

XS Resources Limited

ACN 624 766 114

**Process for
Evaluating Performance**

April 2018

1 Introduction

- 1.1 The XS Board is committed to best practice standards of governance underpinning how XS conducts its business.
- 1.2 To the extent they are applicable to XS, the Board has adopted the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations, including the requirement to periodically assess the performance of its Directors and senior management.
- 1.3 XS monitors and evaluates the performance of its Board of Directors, its Board committees and its individual Directors in order to fairly review and actively encourage enhanced Board, Committee and individual Director effectiveness.

2. Explanation of Terms

- 2.1 In this document:

ASX means Australian Securities Exchange;

Board means the board of directors of XS;

Company Secretary means the company secretary of XS;

Director means a director of XS;

XS means XS Resources Limited;

Group means XS and its controlled entities;

MD means the Managing Director or Chief Executive Officer (or equivalent);

Senior Executive means the employees of XS who manage XS pursuant to the directions and delegations of the Board.

3. Board Evaluation

- 3.1 The process of evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the Chair of the Board or (where the Chair's performance is being evaluated) under the direction of another Director (preferably a non-executive Director) appointed by the Board. The evaluation of Board performance involves the setting of annual Board objectives and an assessment by the Board at the conclusion of the year as to the extent to which the Board achieved its objectives.

4. Board Committee Evaluation

- 4.1 Each Board Committee will annually review its performance and report the results of the review to the Board. Based on the results of the performance review, where necessary, recommendations will be made to the Board for improving the effectiveness of the Board Committee.
- 4.2 The manner of the evaluation is generally to be determined by the relevant Board Committee Chair, and will vary given:
- (a) the particular responsibilities of each Board Committee;
 - (b) the number of Board Committee meetings; and
 - (c) the number of Board Committee members.

5. Individual Director Evaluation

- 5.1 Assessment of individual Directors performance is a process determined by the Chair of the Board in consultation with the Board, and may involve mechanisms such as interviews, self-assessment and peer review.

6. Senior Executive Evaluation

- 6.1 XS's Senior Executive will be subject to periodic performance reviews. The annual performance review involves a member of Senior Executive being evaluated by the MD with ultimate oversight by the Board.
- 6.2 The evaluation of the members of Senior Executive may involve an assessment of a range of factors including the overall performance of the Company and the achievement of specific pre-determined goals.

7. Review

- 7.1 This document is to be reviewed by the Board on a periodic basis.