



PERFORMANCE EVALUATION

1. THE BOARD AND INDIVIDUAL DIRECTORS

1.1 Policy

To ensure individual directors and the Board as a whole work efficiently and effectively in achieving their functions set out in the Board Charter.

1.2 Procedure

Each year the Board undertakes the following activities:

- (a) the chairman meets with each non-executive director separately to discuss individual performance and ideas for improvement; and
- (b) the Board as a whole discusses and analyses its own performance during the year including suggestions for change or improvement.

Prior to the commencement of each financial year, the Board agrees to key responsibility areas (KRAs) and performance targets against each KRA. Following the end of a financial year, an analysis is presented to the Board for their discussion, setting out how the Board has performed against the KRAs.

2. BOARD COMMITTEES

2.1 The Policy

To ensure the committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in their charter.

2.2 The procedure

The Board receives reports from each of its committees setting out the committee's achievements for the year based on their duties. The Board reviews the charters of the Committees once a year to ensure that they are up to date.

3. MANAGING DIRECTOR AND KEY EXECUTIVES

3.1 The Policy

To ensure the Managing Director and key executives execute the company's strategy through the efficient and effective implementation of the business objectives.

3.2 The Procedure

Each year the Board reviews NetComm's strategy. Following such a review the Board sets the organization performance objectives based on both qualitative and quantitative measures. These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of NetComm's business. These objectives are the performance targets for the Managing Director. Performance against these objectives is reviewed annually by the Nomination and Remuneration Committee and is reflected in the Managing Director's remuneration review, which may consist of both a performance bonus and review of fixed remuneration.

The business objectives are also filtered through into divisional business plans and budgets. Achievements of these business plans and budgets form the basis on which NetComm's Executive General Managers are assessed and therefore determines the basis of remuneration payments. The Managing Director makes recommendations on the remuneration of these executives, which are reviewed by the Nomination and Remuneration Committee and the Board.