

Easton Investments Limited (the **Company**) monitors and evaluates the performance of its Board, its Board Committees, individual Directors, and key executives in order to fairly review and actively encourage enhanced Board and management effectiveness.

## **1. Introduction**

The Company's Board Charter provides, among other things, that it is the role of the Board to:

- oversee the business and affairs of the Company;
- select, appoint and regularly evaluate the performance of, determine the remuneration of, and plan for the successor of the Managing Director & Chief Executive Officer; and
- approve the Company's major HR policies and overseeing the development strategies for senior and high performing executives;
- establish a formal and transparent procedure for the selection and appointment of new Directors to the Board;
- regularly review the succession plans in place for membership of the Board to ensure that an appropriate balance of skills, experience and expertise is maintained; and
- institute internal procedures for evaluating the performance of:
  - a) the Board;
  - b) individual Directors; and
  - c) the Board Committees.

This Policy sets out the guidelines that the Board has agreed to follow regarding:

- Board renewal; and
- Board performance evaluations.

## **2. Board Renewal and Succession Planning**

The Board will consider from time to time:

- changes believed to be desirable to the size and composition of the Board;
- individuals for nomination as members of the Board;
- the process for the election of the Chairman of the Board; and
- review on a regular and continuing basis, succession planning for the Chairman of the Board.

### **3. Board Principle Relevant to Appointment of Directors**

Where it is proposed to appoint a new Director, the consideration of potential candidates shall take into account that the Board strives to achieve a balance of skills, tenure, experience, diversity, and perspective among its Directors.

Non-Executive Directors will retire once they have served a maximum of three 3-year terms after first being elected by shareholders unless invited by the Board to extend their tenure due to special circumstances.

### **4. Board Evaluation**

The annual process of evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the Chairman. An externally facilitated Board Performance evaluation may be conducted from time to time in accordance with paragraph 9. of this policy.

### **5. Director Evaluation**

The annual assessment of individual Director's performance is a process determined by the Chairman and may involve the Chairman having one-on-one interviews with all Directors and/or the completion of a Board Performance Evaluation questionnaire. The Chairman of the Remuneration Committee, with the assistance of the Company Secretary, will then consolidate the feedback and report to the Board.

### **6. Evaluation of the Performance of Board Committees and Subsidiary Company Boards**

Directors will annually review the performance of each Board Committee and any subsidiaries and report the results of the review to the Board. Based on the results of the performance review, where necessary, recommendations will be made to the Board for improving the effectiveness of the Board Committees and Subsidiary Company Boards.

The manner of the evaluation is generally to be determined by the relevant Committee Chairman, and will vary given:

- the particular responsibilities of the committee;
- the number of committee meetings; and
- the number of committee members.

## **7. Executives**

All Company executives are subject to an annual performance review. The annual performance review involves an executive being evaluated by the Managing Director & Chief Executive Officer.

The performance evaluation of the Managing Director & Chief Executive Officer is facilitated by the Chairman, with ultimate oversight by the Board. The evaluation of the Managing Director & Chief Executive Officer involves an assessment of a range of factors including the overall performance of the Company and the achievement of specific pre-determined goals.

## **8. Status of the Policy**

This Policy will be reviewed annually by the Board, or more frequently if changes to legal or regulatory requirements dictate.

## **9. External Review**

Externally facilitated reviews may occur approximately every three years. The review process in the intervening years considers progress against any recommendations implemented arising from the most recent externally facilitated review, together with any new issues that may have arisen, and is conducted internally.

Approved by the Board on: **12 Sept 2012**