

ASX Principles Compliance Statement



ASX Corporate Governance Council's Best Practice Recommendations		Reference ⁽¹⁾	Compliance
Principle 1: Lay solid foundations for management and oversight			
1.1	Formalise and disclose the functions reserved to the Board and those delegated to management.	1b	Comply
Principle 2: Structure the Board to add value			
2.1	A majority of the Board should be independent Directors.	1a, 1h	Comply
2.2	The chairperson should be an independent director.	1j	Comply
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	1a, 1b, 1j	Comply
2.4	The Board should establish a nomination committee	1f	Non-compliant
2.5	Provide the information indicated in Guide to reporting on Principle 2.	1a, 1g, 1h, Directors' Report	Qualified Compliance ⁽²⁾
Principle 3: Promote ethical and responsible decision-making			
3.1	Establish a code of conduct to guide the Directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to the: <ul style="list-style-type: none"> practices necessary to maintain confidence in the Company's integrity; and responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	5a,5b	Comply
3.2	Disclose the policy concerning trading in Company securities by Directors, officers and employees.	5c	Comply
3.3	Provide the information indicated in the Guide to reporting on Principle 3.	5a,5b, 5c	Comply
Principle 4: Safeguard integrity in financial reporting			
4.1	Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.	4a,4b	Comply
4.2	The Board should establish an audit committee.	2b	Comply
4.3	Structure the audit committee so that it consists of: <ul style="list-style-type: none"> only non-executive Directors a majority of independent Directors an independent chairperson who is not chairperson of the Board at least three members 	2a 2a 2a 2b	Comply Comply Comply Comply
4.4	The audit committee should have a formal charter.	2a	Comply
4.5	Provide the information indicated in Guide to reporting on principle 4.	2a, 3b Directors' Report	Comply

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Principle 5: Make timely and balanced disclosure			
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance.	8	Comply
5.2	Provide the information indicated in Guide to reporting on Principle 5.	8	Comply
Principle 6: Respect the rights of shareholders			
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	8,9	Comply
6.2	Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.	3b, 9	Comply
Principle 7: Recognise and manage risk			
7.1	The Board or appropriate Board committee should establish policies on risk oversight and management.	2b,4a,4b	Comply
7.2	The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the Board in writing that: <ul style="list-style-type: none"> the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. 	4b	Comply
		4b	Comply
7.3	Provide the information indicated in Guide to reporting on Principle 7.	4a,4b, Directors' Report	Comply
Principle 8: Encourage enhanced performance			
8.1	Disclose the process for performance evaluation of the Board, its committees and individual Directors and key executives.	1a,1d,1e,1j,1k, Remuneration Report	Comply
Principle 9: Remunerate fairly and responsibly			
9.1	Provide disclosure in relation to the Company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to Directors and key executives and corporate performance.	Remuneration Report	Comply
9.2	The Board should establish a remuneration committee.	2d	Comply
9.3	Clearly distinguish the structure of non-executive Directors' remuneration from that of executives.	Remuneration Report	Comply
9.4	Ensure that payments of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders: <ul style="list-style-type: none"> 2003 Employee Share Option Plan 2006 Employee Share Acquisition Plan ("ESAP") 	Remuneration Report Remuneration Report	Comply Qualified compliance ⁽³⁾
9.5	Provide the information indicated in Guide to reporting on Principle 9.	2d, 6, Remuneration Report, Directors' Report	Comply

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Principle 10: Recognise the legitimate interests of stakeholders			
10.1	Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.	5a,5b,5c,5d,7	Comply

- (1) The default reference refers to the relevant sections of this Corporate Governance Statement. Reference to the Directors Report and the Remuneration Report is shown where applicable.
- (2) ASX principles require that the Nomination Committee Charter be placed on the Company's web-site. There is no Nomination Committee of the Board of Perilya. A description of Perilya's procedure for selection and appointment of new Directors is set out in the Board Charter, which is available on the Company's web-site.
- (3) The 2006 Employee Share Acquisition Plan ("ESAP") was established in August 2006 and is a Company-wide plan available to all employees. Shares purchased under the terms and conditions of the ESAP are purchased on-market, by the plan's Trustee, CPU Share Plans Pty Ltd. Shareholder approval of the ESAP is not required under ASX Listing rules.