

PROCEDURE

EVALUATION PROTOCOLS – BOARD, COMMITTEE AND DIRECTORS

RESPONSIBILITY: GENERAL COUNSEL

1 PRINCIPLES

The principles of the evaluation process are:

- integrity of process – actual and perceived;
- assessment to be independent of management;
- process designed to encourage open and constructive discussion;
- agreed and clear goals accepted by all participants;
- confidentiality of identity of each individual director assessment;
- transparency of the evaluation process to assure accountability;
- post evaluation debriefing assessment and follow up;
- evaluation to focus on demonstrable performance, in context of overall Company goals;
- voluntary submission to evaluation by all relevant participants.

2 PARTICIPANTS EVALUATION PROCESS

2.1 Selecting an evaluation process and criteria

- a. The Nominations Committee, in consultation with the Chair, assumes responsibility for recommending to the Board the appropriate evaluation objectives and processes, including the methodology, who will facilitate it, and who will oversee it.

- b. The Board decides if it accepts the recommendation or if it requires changes.
- c. Utilisation of external facilitation, from time to time, under the oversight of the Chair can help bring professionalism, objectivity and confidentiality to the process.
- d. Evaluation criteria should:
 - i. allow comparison with identifiable objective benchmarks where possible;
 - ii. be relevant to the Company, the Board, the Committees, the Directors and their respective circumstances;
 - iii. be relatively standardised to allow longitudinal analysis, unless circumstances otherwise require;
 - iv. should be capable of reflecting the full scope of relevant endeavour and performance which is consistent with the Company's strategies and goals.

2.2 Generally available types of evaluation processes

- a. Self-assessment is a common approach. Self-assessment allows ownership of and personal input into the evaluation process.
- b. Peer review (360° feedback) can be a desirable addition, from time to time, to self-assessment, especially for the role of the Chair. Peer review gives objectivity.
- c. Other models of evaluation (e.g. external consultant interviews) may be suitable depending on the circumstances and needs.

2.3 Evaluation program

- a. The cycle for the Company's evaluation and review process or program for its Board, Committees and individual Directors is 3 yearly.
- b. As an indicative example, discrete elements of the evaluation program may be undertaken each year in accordance with the following process:
 - i. Year 1 – overall governance review and evaluation PLUS individual Director discussions with Chair (as appropriate);
 - ii. Year 2 – governance review and evaluation of Board Committees PLUS individual Director interviews with Chair;
 - iii. Year 3 – Board dynamics review and evaluation PLUS individual Director interviews with external facilitator.

3 INDICATIVE PROCESS FOR INDIVIDUAL DIRECTORS

3.1 Review process

Step 1:	Each Director completes an agreed self-evaluation form using agreed ratings and evaluation criteria and passes same to Chair or external facilitator (as applicable).
Step 1a:	(In case of peer review only) Other directors provide feedback on the performance of the Director using the same agreed ratings and evaluation criteria and passes same to Chair or external facilitator (as applicable).]
Step 3:	A meeting is held between the Director and the Chair or external facilitator (as applicable) to discuss issues raised (including any material discrepancies between self-assessment rating and the peer review as applicable).
Step 4:	Chair or external facilitator reports back to Board on outcomes of the process (but having respect for the principle of confidentiality – refer paragraph 1 above)

3.2 Evaluation criteria for each Director

Includes:

- Governance: ability of Director to contribute to Board and Company's performance whilst adhering to principles of good governance.
- Leadership: ability of Director to inspire commitment to Company's vision and values.
- Strategy: ability of Director to analyse, evaluate and contribute to the Company's strategic plan and positioning.
- Industry knowledge: Director's experience in the industry in which the Company operates so as to give valuable insights as to the environment in which the Company operates.
- Commercial/business acumen: Director's ability to contribute to the increase in the prosperity of the Company and its stakeholders.
- Social Capital: Director's ability to contribute to and enhance the Company's social capital and corporate standing.
- Special attributes: identification of any special skills or attributes.

- Teamwork/dynamics: ability of Director to interact constructively with fellow Board members and the senior executives in a manner that is consistent with achieving common business goals.

3.2.1 Chair evaluation

To the extent to which the role of the Chair is not evaluated in any overall governance review and evaluation tool being deployed, the Deputy Chair (if any) or senior/lead independent Director should take responsibility for evaluation and review of the Chair and the views of the other Directors should be canvassed.

4 INDICATIVE PROCESS FOR BOARD COMMITTEES

4.1 Review process

Step 1:	The members of each relevant Committee complete self-evaluation forms using agreed ratings and evaluation criteria and pass same to Chair or external facilitator (as appropriate).
Step 2:	The Chair or external facilitator (as appropriate) meets with the relevant Committee to constructively discuss the outcomes of the review and any agreed action arising.
Step 3:	A summary of outcomes for all Committees is reported to the Board by the Chair or external facilitator (as appropriate) for discussion and any action arising.

4.2 Evaluation criteria for committees

Includes:

- Committee Charter: appropriateness of scope and content of Committee's remit.
- Committee Membership: appropriateness of balance and skill blend of Committee members.
- Procedure and practice: use of Committee time, adequacy of Committee papers, frequency of meetings, ability to access resources, ability to keep informed in relevant area, provision for continuing development, opportunity for Committee members to contribute constructively to committee to work in a conducive and open manner, and Committee member dynamics.
- Committee substantive output: objective criteria (based on the Committee's remit and terms of reference) to measure the performance output of the Committee.

5 INDICATIVE PROCESS FOR OVERALL COMPANY GOVERNANCE REVIEW

5.1 Review process

Step 1:	Each Director completes evaluation form using agreed ratings and evaluation criteria or external facilitator (as appropriate).
Step 2:	The results of the evaluation forms are analysed in accordance with the agreed methodology.
Step 3:	The outcome of the review is communicated to the Board by the Chair or external facilitator (as appropriate) for discussion and any action arising.

5.2 Evaluation criteria for overall governance review

Includes:

- Individual Director
 - The appropriateness of the competencies, skills, attributes and behaviours of each Director (and of the Chair).
- Board
 - How the individual Directors come together as a team, including Board and Committee structure and meetings, as well as Board deliberations and dynamics.
- Organisation
 - How governance is driven from the board to management and the organisation including attributes of the CEO, and the organisation's strategy, risk and performance outcomes.
- Stakeholder
 - How the organisation engages with, reports to and holds itself accountable to its shareholders, regulators and broader stakeholders, and the community of which it is a part.

The aim is to take a holistic view of the Company's governance across all areas of the organisation.

6 INDICATIVE PROCESS FOR BOARD GOVERNANCE REVIEW

6.1 Review process

Step 1:	Each Director completes evaluation form using agreed ratings and evaluation criteria and passes same to Chair or external facilitator (as appropriate)
Step 2:	The results of the evaluation forms are analysed in accordance with the agreed methodology.
Step 3:	The outcome of the review is communicated to the Board by the Chair or external facilitator (as appropriate) for discussion and any action arising.

6.2 Evaluation criteria for Board Dynamics review

Academic research has identified good board dynamics as one of the most influential and important areas of governance leading to enhanced corporate performance outcomes. Criteria for evaluation include:

- the structure and means of the Board's deliberations and Board member interactions including:
 - team attributes
 - mutual trust
 - co-operation
 - challenge
- getting the task done
 - clarity of goals/purpose
 - skill mix
 - competence
 - reliance on others to perform
 - deliberations and decision making
- shared leadership
- team building
 - competencies
 - shared learnings
 - creativity and support.

7 EXTERNAL FACILITATION

The Board should consider engaging an external facilitator from time to time to assist and co-ordinate the review and evaluation process.

8 COMBINATION OF EVALUATION PROCESSES

The Company may make use of governance analysis tools that combine individual Director, Board, Board Committee and overall governance evaluations into a combined holistic evaluation and review.