

**Boulder Steel Limited ABN 78 009 074 588**  
**Board and Executive Team Performance Evaluation Process**

---

**1. Objectives and Purpose**

- 1.1 Under ASX Principles 1 (Lay solid foundations for management and oversight) and 2 (Structure the board to add value), companies are encouraged to regularly review the performance of boards, board committees, individual directors and senior executives.
- 1.2 The performance of the Board and Executive Team of Boulder Steel Limited (the **Company**) will be reviewed on an annual basis.
- 1.3 In this document, “**Executive Team**” is as defined by the Board from time to time.

**2. Responsibility**

The Chairman of the Board will be responsible for overseeing the annual review of the Board and the Executive Team.

**3. Purpose of Review**

- 3.1 Build Board effectiveness.
- 3.2 Ensure effective interaction between Board, Committees and Executive Team.
- 3.3 Ensure that the Board, Committees, Executive Team, and the individuals within those teams understand their roles and that the roles are appropriate for the Company’s circumstances. This may lead to clarification or updating of the relevant charters or job descriptions.
- 3.4 Measure past performance against Board and Committee Charters, and confirm objectives for forthcoming year.
- 3.5 Provide a forum within which to raise any issues.

**4. Who will be Evaluated**

- 4.1 Board, as a whole.
  - 4.2 Directors individually.
  - 4.3 Executive Team as it interacts with the Board – individual members of the team will undergo their personal performance evaluation using predetermined key performance indicators consistent with the objectives of the Company and agreed with the board.
  - 4.4 Board Committees.
-

- 4.5 Chairman.
- 4.6 Chairmen of Board Committees.
- 4.7 Company Secretaries.

## **5. The Evaluation Process**

- 5.1 Before the Board Review discussion:
  - (a) each Board Committee will:
    - (i) review the Committee's own performance against its particular charter;
    - (ii) consider whether the Committee has received adequate support from management and external advisers; and
    - (iii) consider whether there should be any changes to the Committee's Charter or practical arrangements to more effectively fulfil the governance principles published by the ASX,and the Chair of each Board Committee will provide a report to the Chairman on these matters;
  - (b) the Chairman will meet with individual directors.
- 5.2 For the Board Review, the Chairman will lead the Board in a discussion of the matters outlined at section 6.2 of this document. Part of that discussion will include the Executive Team so that the Board and Executive Team can collectively discuss the effectiveness of their interaction.

## **6. Areas of Focus for the review process**

- 6.1 The Board will monitor its performance on an on-going basis. In addition, the Chairman will lead the review process during the last quarter of each financial year.
  - 6.2 At the annual performance review discussion for the Board as whole, the Chairman will ensure that the Board discusses the following issues, in addition to any other matters that the Chairman or other Board Members wish to discuss:
    - (a) Is the Board fulfilling its roles as set out in the Board Charter?
    - (b) Does the Board have a sufficient understanding of the Company's business?
    - (c) Does the Board understand the competitive environment in which the Company operates, and the key risk factors affecting the Company's operations?
    - (d) Does the Board give sufficient attention to long term strategy?
    - (e) How effectively has the Board monitored the Executive Team, the performance of the Company's business and the operation of the Company's risk management systems?
    - (f) Does the Board have access to sufficient information from management and other sources within and outside the Company?
-

- (g) How effective were Board meetings? (eg time allocated for particular topics, timeliness of agenda, location and timing of meetings)
  - (h) Is the Board enhancing shareholder value?
  - (i) Did the Chairman provide leadership and facilitate constructive discussion?
  - (j) Are Board Committees fulfilling the objectives set out in the relevant charter, and what, if any, action items arise from the reviews undertaken by those Committees?
- 6.3 When the Chairman of the Board meets with individual non-executive directors to discuss their individual performance and contribution to the Board, topics would include:
- (a) changes in degree of independence including any potential conflicts of interest;
  - (b) familiarity with the Company's business, risk profile and industry;
  - (c) willingness to devote appropriate time to meetings of the Board and Committees, including preparation;
  - (d) areas in which the director currently adds value, or could add further value, to the Board's deliberations;
  - (e) interpersonal relationships with colleagues, senior management and shareholders.

Where appropriate, directors should identify areas for improvement and agree on how improvement can be achieved. While meeting with the Chairman to discuss their own performance, individual directors will have the opportunity to comment on their co-directors' performance on the Board.

## **7. Results of Evaluation**

At the Board meeting in which the review is undertaken, the Chairman will conclude the discussion by helping the Board resolve on outcomes to be minuted by the Company Secretary.

The Company Secretary will ensure that agreed changes are incorporated in Board or Committee charters, or other documents.

The Company Secretary will ensure that any issues requiring ongoing review or monitoring are included as agenda items in papers for future Board meetings.

---

**8. Evaluation Data**

- 8.1 All personal information provided is subject to the Privacy Act 1998.
- 8.2 The evaluation data on the performance of the Board and Board Committees will be retained by the Company Secretary.
- 8.3 Where the evaluation data is conducted on the performance of individuals it will be retained by the Company Secretary and filed on their personal files.

**9. Evaluation of Policy**

This policy will be evaluated every two (2) years to ensure effectiveness and applicability.

**Adopted by the Board on 30 September 2009**

---