

POLICY FOR EVALUATION OF DIRECTOR'S PERFORMANCE

INTRODUCTION

- 1) This afresh policy sets out the general process and criteria the Board will use in evaluating the performance of the Director(s).

ROLES & RESPONSIBILITIES

- 2) The Board will be responsible for approving the Board's evaluation of the Director(s), and all board members shall have an opportunity to provide input into the Director(s) evaluation.
- 3) The Nomination and Remuneration Committee is responsible for coordinating with the Director(s) for performance.

EVALUATION PERIOD

- 4) The Director(s), performance evaluation shall be based on the 12 month period corresponding to the Financial Year, hereinafter referred to as the "Evaluation Period".

EVALUATION CRITERIA

- 5) Prior to each Evaluation Period , the Nomination and Remuneration Committee may meet with the Director(s), to review:
 - a) Evaluation criteria against which the Director(s), will be evaluated at the end of the Evaluation Period .
 - b) Any survey instruments to be used in the evaluation.
 - c) Other measures or tools for evaluating the criteria established above.
- 6) The Nomination and Remuneration Committee will recommend all performance evaluation criteria, and changes to the criteria, to the Board for approval. Once approved by the Board, said criteria will be communicated to the Director(s), prior to the commencement of the Evaluation Period to which they apply.
- 7) Over time, it is expected that the evaluation criteria will include a range of criteria including:
 - a) **Subjective criteria** such as leadership, general management abilities, and communication style.
Such criteria will likely be assessed using surveys or interviews of Board members and other parties who are in a position to assess the Director(s),

- b) **Objective criteria** such as achievement of specified investment or service delivery goals or targets, cost effectiveness, implementation of business or strategic plans, or successful completion of other agreed-upon tasks. Such criteria will likely be assessed on the basis of objective data, information, or observation obtained through independent means as necessary.
- 8) In establishing criteria or outcomes, the Nomination and Remuneration Committee will attempt to ensure that:
- a) Where possible the criteria or outcomes are objective and measurable.
 - b) The Director(s), has a reasonable degree of control and authority over the outcomes and has the necessary human and capital resources to effectively manage them.
 - c) The criteria may include outcomes over which the Director(s), can have a direct impact (e.g. stakeholder relations) and an indirect impact (e.g. member satisfaction).
- 9) Procedures for the performance evaluation are set out in Annexure-I.
- 10) The Board expects the scope of the Director(s), evaluation and the tools used will evolve over time as follows:
- Year 1 to 3:** Board survey only, focused on subjective criteria.
- Year 4 to 6:** Incorporate input from other parties (e.g. a 360 degree evaluation).
- Year 7 to 9:** Incorporate objective performance measures relating to the investment and benefit delivery functions.

Annexure 1

PERFORMANCE EVALUATION PROCEDURES

The Director(s) performance evaluation should commence immediately following the end of the Evaluation Period, and shall typically be completed within [three months]. The process shall include the following steps:

- 1) The Director(s), will provide the Nomination and Remuneration Committee with the Director(s) own assessment of his or her performance.
- 2) The Nomination and Remuneration Committee may request that the Director(s), other staff member, or an advisor provide them with data or information necessary to assess performance.
- 3) The Nomination and Remuneration Committee will administer a survey of all board members regarding the Director(s) performance. Accompanying the survey will be any other data or information that may help board members to effectively evaluate the Director(s).
- 4) The Nomination and Remuneration Committee may direct an advisor or other outside party to assist in tabulating the administration of any surveys, or to assist in the analysis of any data collected in the evaluation process.
- 5) Board member survey responses may not be submitted anonymously. When finalizing any summary report of the survey responses for submission to the Board, the Nomination and Remuneration Committee shall have the authority to summarize or modify any written comments submitted by board members only for purposes of clarification or reducing repetition. [Board members may request to know who provided specific comments or ratings if it is not evident in the report.
- 6) Based on the Director(s), self-assessment, the results of the evaluation survey, and any data pertaining to objective criteria that were established, the Nomination and Remuneration Committee will meet to arrive at an assessment of the Director(s), performance.
- 7) At a regular or special meeting of the Board, an executive session will be held at which the Chair of the Nomination and Remuneration Committee will present the Nomination and Remuneration Committee's assessment of the Director(s), performance, along with all necessary supporting data and analysis, for discussion and approval by the Board.
- 8) The Nomination and Remuneration Committee will be responsible for meeting with the Director(s),, as soon as practical after the above meeting, to review the results of the Board's evaluation.
- 9) At the next regular meeting of the Board, the Director(s) will be provided an opportunity to address the Board on the results of the evaluation. Said address may occur in executive session at the request of the Director(s).