



# Performance Evaluation Practices Procedure

As part of the annual review of the performance of the Board of Mineral Resources Limited, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for Non-Executive Directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.

The Board has established formal processes to review its own performance and the performance of individual directors (including the Managing Director) and the committees of the Board, annually.

## Board

A process has been established to review and evaluate the performance of the Board. The Board is required to meet annually with the specific purpose of reviewing the role of the Board, assessing its performance over the previous 12 months, including comparison with others, and examining ways in which the Board can better perform its duties. The review will incorporate the performance of the Board.

The annual review includes consideration of the following measures:

- a) comparison of the performance of the Board against the requirements of the Board Charter
- b) assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget
- c) review the Board's interaction with management
- d) identification of any particular goals and objectives of the Board for the next year
- e) review the type and timing of information provided to the Directors; and
- f) identification of any necessary or desirable improvements to Board or Board Committee charters.

The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director.

## Committees

Similar procedures to those for the Board review are applied to evaluate the performance of each of the Board Committees.

An assessment will be made of the performance of each Committee against each charter and areas identified where improvements can be made.

## Non-Executive Directors

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors on an annual basis, having particular regard to:

- a) contribution to Board discussion and function
- b) degree of independence, including relevance of any conflicts of interest
- c) availability for and attendance at Board meetings and other relevant events
- d) contribution to Company strategy
- e) membership of and contribution to any Board Committees; and
- f) suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a Non-Executive Director's performance, the Chairman must consult with the remainder of the Board on whether a Non-Executive Director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a Non-Executive Director be put to shareholders.

## Managing Director

The Board Chairman and the Chairman of the Remuneration Committee review the performance of the Managing Director on an annual basis having regard to performance measures including:

- a) financial measures of the Company's performance
- b) the extent to which key operational goals and strategic objectives are achieved
- c) development of management and staff
- d) compliance with legal and regulatory requirements; and
- e) achievement of key performance indicators.

## Senior Executives

The Managing Director is responsible for assessing performance of key executives within the Company on an ongoing basis.

The basis of evaluation of senior executives will be on agreed performance measures.

## Review of Procedure

This procedure will be renewed, revised and re-published where necessary, and at least annually, to ensure that it remains relevant and appropriate to the Company's activities.



Derek Oelofse  
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30 June 2020