

Dear Mr. Free,

RE; LETTER OF APPOINTMENT

Corporate governance is, as it has been from the inception of the corporate form, about the control and direction of a company by those authorised to govern the company. The mechanisms and processes of corporate governance become a “system” and embody principles we might consider desirable, such as how the governors of the company answer to those who have granted them authority.

In order to achieve a high level of corporate governance we need to first understand the very aspect/nature of corporate governance. Corporate governance is, “the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations.” It encompasses the mechanisms by which companies, and those in control, are held to account. Corporate governance influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimised. Good corporate governance structures encourage companies to create value (through entrepreneurialism, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.

This letter of appointment is not formally required by the Corporations Act but is an opportunity for this club to provide more information to our Board Members on corporate governance.

- Duration of the appointment – As at the Annual General Meeting 5th April 2009, your tenure as director will be 12 months until the next Annual General Meeting. From the Annual General Meeting of 2010, the tenure of Directorship will be biennial.
- Role of the board in the organisation and extent of powers – Under the Corporations Act, directors are required to; Act in good faith for a proper purpose, backed with care and diligence, avoid improper use of information, avoid improper use of position, disclose certain interests, avoid conflict of interest. Traditionally the board of directors has ultimate responsibility for the corporation. The role of the Board is vast and complex and it is widely accepted that each director familiarize themselves with the ClubsNSW Code of Practice, The Registered Clubs Act 1976 and the Corporations Act 2002.
- Expected time commitment – It is reasonably expected that directors should commit to 2 hours per week of their time. This would allow sufficient time to read over financial and board papers, participate in approved director activities
- Standard time and location of board meetings and a statement that occasionally other meetings will be needed – Board meeting take place in the first (1st) Monday of each calendar month unless a

November 28, 2011

public holiday falls on that day. In the event that this occurs; then the preceding board meeting will make suitable arrangements for the meeting to take place. The Annual General Meeting (AGM) takes place once per calendar year and is held not more than 4 months after the financial year ends. The Clubs financial year is from 1 January to 31 December

- Strategic Planning Meeting – Annually the Board will meet with the Executive Management to conduct a strategic planning sessions aimed at assessing/reviewing the previous performance of the business and establishing and executing a future plan for the business
- Participation in board committees – As a director of the club, from time to time or as reasonably expected, Directors are expected to make themselves available to attend sub-committees of the Board
- Special duties relating to the director’s special knowledge and experience – Should a Director possess a certain profession, level of expertise, level of educational expertise, or certain experience in any subject matter, from time to time, or as reasonably requested, special duties may be discharged to the certain Director
- Outside interests and other directorships including conflicts policy and disclosure of interests – Directors are required by law to disclose any conflicts of interests and or any policy conflicts
- Procedures regarding conflicts of interest – If a conflict of interest arises, declaration of the interest must be tabled and then the person declaring the interest must not be present within the same room as the discussion takes place.
- Honorarium including frequency of payment, e.g. “paid quarterly in arrears” – As per the “ordinary resolutions” passed at each Annual General Meeting, Directors of the Club are paid the following honorariums;

	Director’s	President
July	\$500	\$500
Sept	\$300	\$500
Dec	\$400	\$500
Feb	\$300	\$500

- Confidentiality – a confidentiality policy is affixed hereto marked annexure A
- Insurance arrangements – directors indemnity insurance
- Promotional Policies – a promotional policy is affixed hereto marked annexure B
- Constitution – a constitution of the club is affixed hereto marked annexure C

As the club continues to diversify and evolve so will corporate governance. As such, from time to time the club may need to alter, amend, cease or introduce new initiatives that ensure that club maintains good corporate governance principles and practices.



Simon de Munck
General Manager