



ABN 17 107 492 157

## **CORPORATE GOVERNANCE POLICIES**

### **PERFORMANCE EVALUATION PRACTICES**

As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.

The Board has established formal processes to review its own performance and the performance of individual directors (including the Chief Executive Officer & Chief Financial Officer) and the committees of the Board, annually.

#### **BOARD**

A process has been established to review and evaluate the performance of the Board. The Board is required to meet annually with the specific purpose of reviewing the role of the Board, assessing its performance over the previous 12 months, including comparison with others, and examining ways in which the Board can better perform its duties. The review will incorporate the performance of the Board.

The annual review includes consideration of the following measures:

- comparison of the performance of the Board against the requirements of the Board charter;
- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review the Board's interaction with management;
- identification of any particular goals and objectives of the Board for the next year;
- review the type and timing of information provided to the directors; and

- identification of any necessary or desirable improvements to Board or committee charters.

The method and scope of the performance evaluation will be set by the Board and which may include a Board self-assessment checklist to be completed by each director. The Board may also use an independent adviser to assist in the review.

## **COMMITTEES**

Similar procedures to those for the Board review are applied to evaluate the performance of each of the Board committees.

An assessment will be made of the performance of each committee against each charter and areas identified where improvements can be made.

## **NON-EXECUTIVE DIRECTORS**

The Chairman will have primary responsibility for conducting performance appraisals of non-executive directors in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a director's performance, the Chairman must consult with the remainder of the Board regarding whether a director should be counseled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a director be put to shareholders.

## **CHIEF EXECUTIVES**

The Board will annually review the performance of the Chief Executive Officer and the Chief Financial Officer based on the following:

- the Company's financial performance;
- the extent to which key operational goals and strategic objectives are achieved;

- development of management and staff; and
- compliance with legal and company policy requirements.

## **PROJECT MANAGERS**

The Chief Executive Officer is responsible for assessing the performance of Project Managers within the Company. This is to be performed through a formal process involving a formal meeting with each manager.

The basis of evaluation of managers will be on agreed performance measures.

### **Policy history**

Established: 15 June 2005