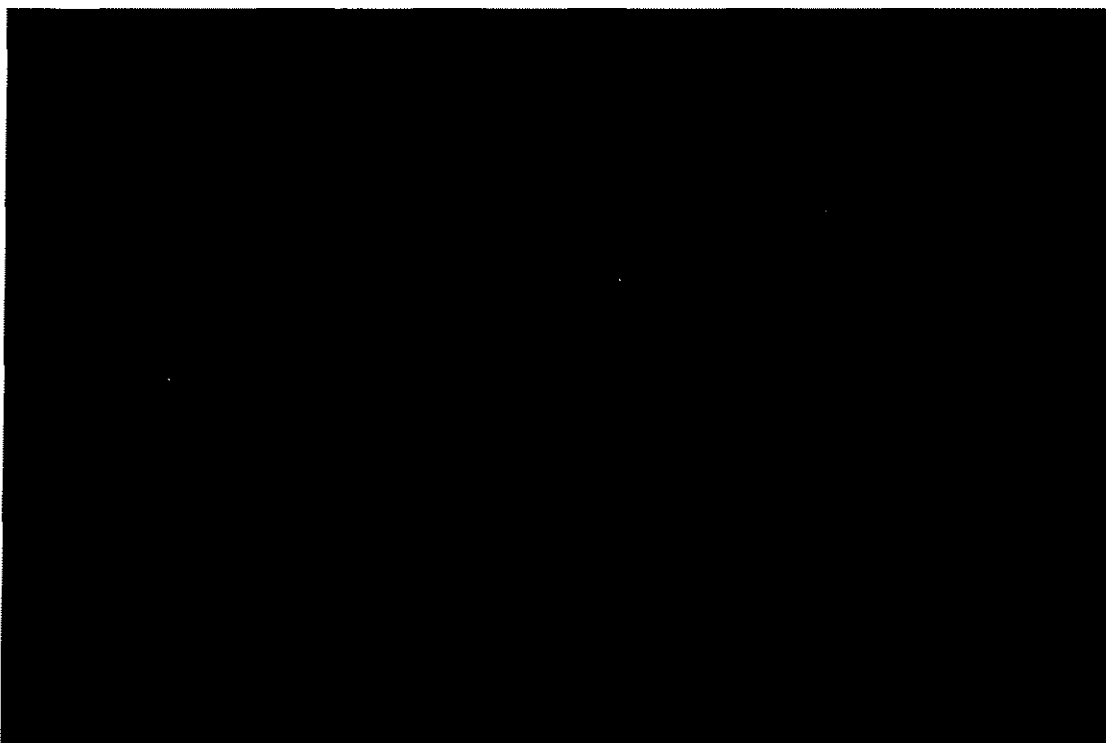
PRESENT: Harry Boon (Chairman)
Bob Bentley
Julien Playoust
Kevin Seymour

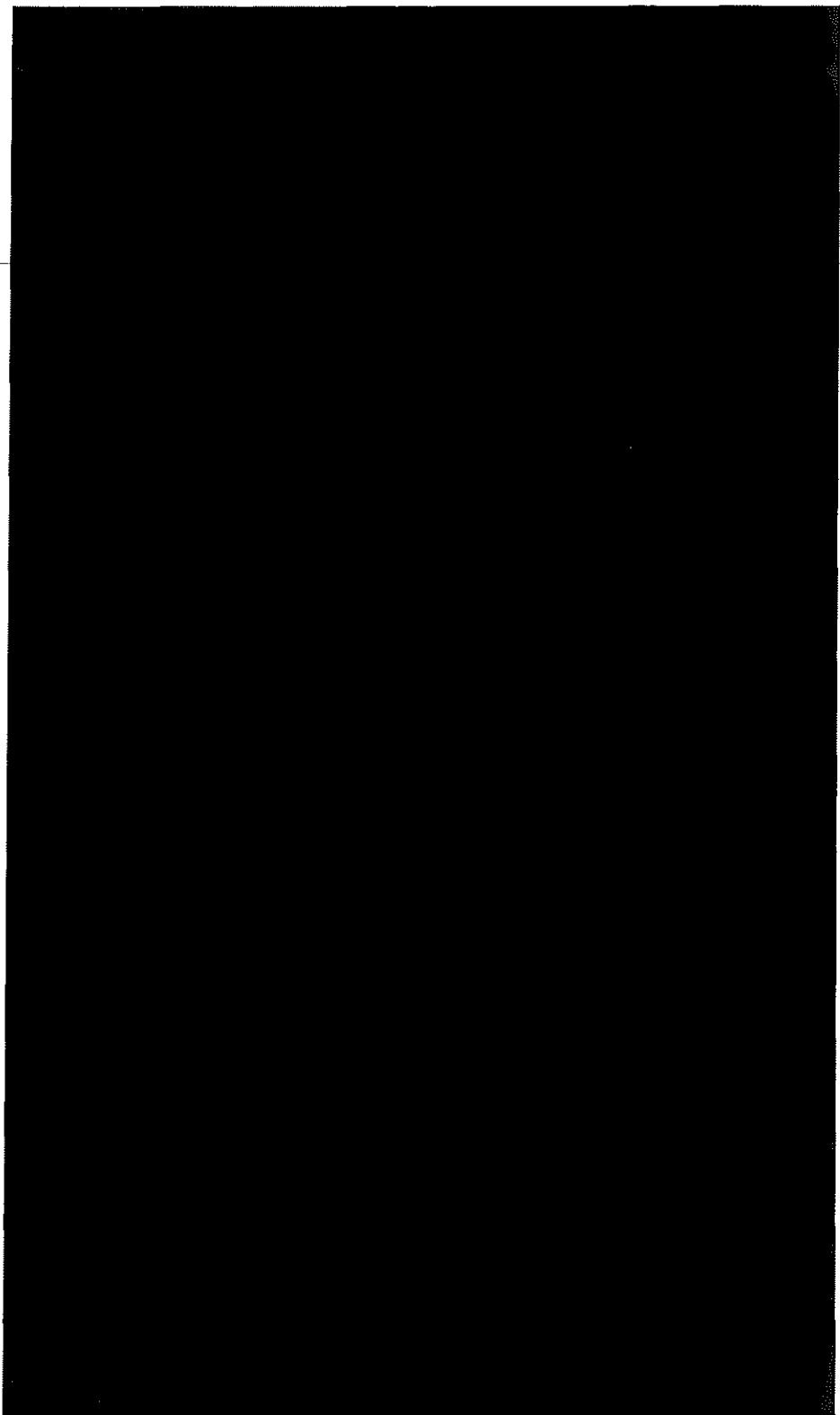
IN Brian Jamieson
ATTENDANCE: Lyndsey Cattermole (for part)
George Chapman (for part)

INVITEES: Penny Grau (Company Secretary)

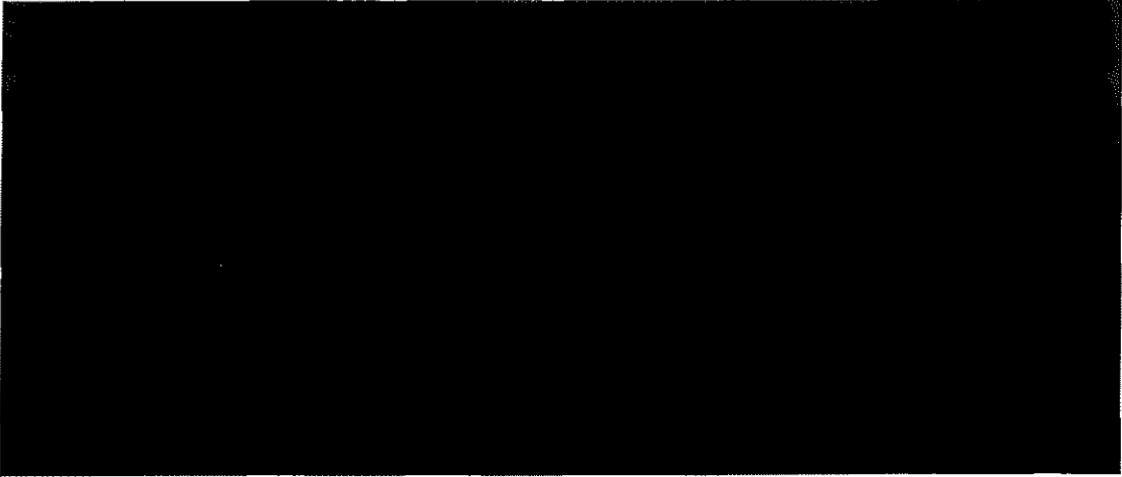
CHAIRMAN'S The Chairman welcomed all present to the meeting.
WELCOME:

APOLOGIES: Nil





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**REVIEW
INDEPENDENCE
CRITERIA AND
ASSESS
INDEPENDENCE
OF DIRECTORS:**

The Company Secretary spoke to the paper entitled 'Review Independence Criteria and Assess Independence of Directors'.

A discussion occurred around the Independence of each of the Directors noting the criteria and the Independence Information contained in the schedule attached to the paper (**Schedule**). In relation to Bob Bentley, the Company Secretary advised that the fee paid for the supply of product was 23% of the Group's revenue and 31% of total expenses.


It was **RESOLVED** that the Committee recommend to the Board that:

1. the Independence criteria be amended as indicated by way of mark-up in the Schedule entitled 'Independence Criteria Schedule'.
2. That, in accordance with the criteria, all of the Directors are considered to be independent except for:
 - a) Dick McIlwain as a consequence of him being an executive of the Company.
 - b) Bob Bentley as a consequence of him being a person otherwise associated directly or indirectly with a material supplier to the Group.

**ANNUAL
REVIEW OF
CORPORATE
GOVERNANCE
PRACTICES
AND REVIEW
OF CORPORATE
GOVERNANCE
STATEMENT
FOR
INCLUSION IN
THE ANNUAL
REPORT:**

The Chairman spoke to the paper entitled 'Annual Review of Corporate Governance Practices and Review of Corporate Governance Statement for Inclusion in the Annual Report'.

The Committee considered schedule 1 to that paper. The Company Secretary tabled an additional document entitled 'Agenda Item 8: Suggested Wording' which contained further material relating to materiality thresholds and the procedure for appointment and re-election of Board members.



It was **RESOLVED** as follows:

1. That, when to referring to materiality in the Corporate Governance Statement, the following be adopted:


"The test of whether a relationship is material is based on the nature of the relationship and the circumstances of the director. Materiality is considered from the perspective of the Company, the director and the person or entity with which the director has a relationship."

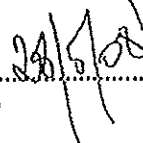
4. That the level of disclosure contained in the Corporate Governance Statement in relation to the performance evaluation of the Board, its Committees and the Individual Directors was adequate.



CLOSE: There being no other business, the Chairman closed the meeting at 3.30pm.

Signed as a true and correct record


.....
Mr H Boon, Chairman


.....
Date

Item for Decision

AGENDA ITEM 7

REVIEW INDEPENDENCE CRITERIA AND ASSESS INDEPENDENCE OF DIRECTORS

Distribution: Governance and Nomination Committee members

BACKGROUND

Section 4.5 of the Governance and Nomination Committee provides as follows:

"4.5.1 – Review the criteria for assessing a Director's independence adopted by the Board.

4.5.2 – Undertake an annual assessment of, and make recommendations to the Board regarding, the independence of each Director and ensure appropriate disclosure is made in the Annual Report."

Principle 2 of the ASX Corporate Governance Guidelines (**ASX Guidelines**) underpins these paragraphs contained within the Charter.

Review the Criteria for Assessing a Director's Independence

The attached table sets out criteria in items 1 to 7 which are the criteria previously determined by Tattersall's for assessing independence. The criteria in item 8 has also been used by Tattersall's in the preamble to the criteria. In order to more closely align the criteria with the independence criteria suggested by ASX Guidelines, I have included the additional words by way of mark-up.

The Committee should determine whether the addition of those words in mark-up to the criteria is appropriate.

Annual Assessment of Independence of Each Director

The attached table sets out the position relating to each Director in relation to each of the (amended) independence criteria.

You will note that at the date of this paper I have not received responses to confirm the information as accurate from those Directors as indicated in the attached table.

An assessment of each Director's independence needs to occur in order for the Committee to make a recommendation to the Board regarding the independence of each Director and for that result to be appropriately disclosed in the Annual Report.

As at the date of this paper:

- (a) D. McIlwain is not independent given he does not meet criteria 2; and

- (b) Consideration needs to be given to the position of R. Bentley. The details in relation to his situation are specified in the table.

Recommendation

1. That the Committee recommend to the Board that it amend the Independence Criteria as set out in the attached paper.
2. That the Committee assess the independence of each of the Directors and make recommendations to the Board regarding the independence of each Director.

**Penny Grau
General Counsel &
Company Secretary**

**For Governance and Nomination Committee
held on 30 August 2007**

INDEPENDENCE CRITERIA SCHEDULE

Independence Criteria	H Boon	D McIlwain	R Bentley	L Cattermole	G Chapman	B Jamieson	J Playoust	K Seymour
Confirmed Details	Yes	N/A	Yes	Yes			Yes	
1. The Director is or has been a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company	X	X	X	X	X	X	X	X
2. The Director is or has been a Tattersall's employee in the previous three years	X	✓	X	X	X	X	X	X
3. The Director is or has been a material professional adviser or consultant to Tattersall's the Group in the previous three years	X	X	X	X	X	X	X	X
4. The Director is or has been a material supplier or customer of Tattersall's the Group or an officer of, or otherwise associated directly or indirectly with a material supplier or customer	X	X	Note 1	X	X	X	X	X

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DEPENDENCE CRITERIA SCHEDULE

[illegible]

NOTE: Family ties and cross directorships may also be relevant in considering interests and relationships which may compromise a non-executive Director's independence.

Note 1: B. Bentley is Chairman of Queensland Thoroughbred Racing Board (QTRB). Through Queensland Product Co. (QPC) QTRB supplies product to UNITAB and UNITAB has made payments totalling \$127M to QPC for the year ended 30 June, 2007. As a consequence, previously UNITAB had considered B. Bentley not to be independent as he did not meet criteria 4.

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