

## Challenger Energy Limited

### Directors and Board Performance Evaluation

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The Chairman of the Board has authority to develop key performance indicators for Board members to assess the performance of the Board as a whole, their own performance and the performance of each of their fellow directors. A sample of such issues is as follows:

- (a) Board - General
  - Board agenda and papers
  - Conduct of meetings
  - Committee structure and performance
  - Effectiveness of Board working together
  - Relationships with senior executives
  - Relationships with shareholders
  - AGM
- (b) Board - Activities
  - Quality of strategy and performance indicators
  - Adequacy of risk management practices
  - Corporate governance practices
  - Performance of Auditor
  - Quality of management presentations
  - Management disclosure of key information
- (c) Individual performance evaluations
  - Contribution of individual directors
  - Performance of senior executives
  - Performance of Company Secretary
- (d) Looking forward
  - Mix of skills – current and future requirements
  - Areas for improvement
- (e) Process

The Chairman will have individual meetings with each director and selected senior executives to assess their views on these issues and to identify any areas of concern or opportunity for improvement of performance of the Board and/or individual directors.

The Chairman will provide a summary of his or her findings to the Nomination and Remuneration Committee and to the full Board and is responsible for ensuring that agreed actions are implemented. It is recognised that some findings will be of a sensitive nature and will not be included in the Chairman's report but will be acted upon by the Chairman on a one to one basis.

This process occurs at least once each calendar year and more frequently at the discretion of the Chairman. It is anticipated that the Chairman will undertake this performance evaluation during August and September each year and will report his/her findings to the October Board meeting.