

5 PERFORMANCE EVALUATION POLICY

The Board must review its performance and the performance of the individual Directors including the Managing Director, the committees of the Board and management regularly (this will be achieved with the assistance of the Remuneration, Nomination and Diversity Committee when one is established).

This is an important element of the Boards monitoring role, especially with regard to long term growth of the Company and of Shareholder value.

Performance Evaluation Process

The Board is required to meet annually for the specific purpose of reviewing the roles of the Board, assessing its performance over the last twelve (12) months, including comparison with other and like industries and discuss ways in which the Board can perform more effectively and efficiently.

The annual review includes considering the following:

- Does the Board understand the Company's business adequately?
- How does the actual performance of the Board rank against the requirements of the Board Charter?
- Does the Board know the competition, market, risk factors etc?
- Does the Board spend enough time on the long term strategy?
- What is the balance of power between the Board and the Managing Director?
- Does the Board have access to information from management and other sources?
- Is the Board enhancing Shareholder value by the best possible margin?
- Any benchmarks that they are being appraised against are regularly reviewed to account for the changing environments facing the company;
- Setting of goal and objectives to achieve within the coming twelve (12) months;
- Board composition and structure.
- The operation of the Board, including the conduct of Board meetings and group behaviours.
- The type and timing of information provided to the Directors.

Whilst discussing the performance of the Board, the Directors are encouraged to provide comments on the performance of the Chairperson.

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 advisor to assist in the review.

Performance Review of Non-Executive Directors

The Chairperson of the Board is responsible for meeting with the individual Directors to discuss their individual performance and contribution to the Board. The Chairperson should at a minimum address the following:

- Degree of independence including relevance of any conflicts of interests;
- Familiarity with Company operations and industry trends;
- Willingness to devote the necessary time including attendance at meetings, extent of preparation for meetings, willingness to participate in committee work;

- Value and adding value to the contributions of the Board;
- Level of ethical awareness; and
- Personal relationships with colleagues, management and Shareholders.

Whilst meeting with the individual Directors to discuss individual performance, the Chairperson must take the opportunity to obtain comments about co Directors performance on the Board.

As part of the performance evaluation process, all Directors are expected where applicable, to highlight areas for improvement and provide a description as to how this can be achieved.

Performance Review of Committees

At least annually the Board must review the performance of the Committees to ensure Committees are achieving outcomes.

Similar procedures to those for the Board review are applied to evaluate the performance of any of the Committees. An assessment will be made of the performance of each Committee against each Charter and areas identified where improvements can be made.

Performance Review of Managing Director

The Board formally reviews the performance of the Managing Director at least annually. At the commencement of each financial year, the Board and the Managing Director will agree a set of Company specific performance measures to be used in the review of the forthcoming year.

These will include:

- The extent to which key operational goals and strategic objectives are achieved;
- Development of management and staff;
- Compliance with legal and Company policy requirements; and
- Achievement of key performance indicators.

Performance Review of Senior Executives

The Managing Director is responsible for assessing the performance of Senior Executives within the organisation. This is to be performed through a formal process involving the completion of a performance appraisal questionnaire which is to be completed by the Senior Executives and reviewed and discussed with the Managing Director in a formal meeting.

Each divisional manager is responsible for assessing the performance of the staff members within their division. This is to be performed through a formal process involving the completion of a performance appraisal questionnaire which is to be completed by the employee and reviewed and discussed with their manager in a formal meeting.

Based on the evaluation of the individual's performance, the Managing Director will outline to the Remuneration, Nomination and Diversity Committee the proposed compensation arrangements for each individual employee. The Remuneration, Nomination and Diversity Committee are then responsible for reviewing the compensation arrangements, making adjustments if necessary and preparing a recommendation to the Board of the remuneration arrangements for each individual.

Refer to the Remuneration, Nomination and Diversity Committee Policy for comment on the remuneration of Board members.

The results of any review of the performance of an individual within the Company should be linked to their compensation arrangement.

With respect to performance based remuneration and the issue of shares under an Employee Bonus Scheme, the Shares will be forfeited if prior to completion of the vesting period, the employee commits any fraud, dishonest or gross negligent act.

In the event that a Director, Senior Executive or employee is not performing to an acceptable level, then a performance evaluation can be conducted on an as needs basis.

Links to Performance

Facilitating Performance by Education

In order to provide Directors with the best possible chance of adding value to the Company and contributing at a Board level, the Company has implemented induction procedures which are designed to allow new Board appointees to participate fully and actively in Board decision making at the earliest opportunity.

It is noted that new Directors cannot be effective until they have a good deal of knowledge about the Company and the industry within which it operates. The Managing Director is responsible for ensuring that the new Director gains an understanding of all the necessary information relating to the Company. Such items include:

- The Company's financial, strategic, operational and risk management position;
- Their rights, duties and responsibilities;
- The role of the Board Committees; and
- The Remuneration, Nomination and Diversity Committee shall monitor the orientation and continuing education programs for Directors.

Access to Information

In order to enhance performance the Board is provided with information it needs to efficiently discharge their responsibilities. The following is noted:

- The Company has an agreed procedure that Directors are permitted to take independent professional advice if necessary at the company's expense;
- All Directors have access to the Company Secretary;
- The appointment and removal of the Company Secretary is a matter for the decision of the Board; and
- Directors are entitled to request additional information where they consider that the information supplied by management is insufficient to support informed decision making.

Policy History

Last review: -

Review frequency: Annually or as required

Prepared: September 2018