

DIRECTORS' INDEPENDENCE POLICY

16 November 2017



The Board of Company has adopted this policy.

The Corporate Governance Principles and Recommendations 3rd Edition ("CGPR") issued by the ASX Corporate Governance Council have been considered in setting this policy. Specifically, Recommendation 2.4 states that '*a majority of the board of a listed entity should be independent*'.

Defining a Director's Independence

1. Commentary to Recommendation 2.3 of the CGPR provides that '*To describe a director as "independent" carries with it a particular connotation that the director is not allied with the interests of management, a substantial security holder or other relevant stakeholder and can and will bring an independent judgement to bear on issues before the board.*' and that '*A director of a listed entity should only be characterised and described as an independent director if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.*'
2. Further, Box 2.3 of the CGPR provides that some relationships may affect independent status and the following should be considered by the Board when determining the independent status of a director, namely whether the director:
 - (a) is, or has been, employed in an executive capacity by the Company or any of its subsidiaries and there has not been a period of at least three years between ceasing such employment and serving on the Board;

- (b) is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the Company or any of its subsidiaries;
- (c) is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or any of its subsidiaries, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (e) has a material contractual relationship with the Company or its subsidiaries other than as a director;
- (f) has close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of the Company for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

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The Board's Consideration of Director Independence

3. The Board conducts an annual assessment to determine whether each Non-Executive Director is independent. This assessment involves a consideration of the factors outlined in 1 to 2.
4. All Non-Executive Directors are to disclose to the Company, as soon as possible, any information that may affect their independence.
5. A review of Non-Executive Directors' independence is also undertaken by the tabling of individual Non-Executive Director's interests at each Board meeting.

The Materiality Thresholds

6. Materiality is judged on both a quantitative and qualitative basis.
7. Any item that affects the Company's net assets by approximately 0.5% is likely to be material. Quantitative measures, however, must be supplemented with a qualitative examination. The facts (at the time) and the context in which the item arises will influence the determination of materiality.

Disclosure

8. Directors considered by the Board to be independent will be identified as such in the corporate governance statement of the Company's annual report.
9. If a Director's independent status changes, this will be disclosed and explained to the market in a timely manner and in consideration of the Company's Shareholder Communications Policy.

Glossary

Board	board of Directors of the Company
Company	Platinum Asset Management Limited (ABN 13 050 064 287)
Director	director of the Company
Non-Executive Director	a Director who is not an employee of Platinum Investment Management Limited