

HOTEL PROPERTY INVESTMENTS LIMITED
ACN 010 330 515
PROCESS FOR EVALUATION OF PERFORMANCE

1 Introduction

Hotel Property Investments Limited (“**Company**”) monitors and evaluates the performance of its board of directors (“**Board**”), its Board committees (“**Committees**”) and individual directors in order to fairly review and actively encourage enhanced Board, Committee and individual director effectiveness.

The Board will monitor and evaluate the performance of the Company and any members of the executive management of the Company that may be appointed from time to time (“**Senior Management**”).

The Company’s Board Charter specifically allocates the following responsibilities to the Board:

- (a) evaluating performance and determining the remuneration of the Chief Executive Officer and Senior Management (if any);
- (b) annual review of the Board’s performance, composition and terms of reference; and
- (c) annual review of the Committees’ performance, composition and terms of reference.

2 Board Evaluation

The process of evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the Chair or (where the Chair’s performance is being evaluated) under the direction of another 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.

2.1 Board Committees Evaluation

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 Committee.

The manner of the evaluation is generally to be determined by the relevant Committee Chair, and will vary given:

- (a) the particular responsibilities of each Committee;
- (b) the number of Committee meetings; and
- (c) the number of Committee members.

2.2 Director Evaluation

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

3 Senior Management

All of the Company's Senior Management (if any) will be subject to annual performance reviews. The annual performance review of the Chief Executive Officer involves being evaluated by the Chair with ultimate oversight by the Board.

The evaluation of the members of Senior Management may involve an assessment of a range of factors including the overall performance of the Company and the achievement of specific pre-determined goals.

4 Review

The Board will review this policy from time to time to assess that it is operating effectively and to consider whether any changes are required.