



## **Board Performance Evaluation Policy**

**1300SMILES and its subsidiaries**

**(the “Company”)**

**Adopted 1 July 2016**

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It is important that the Board review its own performance with a view to achieving and maintaining a high level of performance.

### **1. KEY FUNCTIONS OF THE BOARD**

The Board Charter outlines the Board's responsibilities and powers and those which are delegated to management.

The Board reviews its performance in carrying out key responsibilities in accordance with this Policy. Each Director is expected to:

- (a) actively seek a full appreciation of the business of the Company including key business drivers, the risks facing the Company and applicable risk management policies and the regulatory environment in which the Company operates;
- (b) actively participate in open, honest discussion and bring an independent mind to bear on matters before the Board.

Each of the Directors will engage in a review of performance in accordance with this Policy.

### **2. APPOINTMENT OF DIRECTORS**

When appointing a new director, the Board will consider potential candidates taking into account the need to balance the skills, tenure, experience, diversity and perspectives of its Directors as a whole. Potential candidates will be sourced using the Board's contacts and market intelligence, as well as through the services of specialist external advisers if required.

When considering whether to support an incumbent Director's nomination for election or re-election, the Board will consider the Director's performance and the skills, experience, expertise and diversity that the Director brings to the Board.

### **3. REVIEW OF PERFORMANCE**

The Board will meet periodically for the purpose of reviewing and evaluating the performance of the Board as a whole, in meeting its key responsibilities and achieving its objectives. As part of this review, the performance of the Board as a whole, each Director and the Chairman will be assessed.

The Chairman will meet one-on-one with each Director for discussion on Board performance and individual Director performance to allow each Director to raise all issues considered to be relevant to the review and evaluation. To assist with maximising the effectiveness of such discussions, the Chairman will be provided with objective information about each Director (such as number of meetings attended by the Director during the past year, Committee memberships, other current directorships), and the results of any externally facilitated assessment, if one has occurred during the period under review. All one-on-one discussions are confidential, unless otherwise agreed by the Director concerned. Directors may at any time discuss with the Chairman, any issue concerning Board performance.

A review of the performance of the Chairman of the Board is also to be undertaken periodically, based on feedback obtained from each Director.

The evaluation of director performance will have regard to factors such as:

- (a) expectations of Directors as noted in section 1 of this Policy; and
- (b) the expectation that the Directors and the Board as a whole will perform their duties:
  - (i) in the interests of shareholders and other stakeholders;
  - (ii) in accordance with the duties and obligations imposed by applicable laws.

Directors are encouraged to maintain and improve their knowledge, skills and expertise through briefings, seminars and ongoing training programs.

#### **4. COMPOSITION OF THE BOARD**

The Board determines the criteria for Board membership and reviews the composition of the Board in accordance with the Board Charter.

The Board as a whole has the responsibility to make recommendations to the Board on its composition and succession plans, to address matters including ensuring that the Board remains open to new ideas and independent thinking while retaining adequate expertise.

The Board also gives consideration to whether Directors have served on the Board for a period which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Company.

#### **5. USE OF EXTERNAL CONSULTANTS**

The Board may engage external consultants to:

- (a) evaluate its performance in accordance with this Policy; or
- (b) implement recommendations made by the Board as a result of any evaluation.

#### **6. REVIEW OF POLICY**

The Board will review this policy periodically.