
Performance evaluation policy

Policy

To ensure that:

- the board as a whole and individual directors are operating effectively in performing the functions of the board as set out in the board of directors charter
- the committees of the board, the Audit and Risk Committee and the Remuneration and Nomination Committee, are operating effectively in performing the functions of the committees as set out in their respective charters, and
- the chief executive officer (CEO) and other key executives execute the company's strategy and objectives.

Procedure

Board, its committees and individual directors

Each year (starting in 2004) the performance of the board, its members and its committees is evaluated by a process of self-assessment. Each director completes a detailed questionnaire on a variety of issues relating to such performance. The company secretary collates the completed questionnaires and prepares a report for the board which is reviewed at a board meeting.

The chairman of the board also meets with each director to review individual performance.

Each year the board also receives and reviews a report from the chairman of each of the board committees on the activities and achievements of the committee during the preceding financial year. The board also reviews the charters for the committees each year.

Key executives

The CEO and other key executives are subject to a performance management process pursuant to which their performance is reviewed against identified and documented goals. In each case, the aim is to align the individual's goals, and thereby the individual's performance, with the company's strategies and objectives.

The CEO's goals are established in consultation between the CEO and the Remuneration and Nomination Committee and the committee reviews the CEO's performance against the identified goals annually.

The CEO sets the goals of the other key executives and reviews the performance of the executives at least annually.

For salary review purposes, each position in the company is benchmarked against data from current market salary surveys and allocated a pay banding level. The performance of executives (and other employees) is ranked as part of the review process. Individual performance rankings impact on salary movements within the pay band applicable to the relevant position.

The performance review of the CEO and other executives also forms the basis of determining their entitlement to any performance-based component of their remuneration.

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