



## Sample Appointment Letter – Director

Dear *[Insert Name of Director]*,

### **Letter of Appointment – *[Insert actual title here]***

I am delighted to confirm that the Board of *[Insert company name]* ('the Company') wishes to appoint you as director. In this letter I have set out the key terms of your appointment.

### **Term of Appointment**

Your appointment will be for an initial term of *[insert number]* months, commencing on the date you sign this letter of appointment, unless terminated earlier in accordance with the Company's constitution or by law.

Under the *[Insert company name]* Constitution, each director appointed by the Board holds office until a period of *[insert number]* months after the conclusion of the Company's Annual General Meeting but is eligible for re-appointment or election.

Our Constitution also provides that a person is not eligible to be elected, appointed, or hold office as a director if he or she has been a director of *[Insert company name]* for a cumulative total time that exceeds ten years. Our Constitution further provides that a vacancy in the office of a Director occurs if the person:

- dies
- resigns the office
- is removed from office pursuant to the Act
- becomes an insolvent under administration within the meaning of the Act
- is disqualified from office under Part 2D.6 of the Act
- has held office for a cumulative total time that exceeds ten years; or
- is absent without the consent of the Board from all meetings of the Board held during a period of *[insert-number-of months]* months.

### **Time Commitment Envisaged**

As a Board member you will be involved in a number of Board and Committee meetings throughout the year. Generally, the Board participates in up to *[insert number]* (generally half to one day) Board meetings held in *[insert location]* and teleconferences (up to *[insert number]* hours) from time to time.

There is an expectation that you will attend and participate in all of the scheduled Board meetings, the AGM, meetings, and activities to represent *[Insert company name]* and other special meetings or attendance as necessary. The Company will provide you with adequate notice of the proposed Board and Committee meeting dates. By accepting this



appointment, you are confirming that you are able to allocate adequate time to meet the expectations of your role as a director of the Company. A copy of the Board's *[insert last year]* meeting schedule is attached for your reference.

### **Board Role and Responsibilities**

The management and control of the business of *[Insert company name]* is vested in the Board. All Directors must make decisions objectively in the interests of the Company. As a Member of the Board of Directors, you will be required to

- Adhere to the *[Insert company name]* Board Charter (attached);
- Guide strategy and policy making to achieve and maintain high quality services in harmony with the beliefs and values of *[Insert company name]*;
- Ensure that the financial affairs of *[Insert company name]* are conducted on a responsible basis in accordance with established policies;
- Oversee the outcomes of the work of *[Insert company name]*;
- Encourage effective communication within the whole organization, especially between

Members, *[Insert company name]* and other stakeholders; and

- Actively participate in committees and task groups.

### **Expectations of Directors**

As a Director, you will be required to:

- act for the benefit of *[Insert company name]* at all times;
- regularly attend at Board meetings;
- be well informed on agenda items;
- participate fully and openly in meetings, sharing insights, ideas and suggestions; and
- contribute knowledge and express opinions based on experience, which in turn will assist the Board to make sound decisions
- exercise your powers and duties with reasonable care and diligence;
- exercise your powers and duties in good faith in the best interests of the Company and for a proper purpose;
- apply independent judgement in the exercise of your powers;
- avoid conflicts between your duties to the Company and your personal interests or your duties to others; and
- observe standards of good corporate governance. **Board Committees**

Board Committees are formed as necessary and when it enables efficient decision making. You may be requested to serve on one or more Board Committees. At present, there are XXXXX standing Board Committees:



- Audit and Risk;
- Funding and Sustainability Committee;
- Governance and Remuneration Committee; and
- Service Committee.

As previously discussed, the Board has requested that you serve as a Members of the Board XXXX Committee from the time of your appointment until the Company's Annual General Meeting in XXXX this year.

Committee members, [Insert Names of Committee Members], will join you in constituting the XXXXX Committee.

### **Directors' Expenses**

There is no remuneration paid to members of the Board. The Company will reimburse you for all reasonable and properly documented expenses incurred in performance of your duties as a

Director of the Company. This includes membership fees for the Australian Institute of Company Directors.

### **Disclosure of Interests**

Directors have a duty to avoid any conflicts of interest between their duty to *[Insert company name]* and their own interests. Conflicts of interest and any material personal interests must be declared at the time of your appointment to the Board. In addition, any conflicts of interest and personal interests must be declared by a Director at the time they occur and, unless the Board resolves otherwise, they may not participate in boardroom discussion, decision making or both on matters on which they face a conflict.

An interest register is tabled at each Board and Committee meeting. Please ensure that the Company is kept informed of any changes to your interests so that the interests register can be maintained up to date.

Please complete the attached Director's declaration form and return it to the Secretary at your earliest convenience.

### **Fellow Directors**

Under *[insert company name]* Constitution, the Board consists of *[insert number]* directors elected by the Members and up to *[insert number]* directors appointed by the Board.

Your fellow Directors are: *[Insert names of Directors]*.

A contact list for the Board is attached to this letter for your reference.

### **Induction & Training**



The Secretary, *[insert name]*, will arrange an induction program for you, which would ideally involve a visit to our Office in *[insert address]* for briefings by the CEO and senior management.

Where possible, Directors are encouraged to attend special training courses by various professional bodies to ensure that all of us as Directors are refreshed and equipped to perform our role to the highest standards and performance possible.

### **Independent Professional Advice**

You may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of your responsibilities. Prior to requesting advice, the established protocol is that the matter be discussed with the Chairman. Copies of the advice will be made available to, and for the benefit of, all Board Members.

### **Indemnity and Insurance**

The Company provides all its Directors with, and pays the premiums for, indemnity and insurance cover while acting in their capacities as Directors.

### **Confidentiality and Access to information**

Directors have unrestricted access (subject to conflicts of interest) to company records and information and receive regular detailed financial and operational reports from management. Directors are entitled to consult with the CEO and Secretary at any time.

All information acquired during your term on the Board is confidential to the Company and should not be released either during your appointment or following termination (by whatever means), to third parties without prior written consent from the Chairman.

### **Company Constitution and Board Charter**

Please familiarize yourself with the Company's Constitution, *[Insert company name]* Governance Charter and the Board Charter; a copy of each document is enclosed for your reference and information.

Do contact me at any time if you have any queries about the above or any other issues that you'd like to discuss. In the meantime, please confirm your acceptance to the above terms and conditions that govern your appointment by signing and returning the duplicate copy of this letter.

Sincerely,

*[Insert chair's name]*



Chair  
*[Insert company name]* Board

Attachments:

1. Duplicate copy
2. Declaration Form.
3. 2013 Board Meeting Schedule Constitution
4. Constitution
5. Board Charter
6. *[Insert company name]* Charter Board Contact List.
7. Board Contract List

I, ..... **[Insert Name of Director]** accept the  
appointment

Date: .....