Policy Name:	Performance Evaluation Policy
Attention:	LSH Group Australia Employees
Version:	3.5
Last Reviewed:	1st February 2026
Effective From:	1st February 2026
Changes:	Change Review to Evaluation
Approved By:	GCEO / Corp Review / MD

Performance Evaluation Policy

1. Purpose and Scope

The objective of this policy is to provide a formal evaluation program to assess work performance and create employees / supervisor communications and discussions regarding job performance.

The intent of employee / supervisor discussions should be to evaluate job performance against a criteria, improvement actions and future goals.

1.1 Main objectives:

(i) rate performance against criteria in-line with established LSH Auto Australia performance ratings.

(ii) to motivate and assist employees in improving their performance and achieving their personal career goals and development

(iii) to identify employees with high potential for advancement, management development and succession planning

(iv) to provide reliable information for making decisions on salary increases, bonuses, promotions and transfers

(v) to provide training needs information to structure training and development programs to meet the generic needs whenever possible.

1.2 The program should provide benefits for all concerned:

1.2.1 Appraisees

Appraisees can participate in an increasingly open evaluation process, discuss with their appraisers about their performance and goals, and understand more clearly what the company expects of them.

1.2.2 Appraisers

Appraisers will have a sound basis to make performance assessments and a helpful framework to discuss the training and development needs of their appraisees.

1.2.3 Company

The Company can achieve improving performance of employees. The appraisal outcomes also form a second basis for management development and identifying those employees with the potential for further development within the organisation.

2. Policy

2.1 It is LSH Auto Australia's policy that performance of each employee be evaluated at least annually based on the established criteria.

2.2 Age, race, religion, colour, national origin, and sex are irrelevant to and inappropriate for consideration in conjunction with performance appraisal. The company affirms the need for objective, job-related performance appraisal criteria.

2.3 Performance evaluation and appraisal are obligations of both supervisor and employee. The greater the degree of consensus between the two, the more each stand to gain from the process.

2.4 Performance evaluation is concerned with comparing results and expectations. It should maximise agreement on what the employee was to achieve during a period and how close he/she came to achieving it. It should also take account of the skills needed to accomplish the expected results and the degree to which the employee used those skills.

2.4.1 Types of performance evaluations:

2.4.1.1 Employees who have completed their probationary period shall be given a performance evaluation

2.4.1.2 All employees (except those who have not completed their probationary period) shall be given performance evaluation annually during the 4th quarter of the year.

3. Procedures for Annual Evaluation

3.1 Human Resources will inform respective division heads the target date for year-end evaluation of performance.

3.2 The appraiser will then arrange a evaluation meeting with the appraisee in **private**.

3.3 The appraiser will evaluate the Performance through personal feedback, support and encouragement, by completing the Performance Evaluation Report:

3.4 The final version of the form will be completed and signed by both the appraiser and the appraisee with date at the end of the discussion.

3.5 The appraiser should make two copies for follow-up, one for the appraisee and another for the appraiser.

3.6 The completed and signed original Performance Evaluation Report is to be forwarded by the appraiser to Human Resources on or before the target date prescribed.

4. Proceeding Yearly Assessment

4.1 In the subsequent appraisal period Human Resources will send a courtesy reminder to all Appraisers.

4.2 Appraisers will need to evaluation the previous year's Evaluation.

5. Scoring and Distribution

5.1 Scoring / Ratings should be relative to the employee's performance. As practical as possible, please adhere to the below Performance Evaluation Rating Distribution:

- Exceptional / 10%
- Very Good / 20%
- Good / 40%
- Fair / 20%
- Improvement Required / 10%

5.2 For the bottom 10% performers, a development or exit plan must be created and agreed by the Dealer Principal and Human Resources.

6. Attachments

6.1 Guidelines for Conducting Performance Discussion (Attachment 1)
6.2 Guidelines for Setting Goals (Attachment 2)
6.3 Performance Evaluation Report (Also available online please enquire with your HR Representative)

Nothing in this Performance Evaluation Policy is intended by the Company to indicate that the terms of this policy form part of an employee's contract of employment. The policy is a lawful and reasonable direction to Employees, which Employees are required to follow. On the other hand, where this policy states the Company will, or will not, do anything, that does not create a legally binding obligation upon the Company."

Attachment 1 / Guidelines for Conducting Performance Discussion

General Guidelines

- Let the employee do most of the talking
- Encourage self-appraisal
- Evaluation whole year's results, not specific or only recent events
- Criticize work habits and behaviour, not the person
- Communicate to minimise surprise
- Be positive and make constructive judgements

Preparation

- Evaluation and assess employee's performance in the job
- Provide the employee with an opportunity for advance preparation
- Prepare the structure of the discussion
- Help employee understand the appraisal system
- Think seriously about the areas for improvement
- Identify the training which can help the employee to deliver job in a more effective way
- Focus on performance, not salary

Pitfalls to Avoid

- Bias/Prejudice
- Too much focus on the most recent examples of behaviour
- Over-emphasize on favourable or unfavourable performance of one or two tasks
- Rely on impression rather than facts
- Hold the employee responsible for the impact of factors beyond his/her control
- Rate employees who have similar values and interests to the higher appraiser
- Rate employees in rank order rather than on an individual basis

Attachment 2 / Guidelines for Setting Goals

1. Approach

Each employee should have a minimum of 2 to 3 goals for the year. It is recommended that a significant part of the goals should be aimed at achieving functional excellence. The remaining goals may vary depending upon function and key deliverables to customers, both internal and external.

2. Selecting Goals

Goals should be designed to accomplish the overall responsibilities of your division as well as to initiate changes, new programs & etc. that will have an impact on the company or the overall improvement and success of your organization. Generally, your goals should be more strategic in nature than for your reports. The following are some examples of goals:

- Meeting internal or external changes
- Process improvement initiatives
- Previous objectives (maintain / improve)
- Previous performance / weak points
- Professional / subject area development

3. Principles of Setting Goals

- Specific and Clear
- Measurable and appropriate
- Achievable and demanding
- Relevant and realistic
- Time-related (time-frame to be achieved)

4. Measurement

The key to evaluating the results is to ensure that goals are measurable to the greatest extent possible. The following are some examples of Measurable Factors for Performance:

- Quality
- Quantity
- Time
- Cost

- Feedback from others

LSH Performance Evaluations – Dashboard (zendesk.com)

Employee Details			
Employee Name		**Date of Evaluation**	
Job Title		**Department/Location**	
Manager Name			

Performance Assessment

Performance Ratings

Exceptional	**Excellent in all key areas and SIGNIFICANTLY exceeds expectations**
Very Good	**Consistently exceeds expectations and regularly going beyond requirements of role**
Good	**Making a positive contribution and meeting expectations. Minimal action required**
Fair	**Performance acceptable and action required within an agreed timescale to develop further or to improve performance in this area to a more satisfactory standard**
Improvement Required	**Performance unacceptable and causing concern. Immediate action and improvement required**

Performance Criteria	Performance Rating					
	Improvement Required	Fair	Good	Very Good	Exceptional	Examples and Comments
Competency in the role *Ability to perform inherent requirements of the role to the expected standard*	☐	☐	☐	☐	☐	
Customer Service *Applicable to customer facing roles – adaptability, patience, self-control, accountability, communication style etc.*	☐	☐	☐	☐	☐	
Safety *Adherence to safety standards within their working environment and understanding of importance of a safety culture at LSH Auto Australia*	☐	☐	☐	☐	☐	
Attendance & Timekeeping *Punctuality and timeliness in relation to all matters including submission of leave and any other specific applications*	☐	☐	☐	☐	☐	
Working Relationships *Ability to build strong meaningful relationships with key stakeholders and colleagues*	☐	☐	☐	☐	☐	
Communication Skills *Ability to communicate clearly and effectively, adapting communication style to suit situation*	☐	☐	☐	☐	☐	
Teamwork	☐	☐	☐	☐		

Ability to work collaboratively with members of a team with a balance of both effectively listening and actively participating					☐	
Willingness to Learn and Improve Skills *Openness to feedback and participation in personal development opportunities*	☐	☐	☐	☐	☐	
Follows Direction *Effectively follows management direction in a timely and efficient manner*	☐	☐	☐	☐	☐	
Conduct and Attitude *Displays a positive attitude, conducts themself in a professional manner and approaches tasks with a growth mindset*	☐	☐	☐	☐	☐	
Progress of key objectives *Is on track to complete key goals and objectives of their role within agreed timeframe*	☐	☐	☐	☐	☐	
Compliance *Adherence to all compliance topics and protocols* *Successful completion of annual compliance training*	☐	☐	☐	☐	☐	
Demonstrates the Company's Vision and Values *Conducts themselves in a way that is consistent with LSH Auto Australia's vision and values;* *Trust, Integrity, Teamwork, Relevance & Social Responsibility*	☐	☐	☐	☐	☐	
Overall Performance Rating	☐	☐	☐	☐	☐	

Overall Performance

Summarise the employee's performance and progress over this period

Improvement Actions

A list of actions that need to be taken by the employee to improve performance with timeframes

Further Support To Assist With Achieving Areas of Improvement

Details of any further support, development opportunities, training offered in order for the employee to improve their performance

Future Goals

Minimum 2-3 goals aimed at achieving functional excellence. Refer to Goal Setting Guidelines provided by your Human Resources Manager

Additional Comments *Add any comments the employee would like to make relating to their performance, or as a result of the evaluation meeting.*			
Manager Signature:		**Date:**	
Employee Signature:		**Date:**	

NOTE: A signed copy of this form must be provided to:

☐ **Employee provided copy (tick to confirm)**

☐ **Department Manager provided copy (tick to confirm)**

☐ **HR Manager provided copy (tick to confirm)**