

1. Role of the Committee

The role of the Diversity, Remuneration and Nomination Committee (**Committee**) is to assist the Board of Directors (**Board**) in establishing policies and practices which;

- (a) enable Perilya to attract and retain capable Directors and employees from a diverse pool of candidates, including the Board and senior management, who achieve operational excellence and create value for shareholders;
- (b) reward employees fairly and responsibly, regard being had to the results of the Perilya Group, individual performance and general remuneration conditions; and
- (c) assist the Board to meet its oversight responsibilities in relation to the Company's policies and practices (including the Company's corporate governance and diversity policies).

2. Duties

2.1 General Duties

The Committee will:

- (a) review and make recommendations to the Board on the Company's remuneration policies, including short-term incentives and equity awards;
- (b) oversee the formulation and review of the Company's organisational development, diversity policy and succession planning for the Chairman, Chief Executive Office (**CEO**) and senior executives;
- (c) review the Board's size and composition, its committees and committee charters;
- (d) evaluate Board candidates and recommend to the Board individuals for Board appointment/shareholder election;
- (e) consider whether, and if so when, shareholder approval of aspects of the remuneration policy is required; and
- (f) ensure that the Company meets its disclosure obligations in respect of remuneration matters and corporate governance as required under the ASX Listing Rules and the Corporations Act.

2.2 Direct reports to the CEO

The Committee will have the power to approve, or if it considers appropriate, review and refer to the Board for final decision:

- (a) the appointment and the removal of senior executives who report directly to the CEO;
- (b) the specific remuneration (including base pay, incentive payments, bonuses, equity awards,

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superannuation, retirement rights, termination payments, services contracts) of the direct reports to the CEO; and

- (c) the development and implementation of the Company's diversity policy.

2.3 Executive Directors/CEO

The Committee will review and make recommendations to the Board on:

- (a) the specific remuneration (including base pay, incentive payments, bonuses, equity awards, superannuation, retirement rights, termination payments, services contracts) of the CEO and any other Executive Directors;
- (b) the criteria for, and the evaluation of, the performance of the CEO/ Executive Director (including developing and implementing the Company's policies and procedures);
- (c) succession plans for the CEO and any other Executive Director.

2.4 Employee Equity-Based Plans

The Committee will:

- (a) monitor and make recommendations to the Board in respect of the design and implementation of all equity-based plans, including performance hurdles and incentive pool amounts vesting terms and company contributions (if any);
- (b) review these plans at least annually; and
- (c) in relation to each equity-based plan, consider from time to time whether awards should be made under it and the amount thereof.

2.5 Remuneration of Non-Executive Directors

The Committee will:

- (a) review annually the compensation of the Chairman and non-executive Directors and for that purpose obtain external advice on market practice for the remuneration of Directors;
- (b) consider whether there are circumstances in which compensation or additional remuneration may be appropriate in the case of any particular non-executive Director;
- (c) ensure that the total remuneration paid to non-executive Directors each year inclusive of superannuation contributions does not exceed the fee ceiling limit approved by shareholders in general meeting; and
- (d) ensure that the remuneration of non-executive Directors and disclosure relating to that remuneration complies with the requirements of the ASX Listing Rules and the Corporations Act.

2.6 Board Nominations

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The Committee will:

- (a) assess the necessary and desirable competencies of Board members;
- (b) on an annual basis, reviewing the current Board composition to ensure it consist of members with appropriate qualifications and a broad range of experience that support the Company's wider objectives and strategies, including with regard to the Company's diversity policy;
- (c) ensuring that potential Board members have the ability to commit the appropriate amount of time to the Company;
- (d) monitor and review the workload of individual Board members, and provide recommendations to the Board for any exertion allowance to be paid to Board members;
- (e) ensure that there is a succession plan to maintain an appropriate balance of skills, experience and expertise on the Board, which plan will be developed and implemented from time to time with regard to the Company's diversity policy;
- (f) evaluation of the Board's performance; and
- (g) making recommendations for the appointment and removal of Directors.

2.7 Corporate Governance

The Committee will review and make recommendations to the Board on:

- (a) the completeness and accuracy the reporting of the Company's corporate governance practices as required under the Australian Stock Exchange Listing Rules; and
- (b) on an annual basis, review the corporate governance policies and practices adopted by the Board.

2.8 Diversity

The Committee will review and make recommendations to the Board on:

- (a) the Company's diversity policy;
- (b) the Company's performance in recruiting from, employing and retaining, a diverse pool of candidates for all positions, including the Board and senior management, including reviewing and assessing the Company's recruitment and employment procedures with respect to diversity;
- (c) reviewing the Company's succession plan to ensure that such plan facilitates the development of the Company's diversity; and
- (d) formulating and developing strategies and procedures to encourage the Company's diversity including appropriate education, training and mentoring programs;
- (e) the proportion of women employees:

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- i. in the Company;
- ii. in senior executive positions; and
- iii. on the Board.

2.9 Other Duties

The Committee will:

- (a) at least annually review this Charter and will then consider whether any changes are appropriate;
- (b) participate in an annual review of its performance and effectiveness;
- (c) review the Company's annual Remuneration Report to ensure it complies with the ASX Principles of Good Corporate Governance and Best Practice Recommendations;
- (d) ensure the Company's annual Remuneration Report discloses all details relating to remuneration consultants and to key management personnel required to be disclosed by the Corporations Act 2001;
- (e) review all reporting by the Company of its remuneration policies and practices including valuations applied to equity plans;
- (f) review all reporting by the Company of its diversity policy and practices (including with respect to the proportion of women in the Company and at senior management and Board level); and
- (g) undertake any other duties and activities that the Board may consider appropriate.

3. Board Composition

3.1 Board Composition

In assessing the composition of the Board, the Committee will have regard for the following policy:

- (a) the Chairman should be non-executive, independent and an Australian citizen or permanent resident;
- (b) the CEO should be a full time employee of the Company;
- (c) more than half of the Board should comprise Directors who are both non-executive and independent;
- (d) the Board should comply with the Company's diversity policy and represent a broad range of qualifications, experience and expertise considered of benefit to the Company;
- (e) the Board should ideally comprise at least four non-executive Directors and the CEO. This number may be increased where it is felt that additional expertise is required in specific areas, where an

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outstanding candidate is identified or to ensure a smooth transition between outgoing and incoming non-executive Directors.

Notwithstanding the above paragraph, the Committee acknowledges the decision of the previous Board, which was approved by shareholders at an extraordinary general meeting held on 5 February, 2009, that it was in the best interests of the Company to introduce a major strategic investor in the Company under terms that included specific contractual rights on the part of that strategic investor with regards to the composition of the Board (including the identity of the Chairman) that are inconsistent with one or more of the criteria set out in the above paragraph. Accordingly, in assessing the composition of the Board, the Committee shall have regard to that prior decision of the Board and the Company's contractual obligations.

3.2 Diversity in the Board

In considering overall Board balance, the Committee will give due consideration to the Company's diversity policy, recognising the value of a diversity of backgrounds and experiences among the Board members.

4. Criteria for Elevating Board Candidates

4.1 Criteria for Evaluation Candidates

In its evaluation of candidates for the Board, the Committee will have regard to normally accepted nomination criteria including:

- (a) the ability to exercise sound business judgement;
- (b) a position of leadership or prominence in a specified field;
- (c) absence of conflicts of interest or other legal impediments to serving on the Board;
- (d) willingness to devote the required time;
- (e) availability to attend Board and Committee meetings;
- (f) appropriate experience and/or professional qualifications;
- (g) integrity or moral reputation; and
- (h) the Company's diversity policy.

5. Membership

5.1 The Committee must solely consist of at least 3 Non-Executive Directors (with a majority of independent Directors) one of whom will chair the Committee (which member will be an independent director).

5.2 The Committee may invite the CEO or any Executive or any other individual to attend a meeting as they consider appropriate. However, only Non-Executive Directors are eligible to become members of the

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Committee.

6. Meetings

6.1 Meeting frequency

The Committee will meet as frequently as required but not less than twice each year.

Any member of the Committee or the Secretary to the Committee may call a meeting of the Committee.

6.2 Quorum

All members of the Committee must attend to form a quorum.

6.3 Committee Agenda and Papers

Committee agendas should be settled by the Chairman in conjunction with the Company Secretary, and Committee papers should be provided to Committee members sufficiently far in advance of scheduled meetings to permit adequate preparation.

6.4 Professional Advice

- (a) The Committee may have access where necessary to professional advice from external advisers, and may meet with external advisers without management being present.
- (b) In accordance with the provisions of the Remuneration Amendment Act, remuneration consultants may only provide remuneration recommendations regarding key management personnel to non-executive directors of the Company, or the Remuneration Committee or both and must be accompanied by a declaration that it was free from undue influence of key management personnel.

7. Reporting

7.1 The Committee Chairman will:

- (a) report to the Board on the proceedings of each Committee meeting (to the next Board meeting); and
- (b) attend the Annual General Meeting and be available to respond to any shareholder questions on the Committee's activities and areas of responsibility.

8. Assessment

8.1 At least once each year the Committee and the Board will review the performance of the Committee, including the performance of individual Committee members.

8.2 At least once each year the Committee will review this Charter and make recommendations to the Board in relation to any proposed change to this Charter.

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Diversity, Remuneration & Nomination Committee Charter



Updated 20 October 2011

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