

# Mundo Minerals Limited

## Corporate Governance

### POLICY ON PERFORMANCE EVALUATION

#### Introduction

The Board has established formal processes to review its own performance and the performance of individual directors, committees of the Board and key executives, at least annually.

#### Evaluation

##### Board

The annual review includes consideration of the following matters:

- comparison of the performance of the Board against the requirements of the Board charter;
- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review of the level and effectiveness of the Board's interaction with management;
- review of the content, format and timing of information provided to the directors; and
- review of Board and Committee charters to assess if they remain appropriate to the Company's activities.

The method and scope of the performance evaluation will be set by the Board and may include the use of an independent adviser.

##### Committees

Similar procedures to those for the Board review will be applied to evaluate the performance of any 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 will have primary responsibility for conducting performance appraisals of non-executive directors, having particular regard to:

- contribution to the Board;
- degree of independence;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board and committee structure and composition.

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#### Managing Director

The Board formally reviews the performance of the Managing Director at least annually. Each year the Board and the Managing Director will agree a set of Company specific performance measures for that year, including:

- achievement of key operational goals and strategic objectives;
- development of management and staff;
- compliance with legal and Company policy requirements; and
- achievement of key performance indicators.

#### Key executives

The Managing Director and the Managing Director of the South American operations will be responsible for assessing the performance of the key executives within the Company. This is to be performed annually through a formal process involving a meeting with each senior executive.

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