

## 1. What is diversity?

Diversity includes but is not limited to, gender, age, cultural background, ethnicity and disabilities.

## 2. Why is diversity important to Perilya?

The Board recognises that diversity is important to the Company and its ongoing operation and development and is committed to establishing policies and procedures that promote and advance diversity within the Company. In particular, the Board acknowledges that by facilitating diversity within the Company, the Company has the opportunity to leverage off the different skills, backgrounds, culture, gender, age, ethnicity, cultural background and experience of its personnel and to benefit from the different perspectives of its personnel. This is important to ensuring that a strong employee retention rate is developed and maintained together with robust decision-making processes. In addition, the Company's diversity policy is intended to address the recommendations and guidance related to diversity described in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, which come into effect on 1 January 2011.

## 3. The goals of Perilya's diversity policy

The goals of the Company's diversity policy are:

- to attract, employ and retain a diverse pool of candidates for all positions, including the Board and senior management and to develop measurable objectives to monitor the Company's progress in this area;
- to ensure that the Company's recruitment and employment procedures encourage, promote and develop diversity and comply with relevant legislative and regulatory requirements for the benefit of the Company and its employees;
- to ensure that the Company's remuneration is appropriate and is not inequitable to any proportion of personnel who are employed by the Company (i.e. on the basis of gender, age, cultural background, ethnicity, disabilities etc.);
- to ensure that the Company's succession plan encourages, promotes and develops diversity within the Company and that there are appropriate personnel with the relevant skills, experience and capability to be able to manage the Company's business strategies and objectives, ongoing operations, future growth and development; and
- to formulate and development appropriate strategies and procedures to manage the Company's diversity including to prepare measurable objectives and develop and implement appropriate education, training and mentoring programs.

## 4. Review of diversity policy

The Company's Chief Executive Officer (CEO) performs the day to day management and operations of the Company, including the day to day administration and operation of the Company's diversity policy. The CEO is supported in this role by the executive team, including the Company's General Counsel and Chief Financial Officer and support by the Human Resources Managers at each operating site within the Group.

The CEO will monitor and report to the Diversity, Remuneration and Nomination Committee on the progress of the development and implementation of the Company's diversity policy and associated programs as required.

The Diversity, Remuneration & Nominations Committee will regularly review the Company's diversity policy on an annual basis and will report to the Company's Board and make appropriate recommendations in respect of the following;

- developing measurable objectives to assess the Company's performance in recruiting from, employing and retaining, a diverse pool of candidates for all positions, including the Board and senior management and particularly including the proportion of women who are employed by the Company and the proportion of women who are employed by the Company both at Board and senior management level;
- following the development of measurable objectives, assessing the Company's performance against such objectives in recruiting from, employing and retaining, a diverse pool of candidates for all positions, including the Board and senior management and particularly including the proportion of women who are employed by the Company;
- the Company's recruitment and employment procedures with respect to diversity at all levels (including the Board and senior management) including compliance with relevant legislative and regulatory requirements, including identifying factors that should be incorporated in the Company's recruitment procedures and whether professional intermediaries should be used to identify and/or assess potential candidates;
- the Company's remuneration arrangements to ensure that the Company's remuneration is appropriate and is not inequitable to any proportion of personnel who are employed by the Company (i.e. on the basis of gender, age, cultural background, ethnicity, disabilities etc.);
- the Company's succession plan, to ensure that such plan encourages, promotes and develops diversity and that there are appropriate personnel with the relevant skills, experience and capability to be able to manage the Company's business strategies and objectives, operation, future growth and development; and
- the formulation and development of strategies and procedures to encourage the Company's diversity including the preparation of measurable objectives and the development and implementation of appropriate education, training and mentoring programs.

However, the Company's Board is ultimately responsible for the development and operation of the Company's diversity policy.

## 5. Diversity policy objectives

The Board considers that the Company's diversity policy should facilitate the achievement of the following measurable equal employment opportunities (EEO) objectives in respect of the Company's current financial year:

1. To ensure that all employees are treated fairly;
2. To fully utilise and develop the potential of every employee;
3. To maintain all policies and procedures consistent with EEO principles;
4. To ensure all employees are aware of the EEO policy and related issues;

5. Continue to recognise and celebrate our multicultural diversity and grow our workforce;
6. Continue to incrementally grow the number of women performing senior roles; and
7. Continue to create programs that prepare women to take on senior roles within the business both in operational and specialist support areas.

The Board intends to review these objectives and assess the Company's performance in achieving these objectives on or before 31 December 2011.

## 6. Diversity initiatives

The Board considers that the Company's diversity policy should facilitate the following initiatives:

- The introduction of at least one appropriately qualified and skilled female director to join the Board of the Company upon the retirement of an existing director; and
- The CEO, Company Secretary and site Human Resources Managers will form a steering committee to monitor the progress and report to the Diversity, Remuneration and Nomination Committee on the effectiveness of diversity related initiatives, including progress against measurable objectives. The steering committee will make recommendations on diversity related initiatives, monitor and evaluate their implementation and ensure that diversity related programs of work are progressing correctly and successfully during the year ended 31 December 2011.

## 7. Reporting

Following the Board's review of the Company's diversity objectives, the Company shall disclose in each annual report:

1. the Company's objectives for achieving diversity for that financial year and the Company's progress in achieving them (including a statement regarding the mix of skills and diversity for which the Board is looking to achieve in the Board);
2. the proportion of women:
  - a. on the Board;
  - b. in senior executive positions; and
  - c. in the Company.

26 May 2011