

## STATEMENT ON CORPORATE GOVERNANCE AT PERILYA

This statement reports on Perilya's key governance framework, principles and practices as at the date of this report. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and best practice in corporate governance.

### ASX principles of good corporate governance

Perilya, as a listed entity, must comply with the *Corporations Act 2001* (Cwth) ("*Corporations Act*"), the Australian Securities Exchange Limited ("ASX") Listing Rules ("*ASX Listing Rules*") and other Australian laws.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Principles of Good Corporate Governance and Best Practice Recommendations ("*ASX Principles*") released by the ASX Corporate Governance Council. The ASX Principles require the Board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles.

### Compliance with ASX principles of good corporate governance

Details of the company's compliance with the ASX Principles are set out below. A checklist, cross referencing the ASX Principles to the relevant section of this statement and the remuneration report, is provided on pages 16 to 17 of this report and published on the company's website at [www.perilya.com.au](http://www.perilya.com.au).

## 1. The Board of directors

### a) Board composition and expertise

The Board has an expansive range of relevant industry experience, financial and other skills and expertise to meet its objectives.

The current Board composition includes three senior executives from the parent company, Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd ("*Zhongjin Lingnan*") who are all regarded as non-independent directors. In addition, there are two independent non-executive directors and one executive director. Details on each of the director's backgrounds including experience, knowledge and skills and their status as an independent or non-independent director are set out on pages 4 to 6 of this report.

The Board considers that the executive and non-executive directors collectively bring the range of skills, knowledge and experience necessary to direct the company.

In assessing the composition of the Board, the directors have regard to the following policies:

- the Chairman should be non-executive (but does not need to be independent where the Chairman or his associates control greater than 50% of Perilya);
- the role of the Chairman and Chief Executive Officer ("*CEO*") should not be filled by the same person;
- the Managing Director should be a full-time employee of the company;
- the Board should include at least two independent non-executive directors; and
- the Board should have a broad range of qualifications, experience and expertise considered of benefit to the company and to adequately represent both the interest of the parent company Zhongjin Lingnan and the 49.9% of minority related shareholders.

**ASX Principle 2.1 (non-compliance)** - The Company presently does not meet the requirements of ASX Principle 2.1, which requires a majority of independent directors. The Company notes that on 5 February 2009, shareholders overwhelmingly supported the acquisition by Zhongjin Lingnan of a 50.1% interest in Perilya and the appointment of three senior executives of Zhongjin Lingnan to the Perilya Board. The Board believes that the qualifications, experience and expertise of all non-independent directors, being those senior executives of Zhongjin Lingnan, bring considerable benefit to the company and is appropriate to adequately represent the interest of the 50.1% ownership of the parent company Zhongjin Lingnan.

The Chairman, Mr Zhang is the President and a Director of Zhongjin Lingnan. Mr Zhang joined Zhongjin Lingnan in 2000 as a Vice President and was promoted to President in 2002. Mr Han and Mr Wang are senior executives of Zhongjin Lingnan, with the relevant skills and experience to assist the Company.

#### **b) Board role and responsibilities**

The roles and responsibilities of the Board are formalised in the Board Charter. The Board Charter defines in detail the matters that are reserved for the Board and its committees, and those that the Board has delegated to management. The central role of the Board is to oversee and approve the company's strategic direction, to select and appoint a CEO, to oversee the company's management and business activities and report to shareholders.

In addition to matters required by law to be approved by the Board, the following powers are reserved to the Board for decision:

- strategy - providing strategic oversight and approving strategic plans and initiatives;
- board performance and composition – evaluating the performance of non-executive directors, and determining the size and composition of the Board as well as recommending to shareholders the appointment and removal of directors;
- leadership selection – evaluating the performance of, and selection of, the CEO and those executives reporting directly to the CEO;
- corporate responsibility – considering the social, safety, ethical and environmental impacts of Perilya's activities, and setting policy and monitoring compliance with safety, corporate and social policies and practices;
- financial performance – approving Perilya's annual operating plans and budget, monitoring management, financial and operational performance;
- financial reports to shareholders – approving annual and half-year reports and disclosures to the market that contain, or relate to, financial projections, statements as to future financial performance or changes to the policy or strategy of the company; and
- establishing procedures – ensuring that the Board is in a position to exercise its power and to discharge its responsibilities as set out in the Board Charter;

The Board also recognises its responsibilities to Perilya's employees, the communities and environments within which Perilya operates and, where relevant, other stakeholders.

Responsibility for management of Perilya's business activities is delegated to the CEO who is accountable to the Board.

The Board Charter is available in the corporate governance section of Perilya's website.

#### **c) Chairman**

The Board elects one of the non-executive directors to be Chairman. The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the promotion of relations between Board members and between Board and management that are open, cordial and conducive to productive co-operation.

Prior to the appointment of Mr Zhang as Chairman of the Board on 5 March 2009, Mr O'Connor was the Chairman from 1 February 2006 until 4 March 2009. Mr O'Connor currently holds the position of Deputy Chairman.

**ASX Principle 2.2 (non-compliance)** - The company presently does not meet the requirements of ASX Principle 2.2, which requires an Independent Chairman. The company notes that the acquisition of Zhongjin Lingnan's 50.1% interest in Perilya, together with the appointment of Directors, Messrs Zhang (Chairman of Perilya and President of Zhongjin Lingnan), Han and Wang was approved by shareholders on 5 February 2009. Mr Zhang's role as Chairman brings significant leadership and experience to Perilya's Board.

#### **d) Director independence**

The Board has approved a policy on independence of directors, a copy of which is available in the corporate governance section of Perilya's website.

The policy provides that the independence of a director will be assessed by determining whether the director is independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The test of whether a relationship or business is material is based on the nature of the relationship or business and on the circumstances and activities of the director. Materiality is considered from the perspective of Perilya, the persons or organisations with which the director has an affiliation and from the perspective of the director. Materiality thresholds are considered by the Board from time to time. The Board considers that the following are material:

- a material customer is a customer of Perilya which accounts for more than 5% of Perilya's consolidated gross revenue;
- a supplier is material if Perilya accounts for more than 5% of the supplier's consolidated gross revenue;
- a substantial shareholder of Perilya who holds greater than 5% of the voting capital of Perilya; and
- service on the Board for a period exceeding 10 years is a period which could, or could reasonably be perceived to, materially interfere with a director's ability to act in the best interests of the company.

As stated above, the directors Messrs Zhang, Han and Wang are not regarded as independent as they represent the interest of Zhongjin Lingnan, which holds 50.1% interest in Perilya.

Mr O'Connor is regarded as independent. His time as Executive Chairman from February 2008 to November 2008, is not considered to have effected his independence as this role was vital during the company's strategic review phase and it required considerably more time than would normally be provided by a Non Executive Chairman.

Mr O'Connor and Mr Harley are both regarded as independent as they are regarded, and have been assessed as being, free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

#### **e) Directors' retirement and re-election**

Perilya's Constitution states that at each annual general meeting ("AGM") one of its directors (excluding the Managing Director and any director appointed to fill a casual vacancy) and any director who has held office for three or more years since their last election must retire. At least one non-executive director must stand for election at each AGM.

Any director appointed to fill a casual vacancy since the date of the previous AGM must submit themselves to shareholders for election at the next AGM. Directors who retire as required may offer themselves for re-election by shareholders at the next AGM. Re-appointment of directors retiring by rotation or filling a casual vacancy is not automatic.

#### **f) Board succession planning**

The Board in conjunction with the Remuneration and Nominations Committee reviews the size and composition of the Board and the mix of existing and desired competencies across members from time to time.

#### **g) Board performance evaluation**

The Board undertakes ongoing self-assessment and review of performance of the Board, committees and individual directors annually. The Chairman of the Board is responsible for determining the process for evaluating Board performance.

The last review was undertaken in December 2008, and subsequent to the appointment of Zhongjin Lingnan representatives to the Board on 5 February 2009, the composition of the Board was reduced with the retirement of Mr Lockyer and Mrs Field from the Board. Mr Van den Brand also retired from the Board on 25 November 2008

following a review of the size and composition of the Board, which commenced at the time the Company's operations were resized.

**h) Nominations and appointment of new directors**

Recommendations for nomination of new directors are considered by the Remuneration and Nominations Committee and approved by the Board as a whole.

**i) Professional advice**

Directors may, in carrying out their company related duties, seek external professional advice. If external professional advice is sought a director is entitled to reimbursement of all reasonable costs where such a request for advice is approved by the Chairman. In the case of a request made by the Chairman, approval is required by at least two Board members.

**j) Conflicts of interest**

Directors are required to disclose any actual or potential conflict, or any material personal interests, on appointment as a director and are required to keep these disclosures up to date.

In the event that there is, or may be, a conflict between the personal or other interests of a director, then the director with an actual or potential conflict of interest in relation to a matter before the Board does not receive the Board papers relating to that matter. When the matter comes before the Board for discussion, the director withdraws from the meeting for the period the matter is considered and takes no part in the discussion or decision making process.

The Board has established a formal process to review any potential conflicts that may arise as a result of Zhongjin Lingnan's 50.1% ownership. The process includes the review of relevant matters by a Contracts Committee which comprise the relevant independent non-executive directors, Mr O'Connor and Mr Harley, the Managing Director & CEO, Mr Arndt and the Company's General Counsel, Paul Marinko (as a non-voting member).

**k) Terms of appointment, induction training and continuing education**

All new directors are provided with a formal letter of appointment setting out the key terms and conditions of the appointment, including duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding their involvement with committee work.

A formal induction is provided to all new directors. It includes comprehensive meetings with the CEO, key executives and management, and information on key corporate and Board policies, visits to the company's principal operations and completion of compulsory safety inductions.

All directors are expected to maintain the skills required to discharge their obligations to the company. Directors are encouraged to undertake continuing professional education and where this involves industry seminars and approved education courses, this is paid for by the company where appropriate.

**l) Directors' remuneration**

Details of remuneration paid to directors (independent non-executive) are set out in section 1.0 on pages 27 to 28 of the remuneration report.

The non-independent directors, Messrs Zhang, Han and Wang, who are appointed representatives of Zhongjin Lingnan are entitled to receive remuneration at a commensurate level to the Company's independent directors, but have elected to decline to accept any directors remuneration.

**m) Board meetings**

The Chairman sets the agenda for each meeting in conjunction with the executive management and the Company Secretary. Any director may request additional matters be added to the agenda. Members of senior management

attend meetings of the Board by invitation and sessions are also held for non-executive directors to meet without management present.

Directors are entitled to request additional information where they consider the information is necessary to support informed decision making.

Details on the number of meetings and the attendance of Directors at Board and Board Committee Meetings are set out below in Table 1.

#### n) **Company Secretary**

The Company Secretary is Mr Paul Marinko LLb (Hons). Mr Marinko joined Perilya in October 2006 as general counsel, and was appointed Company Secretary on 25 November 2008. Mr Marinko is a barrister and solicitor and was admitted to practise in the Supreme Court of Western Australia and the Federal and High Courts of Australia in 1992. Paul has over 17 years of legal, corporate and commercial experience and has previously served as company secretary for an Australian publicly listed company. Mr Marinko has also practised and held partnerships in Australian commercial law firms and before joining Perilya held executive board roles on a number of Australian and US private companies. In addition to his role as Company Secretary, Mr Marinko continues to serve as Perilya’s general counsel and as a director of Perilya’s operational subsidiaries.

Responsibilities for the secretarial function include providing advice to directors and executives on corporate governance and regulatory matters, recording minutes of directors meetings, developing Perilya’s corporate governance framework and giving effect to the Board’s decisions. All directors have access to advice from the Company Secretary.

## 2. **Board committees**

### a) **Board committees and membership**

The Board currently has three standing committees to assist in the discharge of its responsibilities. These are the:

- Audit and Risk Management Committee;
- Remuneration and Nominations Committee; and
- Contracts Committee

All duties and responsibilities for health, safety and environment are included as standing agenda item for every Board meeting.

The charters of all Board committees detailing the roles and duties of each are available in the corporate governance section of Perilya’s website. All Board committee charters are reviewed at least annually.

At the date of this report the membership of each Board committee is as follows:

| <b>Audit and Risk Management Committee</b> | <b>Remuneration and Nominations Committee</b> | <b>Contracts Committee</b>       |
|--|---|----------------------------------|
| Peter Harley (Chair)                       | Patrick O’Connor (Chair)                      | Patrick O’Connor (Chair)         |
| Patrick O’Connor                           | Peter Harley                                  | Peter Harley                     |
| Han Minzhi                                 | Wang Wen                                      | Paul Arndt                       |
|  |   | Paul Marinko (non-voting member) |

Committee members are chosen for the skills, experience and other qualities they bring to the committees. The executive management attends, by invitation, board committee meetings.

All papers considered by the standing committees are available on request to directors who are not on that committee.

Following each committee meeting, generally at the next Board meeting, the Board is given a verbal update by the Chair of each committee. In addition, minutes of all committee meetings are provided to all directors.

The Company Secretary provides secretariat services for each committee.

Other committees are convened to address major transactions or other matters calling for special attention.

Details on the number of meetings and the attendance of Directors at Board Committee Meetings are set out below in Table 1.

#### **b) Audit and Risk Management Committee**

The role of the Audit and Risk Management Committee is to assist the Board to meet its oversight responsibilities in relation to the company's financial reporting, internal control structure and financial and risk management procedures and the internal and external audit function. In doing so, it is the Committee's responsibility to maintain free and open communication between the Committee and the external auditors and the management of Perilya. Oversight of the operational risk management procedures is retained by the full Board.

The Audit and Risk Management Committee is required to have a minimum of two members composed of independent non-executive directors. The Chairman of the Audit and Risk Management Committee, Mr Harley is a qualified accountant. Details on the qualifications of members of the Audit and Risk Management Committee as set out on pages 4 to 6 of this report.

The external auditors, the CEO and the CFO attend Committee meetings by invitation. The Committee meets at least four times per year.

#### **c) Remuneration and Nominations Committee**

The role of the Remuneration and Nominations Committee is to assist the Board by reviewing and approving Perilya's remuneration policies and practices and the appointment of non-executive directors to the Board. The Committee's responsibilities include:

- assess the necessary and desirable competencies of Board members;
- reviewing Board succession plans;
- reviewing the company's remuneration framework, which is used to attract, retain and motivate employees to achieve operational excellence and create value for shareholders;
- reviewing the remuneration packages and incentive schemes for the CEO and senior executives, to establish rewards, which are fair and responsible, having regard to the financial results of the group, individual performance and general remuneration conditions;
- reviewing the performance and succession planning for the CEO and senior executives; and
- reviewing Perilya's corporate governance policies and practices.

The CEO attends Committee meetings by invitation. The Committee meets at least two times per year.

#### d) Contracts Committee

The role of the Contracts Committee is to assist the Board by reviewing and approving any proposed contract with Zhongjin Lingnan and its Associates, to ensure arms length terms and related party transactions are assessed and are reasonable. The proceedings of the Contract Committee are not disclosed to any Zhongjin Lingnan representatives of the Perilya Board until the relevant contract has been finalised or, if considered appropriate, rejected at the discretion of the Contracts Committee. The Contracts Committee is free to engage suitably qualified advisors. The Committee meets as required.

**Table 1: Directors in Office and attendance at Board and Board Committee Meetings during 2009**

|                                  | Board meetings |    | Board committee meetings            |   |  |   |                            |   |
|----------------------------------|----------------|----|-------------------------------------|---|--|---|----------------------------|---|
|                                  |                |    | Audit and Risk Management Committee |   | Remuneration and Nominations Committee |   | HSE Committee <sup>5</sup> |   |
|                                  | A              | B  | A                                   | B | A                                      | B | A                          | B |
| Zhang Shuijian <sup>1</sup>      | 6              | 6  | -                                   | - | -                                      | - | -                          | - |
| Patrick O'Connor                 | 16             | 16 | 2                                   | 2 | 1                                      | 1 | -                          | - |
| Paul Arndt <sup>2</sup>          | 10             | 10 | -                                   | - | -                                      | - | -                          | - |
| Peter Harley                     | 15             | 16 | 4                                   | 4 | 3                                      | 3 | -                          | - |
| Wang Wen <sup>1</sup>            | 6              | 6  | -                                   | - | 1                                      | 1 | -                          | - |
| Han Minzhi <sup>1</sup>          | 6              | 6  | 1                                   | 1 | -                                      | - | -                          | - |
| Phillip Lockyer <sup>3</sup>     | 10             | 10 | 2                                   | 2 | 2                                      | 2 | 1                          | 1 |
| Karen Field <sup>3</sup>         | 10             | 10 | 2                                   | 2 | 2                                      | 2 | 1                          | 1 |
| Evert van den Brand <sup>3</sup> | 5              | 7  | -                                   | - | -                                      | - | 1                          | 1 |

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the relevant committee during the year.

1: Messrs, Zhang, Han and Wang were appointed on 5 February 2009

2: Mr Arndt was appointed CEO and Managing Director on 25 November 2008

3: Ms Field and Mr Lockyer resigned on 5 February 2009

4: Mr van den Brand resigned on 25 November 2008.

5: The HSE Committee was suspended on 29 August 2008 and the responsibilities for health, safety and the environment are reported on at each Board meeting as a standing item.

### 3. External Auditor relationship and independence

#### a) Approach to audit and governance

The Board is committed to the basic principles that:

- Perilya's financial reports represent a true and fair view;
- Perilya's accounting practices are comprehensive, relevant and comply with applicable accounting standards and policies; and
- the external auditor is independent and serves all shareholder's interests.

#### b) External auditor relationship

Perilya's independent external auditor is PricewaterhouseCoopers ("PwC"). PwC was appointed by shareholders at the 1988 annual general meeting in accordance with the *Corporations Act*. The position of the Auditor was last reviewed in 2007. As a result of that review, PricewaterhouseCoopers was retained as the company's auditor.

The Board has adopted an External Auditor Policy which requires rotation of the audit partner at least every five years, prohibits the reinvolvement of a previous audit partner in the audit service for two years following their rotation, and provides that a former partner of the audit firm, or member of the audit team, may only be recruited into a position as a director or senior employee of Perilya after the expiry of at least two years.

Furthermore, in accordance with the External Auditor Policy, the Audit and Risk Management Committee oversees detailed External Auditor Guidelines covering the terms of engagement of Perilya's external auditor. The guidelines include provisions directed to maintaining the independence of the external auditor and in assessing whether the

provision of any non-audit services by the external auditor that may be proposed is appropriate. Such provisions are referenced to the Code of Ethics published by the International Federation of Accountants (“IFAC”).

The External Auditor Guidelines contain a set of controls which address threats to the independence of the external auditor including, in particular, any threat which may arise by reason of self interest, self-review, advocacy, familiarity or intimidation (all terms defined by the IFAC’s Code of Ethics). The External Auditor Guidelines classify a range of non-audit services which are considered not acceptable for provision by the external auditor.

**c) Attendance of auditor at the AGM**

Perilya’s external auditor attends the AGM and is available to answer questions from shareholders on:

- the conduct of the audit;
- the preparation and content of the auditor’s report;
- the accounting policies adopted by Perilya in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

**4. Risk management and internal control**

**a) Approach to risk management**

The Board and senior executives are responsible for overseeing the implementation of the company’s Risk Management Policy.

The company’s approach to risk management is based on the identification, assessment, monitoring and management of material risks embedded in its business and management systems. This framework is based on the Australian Standards for Risk Management.

In light of the changes in operations and ownership structure during the year, the Audit and Risk Management Committee in conjunction with management has commenced a review to update the company’s Risk Management Policy and approved risk management plan. The risk management plan will build on management’s existing assessment of material business risks and mitigation strategies, with a focus on reviewing Perilya’s underlying policies and practices for managing strategic, operational and financial risks.

**b) Risk Management Roles and Responsibilities**

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the group’s objectives and activities are aligned with those risks and opportunities.

The Board has a number of mechanisms in place to ensure that management’s objectives and activities are aligned with the risks identified by the Board. These include:

- Board approval of a strategic plan, which encompasses the Board’s objectives and strategies along with identified risks and plans to manage such risks;
- Implementation of Board approved operating budgets and plans, then monitoring the actual progress against those;
- Audit and Risk Management Committee reporting on specific business risks; and
- Dissemination of a Risk Management Policy guide to be used throughout the company in identifying and communicating business risks.

The executive management team is responsible for implementation of the Board approved risk management strategy and developing policies, processes and procedures to identify risks and mitigation strategies in Perilya’s activities.

**c) CEO and CFO assurance on corporate reporting**

The Board receives monthly reports about the financial condition and operational results of Perilya and its controlled entities.

The CEO and Chief Financial Officer provide, at the end of each six monthly period, a formal statement to the Board confirming that the company's financial reports present a true and fair view, in all material respects, and the group's financial condition and operational results have been prepared accordance with the relevant accounting standards.

The statement also confirms the integrity of the company's financial statements and notes to the financial statements are founded on a sound system of risk management and internal compliance and control which implements the policies approved by the Board, and that Perilya's risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating efficiently and effectively in all material respects.

## **5. Promoting ethical and responsible behaviour**

### **a) Health and safety**

The Board has approved a Health and Safety Policy consistent with Perilya's commitment to ensuring the highest standards of occupational health and safety management at its operations. The health, safety and wellbeing of Perilya's people, contractors, suppliers, visitors and host communities are a key value for the company.

Perilya's safety management system includes standard to guide all aspects of safety management at Perilya's operations, including the occupational health and safety charter and statements; departmental safety management plans; inductions and site security policy.

Perilya's systems are regularly reviewed and submitted for internal and external audit to ensure continuing compliance.

Perilya's philosophy is that all personnel share the responsibility for a safe workplace. A range of occupational health programs are in place to monitor the wellbeing of employees. Perilya's fitness for work policy is designed to further promote wellbeing and a safe workplace by addressing drug, alcohol and fatigue related issues. Perilya's safety performance is closely and carefully monitored by the Board and is a subject of standing item for each Board meeting.

### **b) Codes of conduct**

The Board has approved a Code of Conduct for Directors and a Code of Conduct for Employees which describes the standards of ethical behaviour that directors and employees are required to maintain.

Compliance with the Code of Conduct by Directors and employees will also assist Perilya in effectively managing its operating risks and meeting its legal and compliance obligations, as well as enhancing Perilya's corporate reputation.

The Code of Conduct describes Perilya's requirements on matters such as confidentiality, conflicts of interest, sound employment practices, compliance with laws and regulations, the protection and proper use of Perilya's assets and the responsibilities and accountabilities of individuals for reporting and investigating reports of unethical practices.

Conflicts of interest that may arise from potential transactions between Perilya and Zhongjin Lingnan are dealt with by the Contract Committee.

A copy of each Code of Conduct is available in the corporate governance section of Perilya's website.

### **c) Concern reporting and whistleblowing**

The Board has approved a Whistleblower Policy which documents Perilya's commitment to maintaining an open working environment in which employees are able to report instances of unsafe work practices, unethical, unlawful or undesirable conduct without fear of intimidation or reprisal.

A copy of the Whistleblower Policy is available in the corporate governance section of Perilya's website.

### **d) Share trading policy**

Perilya's Securities Trading Policy is binding on all directors and employees. This policy provides a brief summary of the law on insider trading and other relevant laws, sets out the restrictions on dealing in securities by people who work for, or are associated with, Perilya and is intended to assist in maintaining market confidence in the integrity of dealings in the company's securities.

The policy stipulates that the only appropriate time for a director or employee to deal in the company's securities is when he or she is not in possession of 'price sensitive information' that is not generally available to the share market. A director wishing to deal in the company's securities may only do so after first having advised the Chairman of his or her intention. A senior executive wishing to deal must first notify the CEO. Confirmation of any dealing must also be given by the director or senior executive within two business days after the dealing.

Directors and senior executives' dealings in the company's securities are also subject to specified closed periods, which are set out in the company's Share Trading Policy or as otherwise determined by the Board from time to time.

A copy of the company's Share Trading Policy is available in the corporate governance section of Perilya's website.

## **6. Shareholders and corporate responsibility**

Perilya aims to produce positive outcomes for all stakeholders in managing its business and to maximise financial, social and environmental value from our activities.

In practice this means having a commitment to transparency, fair dealing, responsible treatment of employees and customers and positive links into the community.

Sustainable and responsible business practices within Perilya are viewed as an important long term driver of performance and shareholder value. Through such practices Perilya seeks to reduce operational and reputation risk and enhance operational efficiency while contributing to a more sustainable society.

Perilya accepts that the responsibilities on the Board and management, which flow from this approach, go beyond strict legal and financial obligations. In particular, the Perilya Board seek to take a practical and broad view of directors' fiduciary duties, in line with stakeholders' expectations.

### **a) Continuous disclosure**

Perilya is committed to maintaining a level of disclosure that meets the highest standards and provides all investors with timely and equal access to information.

Perilya's Continuous Disclosure Policy reinforces Perilya's commitment to ASX continuous disclosure requirements and outline management's accountabilities and the processes to be followed for ensuring compliance. The policy also describes Perilya's guiding principles for market communications.

A copy of the Continuous Disclosure Policy is available in the corporate governance section of Perilya's website.

### **b) Shareholder communications and participation**

Perilya is committed to giving all shareholders comprehensive, timely and equal access to information about its activities so that they can make informed decisions. Similarly, prospective new investors are entitled to be able to make informed investment decisions when considering the purchase of shares in Perilya.

A wide range of communication approaches are employed including direct communications with shareholders and presentations to shareholders at the company's Annual General Meeting. Publication of all relevant company information, including the company's Annual Report is in the Investor Information section of Perilya's website at [www.perilya.com.au](http://www.perilya.com.au). Shareholders are also given the opportunity to receive information in print or electronic format.

Perilya's Shareholder Communication Policy provides that the company will communicate effectively with its shareholders, give shareholders ready access to balanced and understandable information about Perilya and

encourages shareholder participation at General Meetings and Annual General Meetings. The way it does this includes:

- ensuring that financial reports are prepared in accordance with applicable laws;
- ensuring the disclosure of full and timely information about Perilya's activities in accordance with the general and continuous disclosure principles of the ASX Listing Rules and the *Corporations Act 2001*. This includes reporting on a quarterly basis the activities and prospects of the company;
- the Chairman and CEO reporting to shareholders at the company's annual general meeting;
- placing all ASX announcements (including quarterly reports and financial reports) on Perilya's website as soon as practicable following release; and
- ensuring that reports, notices of meeting and other shareholder communications are prepared in a clear and concise manner.

A copy of the Shareholder Communication Policy is available in the corporate governance section of Perilya's website.

## **7. Remuneration framework**

Details of Perilya's remuneration framework are included in the remuneration report.