

Requirement	Government's proposals	ADIs and Insurers
<b>Location of obligations regarding board composition</b>	<p>Requirement one-third independent directors and independent chair.</p> <p>Regulated in legislation</p>	<p>Board must have a majority of independent directors at all times.<sup>1</sup></p> <p>Regulated in prudential standard</p>
<b>Definition of independent</b>	<p>Defined in legislation.</p> <p>APRA supplements definition in Standards.</p>	<p>Primary obligation in Standard is for board to consider whether director can perform role independently.</p> <p>Appendix A contains a definition of relationships that would render a director not independent.</p>
<b>APRA's Powers</b>	<p>Capacity to determine whether director is independent or not at own motion or on board reference (over and above legislative requirements).</p>	<p>Board may refer the matter to APRA if in doubt about director's independence.</p>