

Materiality Guidelines for Director Independence

Prospa Group Limited
ACN 625 648 722

ADOPTED BY THE BOARD ON 17 MAY 2018

Materiality Guidelines for Director Independence

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The Board has adopted guidelines as set out in the Board Charter to assist it in considering the independence of Directors.

The Board will consider the materiality of the directors' interests, position, association or relationship for the purposes of determining 'independence' 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 (eg revenue, equity or expenses), in the context of each situation.
- In general, the Board will consider a holding of 5% or more of the Company's shares to be material.
- 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.