

Freshtel Holdings Limited

Board Performance Evaluation

1. Review of Board and Individual Director's Performance

The Board, at least annually, evaluates the structure of meetings and their effectiveness for the previous year and implements any changes emanating from those discussions. The performance of individual Director's is reviewed with the Chairman at least every two years. The effectiveness of the Chairman is also reviewed by the Board at least every two years.

One third of the Directors must offer themselves for re-election each year at each Annual General meeting. The Chairman conducts private discussions with individual Directors on their effectiveness and to seek their views and needs. Relevant matters considered in discussion with Directors and Board performance include:

- Attendance at Board meetings;
- Participation at Board meetings;
- Involvement on the Audit Committee and any other sub committees that may be constituted from time to time;
- Commitment to Board activities;
- Director independence
- Appropriate complement of skill, experience and expertise on the Board.

All directors to retire at the age of 72.

2. Review of Performance of Board Committees

Freshtel Holdings Limited currently has an Audit Committee. The Committee's powers are governed by the Audit Committee Charter which is approved by the Board. Other committees may be established from time to time to consider matters of special importance. The Audit Committee Charter requires it to review its performance at least once every two years.

3. Review of Performance of Key Executives

The Chairman after considering independent remuneration information, recommends the remuneration for non-executive Directors and the Managing Director to the Board. The Managing Director, also after considering independent remuneration information, recommends the remuneration for each of the senior executives.

The Board reviews and approves the Managing Director and senior executive remuneration structures (including share plan, share options and other benefits and incentive arrangements). The Board reviews the performance of the Managing Director and other key executives on an annual basis against specific objectives and performance targets.

4. Facilitating Performance by Education

When appointed, all new Directors receive an induction appropriate to their experience to familiarise themselves with matters relating to the company's business, its strategies and current issues before the Board and their rights, duties and responsibilities. Similar induction processes apply for key executives. Directors are kept informed of key developments in the company and are encouraged to attend continuing education to remain up to date with their obligations as Directors.

5. Board Access to Information

Board papers are prepared to ensure adequate coverage of financial, strategic and major risk areas throughout the year. In addition to its formal meetings, the Board undertakes strategy reviews and site visits of sites within the Group.

Copies of Board papers are circulated in advance of meetings. In addition, all Directors have access to company records and information, and through the Board papers, receive regular detailed financial and operational reports from senior management to enable them to carry out their duties.

The Chairman and non executive directors also regularly consult with and request any additional information from the Managing Director. The Company Secretary is available to provide Directors with ongoing guidance on issues such as corporate governance and the company's Constitution.

In relation to obtaining independent advice, the Audit Committee is empowered under its Charter to seek independent professional advice at the company's expense if in its opinion such advice is necessary.

Directors who are not members of the Audit Committee may also seek independent professional advice at the company's expense providing they obtain the prior approval of the Chairman or the Chairman of the Audit Committee, whichever is the most appropriate in the circumstances.