



PROCESS FOR PERFORMANCE EVALUATIONS

CONTENTS

| | | |
|----|--------------------------------------|---|
| 1. | Introduction | 1 |
| 2. | Definitions and interpretation | 1 |
| | 2.1 Definitions | 1 |
| | 2.2 Interpretation..... | 1 |
| 3. | Objectives and Procedure..... | 1 |
| | 3.1 Procedure..... | 1 |
| | 3.2 Performance Indicators..... | 2 |
| | 3.3 Performance Evaluations..... | 2 |
| 4. | Timing | 2 |
| 5. | Reporting | 2 |
| 6. | Policy Management | 2 |

1. INTRODUCTION

This policy is to outline the process of performance evaluations for the Company.

The purpose of this Policy is to provide a guide for discussing, planning and evaluating the performance of employees.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Policy:

Board means the board of Directors of the Company from time to time.

Company means Pyx Resources Limited ACN 073 099 171.

Policy means this guidance on the process for performance evaluations.

2.2 Interpretation

Unless the contrary intention appears, a reference in this Policy to:

- (a) the singular includes the plural and vice versa;
- (b) one gender includes the others;
- (c) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this Policy and a reference to this Policy includes any schedule or attachment; and
- (d) headings are for ease of reference only and do not affect the meaning or interpretation of this Policy.

3. OBJECTIVES AND PROCEDURE

3.1 Procedure

- (a) The Board must have proper processes for regularly evaluating the performance of:
 - (1) the Board and its committees;
 - (2) individual directors; and
 - (3) senior executives.
- (b) The Board must establish the purpose of the evaluation. Clearly identified objectives will enable the Board to set specific goals for the evaluation and make decisions about the scope of the evaluation.

3.2 Performance Indicators

In undertaking any performance evaluation, the Board will establish and update key performance indicators (both qualitative and quantitative) to measure performance against the Company's key issues from time to time.

3.3 Performance Evaluations

- (a) The Board in its absolute discretion may determine the best methodology for undertaking an evaluation. The different options might include:
 - (1) internally or externally facilitated reviews;
 - (2) questionnaires or interviews; or
 - (3) group or individual appraisals.
- (b) Upon reviewing, the Board will address any issues that may emerge from the review. This may include factors such as:
 - (1) the currency of a director's knowledge and skills; or
 - (2) if a director's performance has been impacted by other commitments.
- (c) The Board may consider periodically using external facilitators to conduct its performance evaluations. An external facilitator has the advantage of providing an impartial appraisal process and an unbiased reporting of the evaluation findings.
- (d) A suitable non-executive director (such as the senior independent director) should be responsible for the performance evaluation of the chairperson, after having canvassed the views of the other directors.

4. TIMING

The Board must conduct formal performance evaluations at least once per year having due regard to the terms of the evaluation, performance measures and expected outcomes.

5. REPORTING

The Company will disclose at each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

6. POLICY MANAGEMENT

Approval of this Policy is vested with the Board.

Reviews of this Policy are the responsibility of the Board, and will be conducted annually. This is to ensure that the Policy remains consistent with the *Corporations Act 2001* (Cth) and all other relevant legislative and regulatory requirements, as well as the changing of the Company.