



Australian Agricultural Company Limited

ABN 15 010 892 270

Board Evaluation Policy

Approved by the Australian Agricultural Company Limited Board on 28 July 2004
Updated to December 2012

Formatted for consistency on 9 January 2019

1. Purpose and Scope

Each year the AACo Board will carry out an evaluation of its own performance. Board performance evaluation is designed to:

- review the pre-determined role of the Board and individual Directors as set out in the AACo Board Charter.
- annually assess how well directors are discharging their responsibilities; collectively by assessing the Board's effectiveness; and individually by assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- regularly evaluate the Directors' confidence in the integrity of the company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge;
- enable Board members, individually and collectively, to develop the key skills required to meet foreseeable requirements with timely preparation, agreed strategies and appropriate development goals;
- provide a visible accountability structure for shareholders through publication of the evaluation process in the annual report and company website.

2. Responsibilities

Chairman

- Initiate the performance evaluation process.
- Guide and lead the individual Directors with self-assessments and evaluations.
- Lead the Board in the Board evaluation of its own performance (collectively).
- Lead the Board in the Board evaluation of Committee performance.
- Facilitate Board evaluation of the Chairman.
- Initiate Board evaluation of the Managing Director/Chief Executive Officer ("MD/CEO") against pre-determined criteria.
- Have a thorough knowledge of the company's strategic direction with an emphasis on financial objectives.
- Ensure that the reviews are forward focused, productive and will ensure the Directors and the Board are, or will be, properly equipped with appropriate skills to meet future requirements.
- Objectively assess areas where key skills are not meeting forthcoming Board and Company strategic requirements.

Directors

- Assess all performance objectively and critically.
- Participate in the Board evaluation of its own performance.
- Participate in the Board evaluation of Board Committee performance.
- Participate in the evaluation of the Chairman's performance.
- Participate in the evaluation of own performance.
- Have a thorough knowledge of the Company's strategic direction with an emphasis on financial objectives.
- Ensure that the reviews are forward focused, productive and will ensure that the directors and the Board are, or will be, equipped with the appropriate skills to meet future requirements.
- Objectively assess areas where key skills are not meeting forthcoming Board and Company strategic requirements.

MD/CEO

- Assess all performance objectively and critically.
- Participate in the Board evaluation of its own performance.
- Participate in the Board evaluation of Committee performance.
- Participate in the evaluation of the Chairman's performance.
- Participate in the evaluation of own performance.
- Objectively assess areas where key skills are not meeting forthcoming Board and Company strategic requirements.

Nomination Committee

- Work with the Chairman in evaluating the Board's performance.

3. Procedure for Board Performance Evaluation

The Chairman will initiate the review process by asking each Director to complete a Board Performance Evaluation Questionnaire.

The Chairman will then conduct a one-on-one interview with each Director, seeking his or her input in relation to:

- the performance of the Board;
- the performance of each Board Committee;
- the performance of the Chairman;
- the performance of the MD/CEO; and
- their own performance.

Performance should be assessed quantitatively i.e. against the criteria contained in the Board Charter, Strategic Plans and role/position descriptions and qualitatively, as appropriate.

The Chairman will collate the responses to the questionnaire, incorporating any verbal input from the one-on-one interviews, into a generic document for discussion by the Board. The Chairman will also discuss face-to-face with each individual Director his or her contribution to the Board as appropriate.

Following the evaluations, the Board, with the assistance of the Board Nomination Committee will determine any shortfalls in Board performance as well as any skills, education and or development required over the forthcoming year.

4. Description of Performance Evaluation Process of Key Executives

It is primarily the responsibility of the Chairman and the Staff and Remuneration Committee to formally review the performance of the MD/CEO. Key Result Areas are set for the MD/CEO and senior executive team each year based on the company's strategy and these are approved by the Staff and Remuneration Committee and reported to and discussed by the Board.

The Staff and Remuneration Committee also reviews AACo's remuneration policies (including performance appraisal policies). The MD/CEO assesses the performance of the senior executive team in accordance with these policies.