



ABN 79 097 982 235

Corporate Governance Handbook



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Board of Directors Code of Conduct

1. A Director must act honestly, in good faith and in the best interests of the Company as a whole.
2. A Director has to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
3. A Director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
4. A Director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company.
5. A Director must not make improper use of information acquired as a Director.
6. A Director must not take improper advantage of the position of Director.
7. A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
8. A Director has an obligation to be independent in judgement and action and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.
9. Confidential information received by a Director in the course of the exercise of directional duties remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or it is required by law.
10. A Director should not engage in conduct likely to bring discredit upon the Company.
11. A Director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

Adopted by the Board

Date: 10 September 2008

Source: Australian Institute of Company Directors



Code of Conduct

1. Purpose and Objectives

Cervantes Corporation Limited, "Cervantes", is committed to doing business with fairness, honesty and integrity so that our continued growth and success will enable us to achieve our mission to:

- Generate superior returns for shareholders
- Deliver service excellence to customers and stakeholders
- Create an inspiring workplace and
- Be welcomed into the communities in which we operate.

This Code sets out the principles for ethical behaviour by all of Cervantes' personnel including Directors, employees, contractors and consultants. It is about establishing common values and setting guidelines for acceptable behaviour.

The principles expressed in this code govern our conduct wherever we operate and compliance is a condition of working for the Cervantes group. These principles are not exhaustive nor are they a restatement of the law. Importantly, these principles should not serve as a replacement for basic common sense and responsibility.

Breaches of this code will be treated seriously and may lead to disciplinary action.

2. Who does the Code of Conduct Apply to?

The Code applies to all Cervantes' personnel including Directors, Officers, employees, contractors and consultants who act for us, within all regions, areas and functions.

3. What is Expected of you

You are expected to:

- Conduct business with honesty and integrity and in an ethical and professional manner that protects our reputation.
- Understand and comply with the letter and the spirit of all applicable laws and regulations and Cervantes Policies and Codes as are existing from time to time.
- Avoid activities that could involve or potentially involve any unethical behaviour, unlawful practises or harm to our reputation.
- Avoid actual or potential conflicts of interests.
- Safeguard confidential information of Cervantes and respect the confidential information of other parties with whom we do business or compete and
- Promptly report to the MD any breach of law or regulation, ethical principles or Policies or Codes of Cervantes

4. Compliance

Cervantes personnel are required to observe the spirit and letter of the law and to exercise high standards of ethical conduct when dealing with:

- Shareholders, co-ventures and creditors;
- Customers and suppliers;
- Employment practices; and
- The community

Cervantes seeks to facilitate compliance with its legal and regulatory obligations whilst maintaining high standards of and the Company's reputation as a good corporate citizen

5. Business Dealings

You must comply with the spirit and the letter of the law and exercise high standards of ethical conduct in all business dealings including those with co-venturers, customers and suppliers.

Relevant laws include competition and other related legislation. For example, in all of Cervantes' business dealings you must comply with the Trade of Practises Act which:

- Prohibits many forms of anti competitive conduct (such as price fixing, boycotts, and misuse of market power); and
- Prohibits misleading or deceptive conduct and conduct which is likely to mislead or deceive.

In all our business dealings the giving of or receiving of unacceptable payments by Cervantes is not permitted under any circumstances. Similarly, it is unacceptable to receive a gift, benefit or favour that is intended to or is likely to cause you to act in a partial way in the course of your duties.

Cervantes does not make any political donations. Cervantes personnel are not permitted to receive a donation for the company under any circumstance.

6. Intellectual Property

In the course of your work you may create items that are protected and protectable under intellectual property laws, such as the laws concerning copyright, patents, trademarks and designs.

If you are an employee of Cervantes then all intellectual property rights created in the course of your work will be owned by Cervantes from the time of their creation. You must co-operate in securing those rights for Cervantes.

7. Confidentiality and Privacy.

In your work, you may have access to information that is confidential to Cervantes. Reasonable steps must be taken to maintain confidentiality. You must not use it or disclose it to any person except in the proper performance of your duties for Cervantes, unless you obtain an appropriate prior written consent from a senior executive of Cervantes or unless you are required by law to disclose it.

Your confidentiality obligations:

- Continue after you ceased to be engaged by Cervantes; and
- Do not apply to information that is in the public domain or comes into the public domain other than through the breach of confidentiality obligations.

Examples of information that you must treat as confidential are your password for accessing any Cervantes computer system and any Cervantes personnel records to which you may have access.

In addition, you must comply with the privacy laws particularly in relation to the collection, use and handling of personal information.

8. Insider Trading and Policy On Dealing In Securities.

In your work, you may have access to inside information – that is, information that is not generally available and, if that information were generally available a reasonable person would expect it to have material effect on the price of Cervantes shares.

You must not buy, sell or otherwise deal in Cervantes' shares while you are in possession of inside information. You must also not encourage anyone else to deal in Cervantes' shares while you possess inside information or pass the inside information to anyone else if you know, or ought to know, they will deal in Cervantes' shares or encourage someone else to do so.

These requirements must be complied with at all times. You should familiarise yourself with the Policy on Dealing in Cervantes Securities which can be obtained from the Company Secretary.

9. The Working Environment

Workplace Safety is a high priority to Cervantes. Cervantes' objective is zero harm or injury to employees, contactors, the community and the environment resulting from Cervantes' operations.

Cervantes is committed to providing a safe and satisfying working environment in which everyone is treated fairly and with respect and where employment decisions are based upon merit.

Cervantes has various workplace standards so that it can meet these commitments:

Anti Discrimination and Anti Harassment

Cervantes respects the human potential of all personnel and others who work in or visit its work places or sites. Cervantes values the diversity of its personnel and endeavours to be fair by hiring, training and rewarding its personnel based on merit, experience or other work related criteria. Cervantes is committed to creating a workplace where everyone is treated fairly and equally, in which no one is unlawfully discriminated against on the basis of his or her characteristics.

Workplace Issues Resolution

You are expected to maintain a harmonious workplace and to contribute to the resolution of workplace issues and disagreements in a prompt, fair and impartial manner. Cervantes will ensure that workplace issues and disagreements are promptly and properly investigated.

Performance Management

The Primary objective of Cervantes' performance management is to improve performance and to correct inappropriate behaviour. Accordingly performance and behaviour requirements will be clearly communicated so they are understood by all personnel while unsatisfactory performance and inappropriate behaviour will be promptly identified. Cervantes personnel will receive appropriate behaviour training in order to properly perform their role and performance management process will be applied fairly, impartially and with appropriate confidentiality.

Protection of Company's Assets

Cervantes has business systems in place to help it operate effectively including internet and email facilities. Cervantes allows access to and use of email/and or internet for legitimate work related purposes and will not tolerate inappropriate or unlawful use of its computer facilities.

You must protect Cervantes property and the belongings of others from theft misappropriation and misuse.

Health, Safety, Community and Environment

You are expected to protect your health and safety and that of all Cervantes personnel and others who work in or visit our workplaces.

Our systems and our procedures provide for the identification, assessment and management of risks relating to our workplaces, sites and business operations. Cervantes is committed to providing support and training for personnel so that they understand their occupational health and safety obligations and have practical guidance for managing risks.

Drugs and Alcohol

If you are found to be under the influence of drugs and/or alcohol whilst on duty you will be faced with immediate dismissal.

It is essential that all personnel who work in or visit Cervantes' workplaces or sites can safely and competently perform all their work duties. Your ability to perform your job properly may be affected if you take alcohol or drugs. Taking drugs or alcohol or misusing medications may also affect your safety, the safety of others and affect the company's business operations.

10. Conflicts of Interest.

You should avoid placing yourself in situations or entering into arrangements involving actual or potential conflicts between your personal interests and those of Cervantes.

Examples of conflicts of interest include:

- Actively participating in outside business activities which compete with Cervantes;
- Utilising commercially sensitive or commercial information of Cervantes for purposes other than that of Cervantes;
- Taking advantage of a business opportunity you became aware of through your role with Cervantes; and
- Engaging in conduct or activities that conflict with your ability to perform your duties and responsibilities to Cervantes.

Cervantes personnel must declare outside business activities to the Company Secretary so that the company can determine whether conflict of interest or potential conflict of interest may arise.

11. Reporting any Wrongdoing

All personnel are responsible for promptly raising concerns about any possible misconduct or unethical behaviour within Cervantes. This includes the potential misconduct of Directors, Employees, Consultants and Contractors. Ideally, you should raise concerns before problems develop.

Reporting any wrongdoing should be made through normal internal channels to your immediate supervisor or, if that is not possible or appropriate, then to another senior executive or the Chairman of the Board.

Cervantes is committed to ensuring that you will not be disadvantaged in your employment with the company for making a report about any possible misconduct or unethical behaviour within the company.

12. Breaching this Code.

All Cervantes personnel are expected to comply with this Code. Breaches of this code may lead to disciplinary action. If you require clarification of any of the requirements of this code, contact your immediate supervisor or the Company Secretary.

13. Forward Review

The Cervantes Board of Directors has approved this code. The Board may approve updates and amendments to this code from time to time as and when appropriate.

Adopted by the Board

Date: 10 September 2008



Continuous Disclosure Policy

1. Purpose and Objectives

Section 674 of the Corporations Act 2001 and Rule 3.1 of the Australian Securities Exchange (ASX) Listing Rules require Cervantes Corporation Ltd (“Cervantes”) to make public any information of which it becomes aware and which a reasonable person would expect would have a material effect upon the price or value of Cervantes’ shares.

This Policy outlines the procedures to ensure that Directors, management and employees of Cervantes comply with these obligations and to reinforce the need for Directors to consider the continuous disclosure obligations of significant matters that arise in the discharge of their duties.

2. Disclosure Framework

To ensure that the Company complies promptly with its continuous disclosure obligations, the Board has established a system for reporting any information which a reasonable person would expect may have a material impact upon the price or value of Cervantes shares.

Information is considered to be likely to have a material effect on the price of or value of securities of the company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all of the types of information that may be material. However, the following types of information would be likely to be considered to have a material effect on a company’s share price:-

- Information regarding a material increase or decrease in a company’s financial performance from previous results or as against budget;
- A proposed material business or asset acquisition or sale;
- Entry into or termination of a material contact (such as a major joint venture);
- Drilling results of an exploration programme;
- Proposed material legal proceedings to be initiated by or against the company and the settlement of material legal proceedings initiated by or against the company;
- Regulatory action or investigations undertaken by a government authority such as ASIC or ASX;
- A proposal to undertake a new issue of shares or a change in financing arrangements; and
- Key changes in Board or Management of the company.

3. Exceptions To Disclosure Obligations

Disclosure is not required where:-

- A reasonable person would not expect the information to be disclosed e.g. if the disclosure would cause undue prejudice to Cervantes; **and**
- the information is confidential; **and**
- one or more of the following applies:
 - it would be a breach of a law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - the information is generated for the internal management purposes of Cervantes;
 - the information is a trade secret.

4. Policy and Procedures

The following procedures will apply to safeguard against breaches of Cervantes' continuous disclosure obligations:

- (a) Directors, senior management and employees must immediately notify the MD and/or the Company Secretary when they become aware of information that should be considered for release to the market;
- (b) the MD and/or the Company Secretary will:
 - (i) review the material information reported;
 - (ii) determine, in consultation with all members of the Board and other parties as appropriate, whether any of the material information is required to be disclosed to the ASX; and
 - (iii) co-ordinate the actual form of disclosure (with the assistance of professional consultants and advisers if necessary)
- (c) continuous disclosure is to be included on the agenda of each Board meeting. The Board will:
 - (i) note all matters recorded by the Compliance Officer since the last meeting;
 - (ii) note any disclosure made to the ASX since their last meeting; and
 - (iii) will consider whether any decisions made at the meeting should be disclosed to the ASX.

Approved by the Board

Date: 10 September 2008



Policy on Dealing in Cervantes Securities

1. Purpose and Objectives

The Company wishes to ensure that its stakeholders have confidence in the trading activities of the Board, and Company employees in respect to the Company's Securities. This policy describes the Company's policy governing Directors and employees trading in the Company's securities.

2. Definitions

ASX means Australian Securities Exchange Ltd

Executive Management means the Managing Director and each of the executives who report directly to the Managing Director.

Inside Information means information concerning the Company's financial position, strategy or operations, which, if made public, would be likely to have a material impact on the price of the Company's securities.

3. Policy

The Company acknowledges that from time to time, Directors and employees may in the course of their duties be made aware of inside information in respect of the Company, which for a period of time may not be disclosed to the public under the terms of the continuous disclosure regulations of the ASX Listing Rules.

- (a) The Company requires Directors and employees not to trade (or encourage others to trade) in the Company's securities where the person reasonably believes that they may have information which could constitute inside information.
- (b) Where a relevant member of the Board or employee is in possession of inside information, they should not trade until such time as all such information is made available to the public through the Company's announcements to the market via the ASX.

Additional Restrictions on Board and Executive Management

- (c) Where a member of Executive Management or a Director intends to trade in the Company's securities, that person shall first notify the Chairman and Company Secretary.
- (d) Where the Chairman intends to trade in the Company's securities, that person shall first notify one of the other Directors and the Company Secretary.
- (e) Directors and Executive management are not permitted to trade in the Company's securities within 24 hours of the release of a Company announcement.
- (f) Details are to be provided of the subsequent confirmation of the trade.

Approved by the Board
Date: 10 September 2008



Shareholder Communication Policy

1. Purpose and Objectives

As a publicly listed company, Cervantes Corporation Limited (“Cervantes”) has obligations under the Corporations Act 2001 and the listing Rules of the ASX to keep the share market fully informed of all information which may or could be expected to have a material effect on the price or value of its securities.

Cervantes’ policy is designed for strict compliance with these requirements. In addition, Cervantes believes in maintaining full and open communications with its shareholder’s observing the highest standards of corporate governance and shareholder’s communications. Subject commercial and confidentially constraints, Cervantes’ policy for communications with shareholders over and above what is required by the legislation or regulation.

2. Regular Shareholder Communication

Cervantes is committed (subject to commercial and confidentiality constraints) to maintaining direct, open and timely communication with all shareholders.

Cervantes’ aim is to ensure that all shareholders, both individual and institutional, have simultaneous access to all publicly released information. Ordinarily market analysts, the ASX and industry will also have access to this information at the same time as shareholders. All announcements made by Cervantes to the ASX are also posted on the company’s website.

3. Continuous Disclosure

Cervantes also has a continuous disclosure policy to ensure it meets its continuous disclosure obligations. Continuous disclosure is a standing agenda item for all meetings of the Board and senior management to ensure that the company keeps the market fully informed of all the information which may have or could be expected to have material effect on the price or value of its securities.

The Managing Director and the Company Secretary are charged with on-going responsibility for Cervantes’ continuous disclosure and as such will escalate matters to the full Board or its representatives as required where they consider it to be something requiring disclosure and it is outside the Board’s and/or senior management meeting schedules.

All announcements made by Cervantes to the ASX will be published on the company’s website at www.cervantesseafoodlimited.com

4. Special Shareholder Communications

From time to time Cervantes will communicate other information to shareholders. This will be on a need to know basis and may be direct written communication, broadcast or web cast to shareholders which would be announced on the ASX and also published on the company’s website.

5. External Auditors and The AGM

Cervantes will request that the external auditor attend that AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditors' report.

6. Summary

The aim of Cervantes' shareholder communication policy is to build the loyalty and confidence of its shareholders through frequent, full and forthright communication, both directly to shareholders and indirectly through analysts and the media. Cervantes will adopt best practise best practise in its approach to shareholder communications and relations. Cervantes seeks to ensure that each investor's interaction with the company meets with the highest levels of professional standards and quality.

Approved by the Board

Date: 10 September 2008



Audit Committee Charter

1. Purpose and Objectives

The Audit Committee has been established by the Board. Its primary function is to assist the Board in fulfilling its responsibilities by reviewing the:

- Quality and integrity of financial reporting
- Systems of internal control which management and the Board has established in order to safeguard the Company's financial and physical assets and facilitate compliance with relevant statutory and regulatory requirements.
- Processes for business risk identification, quantification and mitigation.
- Effectiveness and independence of the External Audit Process.
- Quality and relevance of financial and non-financial information provided to management and the Board on which decisions will be based.

2. Membership and Meetings

The following are membership and meeting requirements of the Audit Committee:

- (a) The membership of the Audit Committee shall consist of at least two Non-executive Directors designated by the full Board. The Chairperson should not be the Chairperson of the Board.
- (b) All directors shall have the right to attend all meetings of the Committee at their own election.
- (c) Members of the Audit Committee shall have appropriate skills and experience in matters concerning finance and risk management.
- (d) Members of the Audit Committee shall be appointed for an initial two year term after which their appointment may be subject to annual rotation at the Board's discretion.
- (e) Election and removal of members by the Board shall be by majority vote.
- (f) The duties and responsibilities of the members of the Audit Committee are in addition to those as a member of the Board of Directors.
- (g) The Audit Committee shall meet at least twice per year or more frequently if circumstances require.
- (h) The Audit Committee shall invite the Chief Financial Officer or equivalent to attend all meetings (though not necessarily for all the agenda).
- (i) The Company Secretary shall be appointed as Secretary to the Committee. The Secretary (in conjunction with the Chairperson) is responsible for setting the meeting schedule for the year, circulating the meeting agenda and supporting material to all committee members, management and external audit representatives prior to each meeting. Normal committee distribution requirements for minutes, agendas, and supporting material will apply.

3. Audit Committee Responsibilities

In meeting its responsibilities, the Audit Committee is expected to:

- (a) Conduct audit tenders and recommend the appointment of the External Auditors.
- (b) Review and approve audit fees each year and the terms of the audit engagement. Approve arrangements for the provision of non-audit services based on criteria that do not threaten the independence of the External Auditors.
- (c) Assess the performance of the External Auditors on an annual basis and consider whether it is appropriate to propose to the Board that the auditor be retained or that competitive tenders for audit work be sought.
- (d) Consider and review, in consultation with the External Auditors:
 - The scope and programme for the statutory audit including any suggested improvements or changes in coverage.
 - Accounting policies applied by the Company.
 - The adequacy of the Company's internal controls including computerised information system controls and security.
 - Any related significant findings and recommendations of the External Auditors together with management's responses.
- (e) Review with management and the External Auditors at the completion of the half yearly review and annual statutory audit:
 - The Company's draft half yearly and annual financial statements and related notes prior to approval by the Board.
 - The half yearly review and statutory audit process together with draft management letters and other reports of the External Auditors.
 - Any significant changes that may be desirable in subsequent half yearly reviews and statutory audit programmes.
 - Any serious difficulties or disputes with management encountered during the course of the audit.
 - Any matters relating to generally accepted accounting or auditing standards.
- (f) Provide an open avenue of communication between the External Auditors and the Board of Directors.
- (g) Provide a line of communication so that employees may raise issues of concern relating to the management of the Company's physical and financial resources or to the accuracy or sufficiency of information being provided to management or the Board.
- (h) Ensure that periodic assessments are undertaken of business risks faced by the Company in the course of its financial/operating activities and review and agree on the arrangements undertaken to manage or mitigate those risks. Assess whether audit plans developed by the External Auditors are consistent with the financial/operating risks facing the organisation.
- (i) Review policies and procedures in relation to management's discretionary expenditure, expense accounts, credit cards and other benefits, including its use of corporate assets.
- (j) Schedules of delegations are to be reviewed at least annually or whenever there are major changes in the management structure of the company.
- (k) Consider the completeness and quality of financial and operational information provided to senior management and the Board and suggest ways in which those reports might be improved. Periodically seek advice from the External Auditors on this matter.

- (l) Assess whether the resources devoted to the accounting function (including training and succession planning) are adequate to ensure that reporting arrangements are maintained at the agreed standards and advise the Board of any shortcomings.
- (m) Review legal and regulatory matters that may have a material impact on the financial statements and related corporate policies.
- (n) Provide the Board with minutes of Audit Committee meetings and report the Committee's actions to the Board with appropriate recommendations.
- (o) Provide a statement for inclusion in the annual report that describes the Committee's composition and how its responsibilities were discharged.
- (p) Have the authority to conduct or authorise investigations into any matters within the Committee's scope of responsibility. The Committee has the ability to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.
- (q) Annually review and update the Committee's Charter for approval by the Board.
- (r) Perform such other functions as assigned by the Board.

4. Committee Performance

The Board will from time to time evaluate the performance of the Committee to determine whether it is functioning effectively by reference to its Charter and current best practice.

Approved by the Board

Date: 10 September 2008



Technical Committee Charter

1. Purpose and Objectives

The Technical Committee has been established by the Board. Its primary function is to provide an independent peer review of the integrity, as required, of technical information emanating from the Company for release into the public arena and the technical content of business proposals, programmes and budgets to be submitted to the Board for approval.

In performing its duties, the Technical Committee shall have direct access to the technical resources of the Company as it may reasonably and shall seek to maintain effective working relationships with management.

2. Membership and Meetings

The following are the membership and meeting requirements of the Technical Committee:

- (a) The membership of the Technical Committee shall consist of at least one technically disciplined Non- executive Director designated by the full Board who shall act as a chairperson and any independent technical consultants as appropriate.
- (b) All Directors shall have the right to attend all meetings of the Committee at their own election.
- (c) Members of the Technical Committee shall be appointed for an initial two year term after which their appointment may be subject to annual rotation at the Board's discretion.
- (d) Election and removal of the Board shall be by majority vote.
- (e) The duties and responsibilities of the Chairperson of the Technical Committee are in addition to those as a member of the Board of Directors.
- (f) The Technical Committee shall meet at least twice per year or more frequently if circumstances require.
- (g) The Technical Committee may invite any other technical staff members or consultants to attend each meeting (though not necessarily for all the agenda).
- (h) The Company Secretary shall be appointed as Secretary to the Committee. The Secretary (in conjunction with the Chairperson) is responsible for setting the meeting schedule for the year, circulating the meeting agenda and supporting material to all committee members, management and external audit representatives prior to each meeting. Normal committee distribution requirements for minutes, agendas, and supporting material will apply.

3. Technical Committee Responsibilities

In a meeting its responsibilities, the Technical Committee is expected to:

- (a) Review and make recommendations on the:
 - o Technical aspects of business proposals submitted to the Board for approval.
 - o Technical information to be included in the ASX releases, quarterly, half yearly and annual reports and presentations to shareholders,
 - o Scope of work included in feasibility studies for mine development, and
 - o Technical aspects of annual exploration, appraisal and development programmes and budget.
- (b) Provide the Board with minutes of Technical Committee meetings and report the Committee's actions to the Board with appropriate recommendations.
- (c) Provide a statement for inclusion in the annual report that describes the committee's composition and how its responsibilities were discharged.
- (d) Have the authority to conduct or authorise investigations into any matters within the committee's scope of responsibility. The Committee has the ability to retain independent counsel, professional advisors, or others to assist it in the conduct of any investigation.
- (e) Annually review and update the Committee's Charter for approval by the Board.
- (f) Perform such other functions as assigned by the Board.

4. Committee Performance

The Board will from time to time evaluate the performance of the Committee to determine whether it is functioning effectively by reference to its Charter and to current best practice.

Approved by the Board

Date: 10 September 2008



Terms and Conditions of Appointment as Non-Executive Director

Term of Office

The office you hold as a director becomes vacant in the following circumstances:

- (a) you cease to be a director under any provision of the Corporations Act;
- (b) you become bankrupt or make any arrangement or composition with your creditors generally;
- (c) you become prohibited from being a director by reason of any order made under the Corporations Act;
- (d) you become of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (e) you resign your office by notice in writing to the Company;
- (f) you are removed from office by resolution of the Company;
- (g) you are not re-elected to office; or
- (h) any other circumstances as specified in the Company constitution.

It is desirable that you give the Board reasonable forewarning of your intention to resign or to not seek re-election where possible, so that the Company can plan for succession of skills and experience on the Board.

Role

As a Non-Executive Director of Cervantes Corporation Ltd, you will be expected to participate as a member of the Board in order to ensure that it provides:

- leadership to the Company, particularly in the areas of ethics and culture;
- a clear and appropriate strategic direction;
- accountability to key stakeholders, particularly shareholders;
- oversight of policies;
- oversight of all control and accountability systems including all financial operations and solvency, risk management and compliance;
- an effective senior management team and appropriate personnel policies as and when required; and
- timely and effective decisions on matters reserved to it.

When attending Board meetings Directors are expected to:

- behave in a manner consistent with the letter and spirit of the Directors Code of Conduct;
- acting in accordance with the Constitution and Board Policies;
- preparing thoroughly for each meeting; and
- question, request information and/or clarification on any issue confronting the Company in order to be fully informed before making a decision

During your term in office, the Company may require you to be a member of any one or more committees, including but not limited to, the Audit Committee, the Nomination Committee and the Remuneration Committee ("**Committees**") as may be established by the Company when it sees fit or as required by law. Upon your appointment to any one or more of the Committees, you will be given notice of the functions you will be required to carry out as a member of those Committees.

While you have been selected in an effort to ensure that the Board has a mixture of skill and experience required, you are not expected to participate in the Board as an expert.

Time Commitments

It is anticipated that your duties as the Non-Executive Director of Cervantes Corporation Ltd will involve a commitment of at least 20 days in each year. Currently that would typically comprise attendance at:

- Scheduled board meetings;
- The annual general meeting;
- Board committee meetings which will occur at times other than those days set aside for Board meetings.

In addition, you will be expected to devote appropriate preparation time ahead of each meeting and to attend such ad hoc meetings as may be necessary or convenient.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet these expectations. You should consult with the Board before you accept any additional commitments which may conflict with or impact on, the time you are able to devote to your role as a Non-Executive Director of Cervantes Corporation Ltd. Your appropriate commitment of time to the affairs of Cervantes Corporation Ltd will be one of the issues addressed in performance reviews.

Performance Management

Your performance as Non-Executive Director will be evaluated on an annual basis. The outcomes of the evaluation of each Director will be published at least within the Board and will provide guidance for recommending your continuation in the role of Director.

Remuneration and Expenses

As a Non-Executive Director, remuneration will include

- (a) a director's fee of \$24,000 per annum including statutory superannuation (or other such fee as decided by the Board from time to time and within the aggregate as determined by shareholders).

Fees are payable monthly and may be paid directly into your bank or equivalent financial institution or by cheque whichever is requested.

You may be entitled to fees or other amounts as the Board determines where you perform special duties or otherwise perform services outside the scope of the ordinary duties of a director. You may also be reimbursed for out of pocket expenses incurred as a result of your directorship or any special duties.

D&O Insurance

You will be included in any directors' and officers' liability insurance, which the Company is able to obtain on reasonable endeavours and at a cost considered reasonable in the Company's circumstances.

Conflict of Interest and Related Party Transactions

Conflict of Interest

Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. On appointment, Directors will have an opportunity to declare any such interests.

Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts. Directors are also expected to indicate to the Chairman any actual or potential conflict of interest situation as soon as it arises.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. Directors do not have to absent themselves when either:

- (a) the conflict of interest relates to an interest common to all Company members/shareholders; or
- (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest would not disqualify the Director concerned from discussion and/or voting on the matter.

Related Party Transactions

Related party transactions include any financial transaction between a Director or officer and the Company and will be reported in half-yearly and annual reports.

In general, the Corporations Act 2001 requires related party transactions to be approved by the shareholders; the Board cannot approve these transactions. An exemption to this requirement occurs where the financial benefit is given on arm's length terms.

A Related Party includes:

- (a) a spouse or de facto spouse of the Director or officer;
- (b) parent, son or daughter of the Director or officer or their spouse or de facto spouse; and
- (c) an entity over which the Director or officer or a related party defined in (a) or (b) has a controlling interest.

Confidentiality

All information obtained during your appointment is confidential to (Company) and should not be released either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Board, or as required by law.



Competition

You will not, except with the prior written consent of the Company, be in any way connected with or interested in any business in competition with that of the Company or its subsidiaries (other than as a provider of legal services or as a shareholder). This does not prevent you from holding equity in other companies.

Contract for Services

It is agreed that this is a contract for services and is not a contract of employment.

Acknowledgement

I hereby accept the terms of appointment set out in this letter.

.....
Signature

.....
Date