



**Billabong
International
Limited**

**Policy and Procedures for Selection and
Appointment of New Directors**
Billabong International Limited

Approved by the Board – 19 January 2007

Reviewed by the Board – 1 February 2012

Procedure for the Selection and Appointment of New Directors

Billabong International Limited's (the Company) Board procedure when selecting and appointing new directors is both formal and transparent. The procedure requires the Nominations Committee to undertake the following steps:

- assess the needs of the Board, having regard to the strategic direction of the Company and to ensure that a diverse range of attributes, experience, qualifications and skills are represented;
- where a specific need is identified, the Board may engage third parties to assist in identifying potential appointees;
- develop a short list of potential appointees taking into account, among other things, the particular skills and experience of each individual appointee, potential conflicts of interest and their ability to fit with the existing Board;
- ensure the shortlist of potential appointees will enhance the diversity of the Board, being particularly mindful of gender balance;
- should female representation at Board level be at a less than appropriate level, efforts should be taken to include at least one potential female appointee on the shortlist;
- upon finalisation of shortlist, conduct interviews, ensuring a mix of males and females are present on the interview panel;
- recommend to the Board for its consideration the most appropriate person from the short list of potential appointees to be invited to become a director of the Company;
- should female representation at Board level be at a less than appropriate level and the recommended appointee not be female, the Board must be satisfied that there are objective reasons to support its determination; and
- finalise the process by ensuring that, on appointment, the director receives a formal letter of appointment.

Policy for the Appointment of Directors

The Nominations Committee policy for the appointment of directors, as part of the broader selection and appointment procedure, looks to ensure that the potential appointee best matches the needs of the Board.

Factors to be considered by the Nominations Committee when recommending a person for appointment as a director include:

- the time commitment required by a director to effectively discharge his or her duties to the Company;
- the number of existing directorships and other commitments that may demand the attention of the appointee;
- the nature of existing positions, directorships or other relationships and the impact that each may have on the appointee's ability to exercise an independent judgement; and
- the extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board.

In accordance with the Company's constitution, all new appointees to the Board must resign at the next annual general meeting after the date of their appointment and offer themselves for election. The Nominations Committee policy on notices of meeting involving the election of directors is that sufficient information should be made available to enable shareholders to make an informed choice about who should be elected a director.

The notice is to set out a range of matters about the person recommended for election as a director, including the matters required by the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations.
