

Mount Gibson Iron Limited

Corporate Governance Policies and Practices Manual

4.7 – Plan for Identifying, Assessing and Enhancing Director Competencies

1 Competencies Expected from a Non-Executive Director

1.1 Persons nominated as Non-Executive Directors shall be expected to have the following competencies:-

- (a) Honesty and integrity;
- (b) Qualities such as
 - Industry experience; and or
 - a particular competence in certain areas of technology or functional expertise, such as law, science or finance.
- (c) Understanding of aspects associated with corporate governance, including an exposure to and an understanding of risk, ability to probe and challenge key strategic issues and an ability to understand all stakeholders' views and issues;
- (d) Communication skills and an ability to perform in Board and subcommittee environments whilst being collaborative and a strong team member; and
- (e) Proven commercial and business judgement with outstanding strategic skills.

2 Assessing Competencies

2.1 Once the relevant competencies of persons nominated as a Non-Executive Director have been identified, the competencies shall be assessed by implementing a majority of the following:-

- (a) Ensuring the profile of the nominated person is related to the goals of the Company and the Board performance criteria;
- (b) Conducting an external search process to complement the probable likely candidates known to the Board;
- (c) Considering the Company's strategic goals when considering persons, to ensure the final candidate has the knowledge and experience appropriate to the Company's next stage;
- (d) Reviewing previous experience identified in candidate's Resume;
- (e) Conducting a thorough reference check;
- (f) Conducting personal interviews with the Chairman and one or more Non-Executive Directors;
- (g) Discussing relevant information such as the Company's policies and procedures prior to any appointment;

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- (h) Introducing the final candidate to the current Directors to ensure they are comfortable that the new Director will contribute the skills, knowledge and experience sought in a team-like manner; and
- (i) Conduct a thorough induction process.

2.2 The Company also has in place a review process for already appointed Non-Executive Directors which seeks to assess the Non-Executive Director's competencies on an annual basis. This takes place through a series of evaluation questionnaires, assessing their personal performance, the Board's performance and the performance of the Chairman.

3 Enhancing Director Competencies

3.1 In order to enhance Director's competencies, the Company initiates the following:-

- (a) Board meetings held at least 9 times per year with full reports on all aspects of the business provided;
- (b) Strategy sessions held annually where the Company's strategy is presented and discussed;
- (c) Visits to operations, at least once per year, to enable the Director to gain a greater understanding of the operations of the Company;
- (d) Ongoing corporate governance reviews and updates;
- (e) Presentations from management as required; and
- (f) Separate meetings to discuss major acquisitions, projects and strategic initiatives as required.