

Independence of Directors

Each member of the Board is required to apply independent judgement to decision making in their capacity as a Director. A Non-executive Director will be considered independent by the Board if no relationship exists between the Director and Tatts Group that may interfere with the exercise of their independent judgement. The Board considers the factors outlined below when assessing the independence of each Non-executive Director, being whether:

- 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;
- The Director is or has been employed in an executive capacity by the Group and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- The Director is or has been a material professional adviser or consultant to the Group or an employee materially associated with the service provided in the previous three years;
- The Director is a material supplier or customer of the Group or an officer of, or otherwise associated directly or indirectly with, a material supplier or customer; and
- The Director has a material contractual relationship with the Group other than as a Director.

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

The Board considers the factors relevant to assessing independence and determines the independence of its Non-executive Directors, and the Board as a whole, each year. This review has been carried out for the 2010 financial year in respect of members of the Board. All Non-executive Directors were considered to be independent with the exception of Mr Bob Bentley, who is Chairman of Racing Queensland Limited which controls a material supplier to UNITAB Limited. The Board acknowledges that, in accordance with the ASX Recommendations, it has a majority of Directors (including the Chairman) who are considered to be independent.

Independent Professional Advice

External advice may be sought by a Director in accordance with the terms of the Director's appointment agreement.

Each Non-executive Director's appointment agreement provides that:

- Professional advice generally in relation to the discharge of the Director's responsibilities to the Company may be sought;
- The Chairman must be notified before advice is sought;
- Any advice obtained may be given to the Board, if appropriate as determined by the Chairman; and
- The Company will reimburse reasonable expenses where the above procedures have been followed.

Senior Executive Performance Evaluation

The process for evaluating the performance of senior executives is detailed in the Remuneration Report. A performance evaluation for senior executives, which accords with the process described, has taken place in the 2010 financial year.

Director induction and professional development

Tatts Group has an induction program to facilitate immediate involvement in Board activities by any new Director.

Tatts Group also recognises that Board members must be provided with a range of opportunities for professional development. The Board encourages Directors to identify areas for professional development, and Tatts Group will provide the Directors with sufficient access to appropriate resources.

Board Committees

The Board has established appropriate committees to assist it in the discharge of its responsibilities. However, the Board has not delegated any of its decision making authority to those committees except as expressly specified in the Committee charters.

Composition of Board Committees

Director	Audit, Risk and Compliance	Governance and Nomination	Remuneration
Chairman	Brian Jamieson	Harry Boon	Julien Playoust
Members	Lyndsey Cattermole Julien Playoust Kevin Seymour	Bob Bentley Julien Playoust Kevin Seymour	Bob Bentley Harry Boon Brian Jamieson