



PERFORMANCE EVALUATION POLICY

Overview

Recommendation 1.2 of the 2007 ASX Corporate Governance Principles and Recommendations is: Companies should disclose the process for evaluating the performance of senior executives. The commentary to the 2007 ASX Principles and Recommendations explains that “senior executives” refers to the senior management team as distinct from the board, being those who have the opportunity to materially influence the integrity, strategy and operation of the company and its financial performance.

Recommendation.2.5 of the 2007 ASX Corporate Governance Principles and Recommendations is: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

In the Guide to reporting on Principles 1 and 2, the material that it is stated should be included in the corporate governance section in the annual report includes:

- Whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.
- Whether a performance evaluation for the board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed.

This document sets out an overview of the process adopted by QMASTOR Limited.

Procedure	
1. Annual assessment	An annual performance assessment is made of the Board and directors, committees and senior executives.
2. Board, Committees and non-executive directors	<p>The Chairman conducts interviews with each non-executive director for an evaluation of the Board and Committees as a whole and individual director performance. The Chairman also provides feedback to individual directors where appropriate on individual performance.</p> <p>The non-executive directors undertake a performance review of the Chairman, led by a director nominated by the Board.</p> <p>The results of those meetings in relation to the Board and Committees as a whole are then discussed in a Board meeting (excluding executive director), and any changes suggested for improvement discussed and taken forward for action if agreed.</p>
3. Senior executives	<p>The Chairman conducts the performance assessment of the Managing Director, having regard to objectives set the previous year, and the discussion includes setting objectives for the coming year. The Board as a whole discusses the outcomes in the absence of the Managing Director. This is then communicated to the Managing Director.</p> <p>The Managing Director conducts the performance assessment for each senior executive, having regard to the operational and financial responsibilities of the executive and the contribution by the executive to the management and leadership of the business.</p>