

Forest and Wood Products Australia Limited

Board Performance Review Policy

Introduction

In the interests of good governance and striving for continuous improvement, the Board of Forest and Wood Products Australia Limited (FWPA) recognise the need to have appropriate review processes to assess the performance of the Board. The purpose of a review is to ensure improved effectiveness of the Board and its Committees and identify any areas for improvement.

Method of Evaluation

The Board undertakes an annual review of its performance including an assessment of the Board as a whole, Board Committees and individual Directors. The review is normally carried out by use of a questionnaire which each director completes followed up by a discussion between each director and the Chairman. The review is done by a self assessment process based on current Grape and Wine Research and Development Corporation protocol. The review is normally conducted in June/July each year to allow the results to be taken into account with the Director selection process leading up to the annual general meeting.

The assessment takes into account the Board Charter and strategic plans and includes matters such as:

- The Board's contribution to strategy and policy;
- The relationship between the Board and management;
- The Board's processes to monitor FWPA's performance and compliance, control risks and evaluate management;
- Board composition and structure; and
- Operation of the Board, including the conduct of Board meetings.

Committee assessments are performed in relation to their particular terms of reference and the fulfilment of their responsibilities and primarily use a questionnaire approach.

Individual Director assessments use both a questionnaire and an individual discussion with the Chairman and /or the external facilitator with a particular focus on – their contribution and attendance, their understanding of the company's strategy and industry trends, their preparation for meetings and the benefit of any special expertise. Feedback on the performance of the Chairman is provided for in the questionnaire for the overall Board assessment.

Reporting of Results

The results of the questionnaires and interviews are compiled in summary and de-identified form by the Chairman or external facilitator, when used, and provided to the Board for discussion. This report identifies the key findings arising from the review and any recommendations for further improvement. The Board considers the recommendations and agrees any points to be addressed.