



**Rio Tinto Iron Ore
Register of Independent Directors for
Benefits Management Structure Trusts**

**REQUEST FOR EXPRESSIONS OF INTEREST
30 April 2015**

BACKGROUND

Rio Tinto Iron Ore has negotiated a number of native title agreements with native title groups in the Pilbara since 2011. The agreements provide for a range of benefits to these groups including substantial financial benefits over the life of mining activities.

As a result, a number of Indigenous groups in the Pilbara have established trusts to manage the benefits they receive from native title agreements with Rio Tinto Iron Ore. The groups were involved in extensive development work to design robust and appropriate management structures that place control and decision making in their own hands.

To assist with these important ownership and control responsibilities, the groups secure the services of experienced and talented individuals as Independent Directors. The independent directors work alongside Indigenous directors and are involved in providing financial management, mentoring, corporate governance advice and support and community development.

Register of Independent Directors for Benefits Management Structure Trusts

Rio Tinto Iron Ore maintains a Register of eligible and suitably experienced independent directors to assist the boards of the trusts to fill vacancies as they arise. The Register was first established in 2010 to enable the inaugural appointments of independent directors. Rio Tinto Iron Ore has commissioned the Forum for Directors of Indigenous Organisations (FDIO) to refresh the Register.

The Register is designed to minimise costs and streamline the selection process for the native title groups when establishing and maintaining their trusts, however, it should be noted that there is no obligation on the boards to appoint an independent director from the Register.

The Indigenous Groups

This Request for Expressions of Interest concerns nine native title groups, each of whom share a common ancestry, set of cultural beliefs and customs and connection to a particular area of land in the Pilbara.

The Register will be made available to the following native title groups:

- Yinhawangka;
- Nyiyaparli
- Ngarlawangga
- Ngarluma
- Banjima
- Yindjibarndi
- Puutu Kunti Kurrama Pinikura
- Eastern Guruma
- Kuruma & Marthudunera

Benefits Management Structure

Under the agreements, benefits are received into a benefits management structure comprising a charitable trust and a discretionary trust.

The charitable trust directs funds for the socio-economic development of Indigenous communities in the Pilbara, with a specific focus on the particular traditional owner group. The charitable trust deed provides for the accumulation of investment capital through a Future Fund to enable the communities to continue to deliver community benefits to future generations after mining activities cease.

The discretionary, or non-charitable, trust allows direct distribution of benefits to be provided to the members of the traditional owner group on a fair and just basis.

Trustee

The native title groups have the option either to create their own trustee company, or engage a professional trustee company to manage the financial benefits arising from the agreements. While the benefit management structure remains the same, the governance arrangements vary for each of these options.

<u>Traditional Owner Trustee Company</u>	<u>Professional Trustee Company</u>
<p>The central entity of the benefits management structure is the trustee company which plays a pivotal role in financial management, corporate capacity and community development.</p> <p>The trustee company will generally have a board consisting of three to six traditional owner directors, and two independent directors.</p>	<p>The benefits management structure is managed by a professional trustee company. The trustee is advised by one or more of a Decision Making Body comprised of the native title group, with some independent members.</p> <p>The role and eligibility requirements of the independent member are equivalent to that of independent directors.</p>

Role of Independent Directors

The independent directors will assist the other directors or members of the Decision Making Committee to ensure that the trustee company meets its statutory and legal obligations. They will also participate in strategic business planning, attend board meetings and any community meetings as directed by the board and keep the board advised of any interest that could potentially conflict with those of the company.

The role is underpinned by a commitment to high standards of corporate governance and ethics and also to act as a mentor to the Indigenous directors on financial and corporate governance matters.

Remuneration will be set by the board, with travel expenses generally covered by the trustee. Generally the initial term of appointment is for a minimum of two years.

REQUEST FOR EXPRESSIONS OF INTEREST

The native title groups are looking for talented and dynamic people with drive and a willingness to provide mentorship to an Indigenous board of directors. These are senior positions and represent a unique leadership opportunity for the right individuals.

Rio Tinto Iron Ore invites applicants to send through their expression of interest to be included on the Register of Independent Directors for Benefits Management Structure trusts.

Selection Criteria

Rio Tinto Iron Ore will, in its assessment, consider the information provided by applicants in response to the following criteria:

Essential Criteria

- Demonstrate three years' minimum experience as a director of an Australian company governed by the *Corporations Act*.
- Have, or within the first year of the Independent Director's term, completed the Company Directors Course through the Australian Institute of Company Directors.
- Demonstrate preparedness to question, challenge and critique and a willingness to understand and to commit to the highest standards of governance.
- Be financially literate.
- Possess leadership experience and qualities reflecting a proven record of accomplishment and ability to work with others.
- Not have commitments that would conflict with the commitments of a director of the trustee.
- Be of high repute and recognised integrity and be able to demonstrate one or more of the following attributes:
 - experience in performing a significant public function;
 - being a member of a professional body having a code of ethics or rules of conduct;
 - being officially charged with spiritual functions by a religious institution;
 - recent or current experience as a director of a company whose shares are listed on the ASX;
 - has received formal recognition from State or Commonwealth government for services to the community; or
 - is a Responsible Person as described by the Commissioner of Taxation in Taxation Ruling TR95/27 or as otherwise approved by the Commissioner of Taxation.
- Not be a member of any of the traditional owner groups or a person related to, employee or consultant of or in any other way connected to the traditional owner groups or Rio Tinto Iron Ore.

Desirable Criteria

In addition to the Essential Criteria, the following will be well regarded:

- experience working with Indigenous communities;
- have, as a minimum, two years financial or business management experience; and
- experience dealing with similar trusts to a Charitable Trust.

Successful applicants will have experience and understanding of Indigenous life in Australia, effective relationship and/or communication skills, proven ability in administration and information technology, a demonstrated commitment to collaborative work practices and competence in analysing the critical issues of Indigenous Australians. They will also significantly contribute to the achievement of each group's goals as set by the board.

Successful applicants will bring to the role proven business, budget preparation and administration skills as well as excellent communication (written and oral), extensive network, community development and/or commercial experience and relationship building skills.

FDIO will contact successful applicants annually to review and update their profile on the Register.

APPLICATION PROCESS

Applications Open: 1 May 2015
Applications Close: 29 May 2015 (Close of Business)
Notification Date: 31 July 2015

Please email your Curriculum Vitae and cover letter addressing the selection criteria to:

The Executive Officer
Forum for Directors of Indigenous Organisations
By Email: info@fdio.com.au

A representative of Rio Tinto Iron Ore will review and evaluate the expressions of interest and select suitable applicants for the Register of Independent Directors for Benefits Management Structure Trusts and notify FDIO accordingly.

Please note, FDIO is not involved in the selection process, only the application process. Please do not contact Rio Tinto Iron Ore directly. At this stage, Rio Tinto Iron Ore do not propose to conduct telephone or in-person interviews. Assessment will be based on the formal expressions of interest only and it is anticipated that assessment will be conducted by any interested native title groups when selecting independent directors.

FDIO will communicate to applicants the outcome of their expression of interest by the Notification Date.

Enquiries: Please direct all enquiries regarding the Request for Expressions of Interest process to Kimberley Broadbent of FDIO. Kimberley can be contacted on 9426 6707 or by email (info@fdio.com.au).