

**AUSTOCK GROUP LIMITED**  
**ACN 087 334 370**

## **SELECTION AND APPOINTMENT OF NON-EXECUTIVE DIRECTORS' POLICY**

### **Procedure for the selection and appointment of non-executive directors to fill a vacancy or to increase the number of directors**

The following procedure will be adopted in selecting and appointing non-executive directors:

1. Assess the current Board's competencies, skills and qualities and the present and future needs of the Austock Group.
2. Develop selection criteria for potential Board candidates.
3. Generate a list of potential candidates who may fill the stated criteria. An independent executive search firm may be engaged to provide or supplement the candidate list and/or assess the appropriateness of candidates. Recommendations from shareholders, management and others as to suitable candidates may be considered.
4. Examine the list of potential candidates and authorise the Chairman or independent executive search firm to approach the desired candidate(s).
5. Interested candidate(s) to meet with Board members and members of management as appropriate.
6. If the Board so determines, appoint candidate(s) to the Board in accordance with the Company's Constitution and on the terms of the appointment agreed with the candidate. A formal letter of appointment will be provided to the director which sets out their duties, the terms and conditions of appointment and expectations of the role.
7. In accordance with the Company's Constitution and ASX Listing Rules, a new director appointed by the Board during the year will stand for election by shareholders at the next annual general meeting of the Company.

### **Procedure for re-appointing incumbent non-executive directors**

The Company's Constitution provides that a director may not hold office for a period in excess of 3 years or past the third annual general meeting following the director's appointment without submitting for re-election.

The following procedure will be adopted in re-appointing incumbent non-executive directors:

1. Prior to the date of the annual general meeting at which a director is scheduled to retire, the Board will assess the current Board's competencies, skills and qualities and the present and future needs of the Austock Group
2. Criteria will be developed and the retiring director's skills and performance will be measured against this criteria.
3. Directors will discuss and agree whether the retiring director should be re-appointed. The Chairman will be authorised to approach the retiring director to convey the Board's views concerning their proposed re-election.
4. If approved the retiring director will submit for re-election by shareholders at the annual general meeting.
5. If the Board does not support the re-election of the retiring director at the annual general meeting, the procedure to select and appoint a new director may be initiated.

Original / Amendment	Date of Board approval
Selection and Appointment of Non-Executive Directors' Policy	29 September 2009