

## PERFORMANCE REVIEW POLICY

### 1. Evaluation process

The Board of Directors (**Board**) of Karoon Energy Ltd (**Karoon** or **Company**) considers the evaluation of its own and senior executives' performance as fundamental to establishing a culture of performance and accountability within the Company.

### 2. Board evaluation

The Board considers the ongoing development and improvement of its own performance as critical input to effective governance. The Board undertakes an annual evaluation of its effectiveness, conducted by the Chairman of the People, Culture and Governance Committee and reviewed by the Board as a whole.

The Chairman reviews the individual performance of each director annually.

The Chairman's performance is evaluated by the Chair of the People, Culture and Governance Committee after canvassing the views of the other directors.

The review will consider goals that have been set for Karoon based on corporate requirements and any areas for improvement identified in previous reviews. It will also consider the currency of a director's knowledge and skills and whether the director's performance has been impacted by other commitments during the period.

### 3. Senior executive evaluations

Karoon's senior executives, which includes executive directors, are subject to an annual performance evaluation. Each year, senior executives establish a set of performance targets with his or her superior. These targets are aligned to overall business goals and Karoon's requirements. In the case of the Managing Director, the targets are established by the Board.

An informal assessment of progress is carried out each half year. A full evaluation of the senior executive's performance against the agreed targets takes place once a year. This will normally occur in conjunction with goal setting for the coming year. Since Karoon is committed to continuous improvement and the development of its people, the results of the evaluation form the basis of the senior executive's development plan. Performance pay components of senior executives' packages are dependent on the outcome of the evaluation.

Karoon is committed to the continuing development of its directors and executives. Any director wishing to undertake specific training or personal development is expected to approach the Chairman for approval of the proposed development activity. Development may include governance and industry-based training.

#### 4. Policy Review

This policy will be reviewed and if necessary, updated by the Board at least every two years to determine the effectiveness of the policy, and to ensure that it remains relevant and appropriate.



Bruce Phillips  
Chairman



Robert Hosking  
Managing Director

Approved by the Board. Effective 5 May 2020