

***THE PHILODRILL CORPORATION***  
***Board and Management Performance Evaluation Policy***

**I. Purpose and Scope**

Each year the Board of Directors (the Board) of **The Philodrill Corporation** (the Company) will carry out an evaluation of its own performance. Board performance evaluation is designed to:

- a) review the pre-determined role of the Board and individual Directors as set out in the Company's Board Charter;
- b) annually assess how well directors are discharging their responsibilities; collectively by assessing the Board's effectiveness; and individually by assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- c) annually assess the performance of directors in discharging their responsibilities. This is achieved by collectively assessing the Board's effectiveness and by individually assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- d) regularly evaluate the Directors' confidence in the integrity of the company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge; and
- e) enable Board members, individually and collectively, to develop the key skills required to meet foreseeable requirements with timely preparation, agreed strategies and appropriate development goals.

**II. Procedure for Board Performance Evaluation**

- a) The Chairperson will meet with each director separately seeking input in relation to:
  - (i) the performance of the Board;
  - (ii) the performance of each Board Committee;
  - (iii) the performance of the Chairman;
  - (iv) their own performance.
- b) Performance should be assessed quantitatively (and qualitatively, as appropriate) against criteria contained in the Board Charter, strategic plans and the role / position description.
- c) The Chairman will collate the input and provide an overview report for discussion by the Board.

d) The Board as a whole will discuss and analyze its own performance during the year including suggestions for change or improvement, as well as any skills, education or development required over the forthcoming year.

e) The Board may also consider any feedback from the Shareholders regarding the performance of the Board. Shareholders are encouraged to inform the Board of any complaints or commendations, as the case maybe, through mail or email.

### **III. Procedure for Performance Evaluation of Key Officers and Managers**

This policy is to ensure that the Key Officers and Managers execute the Company's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

- a) Each year the Board reviews the Company's strategy.
- b) Following such a review the Board sets the organization performance objectives based on qualitative and quantitative measures.
- c) These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the nature of the Company's business.
- d) These objectives form part of the performance targets for the Executive Officers and Managers.
- e) Performance against these objectives is reviewed annually by the Board and is reflected in the Compensation and Remuneration Committee review.
- f) The President is responsible for assessing the performance of the key officers and managers and a report is provided to the Remuneration Committee for review.

### **IV. Board Committees**

This policy is to ensure 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. Each year the Board will undertake the following activities:

- a) The Board will regularly review the necessity of establishing any committees and delegating certain of its responsibilities to the committee.
- b) The Board will review the committees achievements during the year based on their duties.
- c) The Board will review the charters of the committees once per year to ensure that they are up to date.

## **V. External Consultants**

The Board may engage independent external consultants periodically to provide advice and assistance in the evaluation process.

## **VI. Feedback Mechanism**

External feedback on the Board's performance is welcomed and appreciated. Shareholders and other stakeholders are encouraged to provide their insights on where improvements could be made and issues that require further reflection from the Board.

Comments and/or suggestions may be given through the Company's website at [http://philodrill.com/contact\\_us.html](http://philodrill.com/contact_us.html)