



MEMO

To: Board of Directors
From: Company Secretary
Subject: **APPOINTMENT LETTER FOR NON-EXECUTIVE DIRECTOR**

Gentlemen, as I have said a few times, we need to formalise director appointments in writing so that all parties clearly understand the terms of appointment, the company's expectations of them, and their responsibilities.

Wording of Letter

I suggest a letter worded along the following lines:

Dear Mr _____

APPOINTMENT AS NON-EXECUTIVE DIRECTOR

I am pleased to confirm that the Board of _____ Limited has resolved that you be offered a position as a Non-executive Director of the Company. The purpose of this letter is to confirm the basis of your appointment should you be willing to accept. Would you please sign and return the attached copy in acknowledgement.

Term of Appointment

Your appointment will be made pursuant to the Company's Constitution and is initially for the period expiring at the next Annual General Meeting, at which time shareholders will consider your re-election for a further period of up to 3 years. Thereafter, one-third of Directors retire by rotation annually and may offer themselves for reappointment.

You may resign by notice in writing at any time and, under the Corporations Act and the Constitution, your appointment may cease in certain prescribed circumstances.

Role of Director

You will be expected to participate as an active member of the Board in:

- attendance at all Board meetings, currently 12 meetings per year
- membership of Committees as agreed



- attendance at General Meetings
- strategic planning sessions
- subsidiary company directorships as required.

I estimate that you would need to commit to at least 2 days per month to fulfil your directorial duties, including adequately preparing for meetings, attendance and undertaking allocated follow-up tasks, office and site visits as necessary, as well as being available for ad hoc discussions from time-to-time.

Remuneration & Expenses

You will be entitled to a Director's fee of \$50,000 per annum plus statutory superannuation, payable quarterly in arrears.

You will be reimbursed for all approved expenses incurred in your role as a Director. In addition, should you be requested to perform other work for the Company, outside the scope of usual Directors' duties, you may be entitled to additional remuneration as agreed with the Chairman at that time.

Disclosure

To enable compliance with the Corporations Act, the ASX Listing Rules and the Constitution you are required to make certain disclosures related to and/or which might affect your role as a Director. These include:

- giving notice to the Board of any relevant or material personal interest or conflict in relation to the affairs or business of the Company;
- promptly advising details of any interests, or changes thereto, in the Company's securities.

With regard to the securities trading provision, in accordance with ASX requirements this is reinforced by a letter agreement setting out your obligations to the Company to enable it to meet its ASX reporting deadlines.

Deed of Indemnity

Under the Corporations Act and the Constitution you have certain rights with respect to access to Company documents and to be indemnified for certain liabilities arising from your conduct or duties as a Director. These rights are reinforced by a Deed of Access & Indemnity executed by the Company in your favour.



Directors' Insurance

The Company maintains Directors & Officers Insurance for Board members and meets all premiums. The current policy provides indemnity up to a maximum of \$10million.

Independent Advice

With the approval of the Chairman you may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of your responsibilities as a Director. Copies of this advice must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees.

Company Policies

As an officer of the Company you will be expected to act at all times in accordance with the Company's Constitution and comply with the Company's corporate policies and procedures that relate to your role as a Director covering such areas as corporate governance, privacy and travel. Copies of these will be provided to you.

Confidentiality

In your role as a Director you will be in possession of confidential information about the Company and its affairs. You may only use that information in the proper performance of your duties or as required by law; you must not use it to gain advantage for yourself or others, or to the detriment of the Company.

We look forward to your acceptance of the abovementioned offer.

Yours sincerely,

Chairman

DISCLAIMER

The comments in this memo reflect some commercial aspects and observations on the matter experienced or observed by the writer in practice as he understands them. The information is given as a guide only and does not represent a definitive or legal view of any of the issues raised, covered or referred to and the reader is urged to seek his own professional advice on all aspects of, or pertaining to, this and any related matter.