

# Corporate governance statement

This document discloses the extent to which Perpetual Resources Limited ACN 154 516 533 (**Company**) has followed the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**) during the relevant part of the reporting period.

This document is current as at 30 June 2020 and has been approved by the Board of the Company.

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
<b>1.</b>	<b>Principle 1 – Lay solid foundations for management and oversight</b>		
	A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.		
1.1	<b>ASX Recommendation 1.1</b> Companies should disclose: <ul style="list-style-type: none"> <li>a. the respective roles and responsibilities of its board and management and</li> <li>b. those matters expressly reserved to the board and those delegated to management</li> </ul>	Yes     Yes	Refer Section 1 of the Company's Board Charter for further detail which is located on the Company's website at the following link:  <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>
1.2	<b>ASX Recommendation 1.2</b> A listed entity should: <ul style="list-style-type: none"> <li>a. undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>	Yes     Yes	Refer Section 3 of the Company's Board Charter for further detail which is located on the Company's website at the following link:  <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>  Information is included in The Company's Notice of Meetings to shareholders.

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT																
1.3	<b>ASX Recommendation 1.3</b>  A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has executed Letters of Appointment with Non-Executive Directors.																
1.4	<b>ASX Recommendation 1.4</b>  The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Refer Section 5 of the Company's Board Charter for further detail which is located on the Company's website at the following link:  <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>																
1.5	<b>ASX Recommendation 1.5</b>  A listed entity should: <ol style="list-style-type: none"> <li>have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</li> <li>disclose that policy or a summary of it; and</li> <li>disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: <ol style="list-style-type: none"> <li>the respective proportions of men and women on the board, in senior executive positions and across the whole organisation</li> </ol> </li> </ol>	<div>Yes</div> <div>Yes</div> <div>Yes</div>	Refer to the Company's Diversity Policy for further detail which is located on the Company's website at the following link:  <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>  The proportion of women on the Board, women in senior executive positions and women employees in the whole organisation as at reporting date was as follows: <table border="1"> <thead> <tr> <th>Gender</th><th>Board</th><th>Senior executive positions</th><th>Whole organisation</th></tr> </thead> <tbody> <tr> <td>No. of men</td><td>3</td><td>2</td><td>3</td></tr> <tr> <td>No. of women</td><td>0</td><td>0</td><td>0</td></tr> <tr> <td>% women</td><td>0%</td><td>0%</td><td>0%</td></tr> </tbody> </table>	Gender	Board	Senior executive positions	Whole organisation	No. of men	3	2	3	No. of women	0	0	0	% women	0%	0%	0%
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	<p>(including how the entity has defined “senior executive” for these purposes); or</p> <p>2. if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	Not applicable	
1.6	<p><b>ASX Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>Refer to the Company’s Board and Senior Executive evaluation policy for further detail which is located on the Company’s website at the following link:</p> <p><a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a></p> <p>No performance evaluation was undertaken during the period to June 2020 as the Board will undertake this review during the coming financial period.</p>
1.7	<p><b>ASX Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>a. have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>Refer to the Company’s Board and Senior Executive evaluation policy for further detail which is located on the Company’s website at the following link:</p> <p><a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a></p> <p>No performance evaluation was undertaken during the period to June 2020 as the Board will undertake this review during the coming financial period.</p>



	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.		on the Company's website at the following link: <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>
2.3	<b>ASX Recommendation 2.3</b> A listed entity should disclose: <ul style="list-style-type: none"> <li>a. the names of the directors considered by the board to be independent directors;</li> <li>b. if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</li> <li>c. the length of service of each director.</li> </ul>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Board consists of three Directors, of which one director is independent.</p> <p>George Karafotias is considered by the Board to be independent on the basis that he is not engaged in an executive management role, is currently a Non-Executive Director and is also not a substantial shareholder.</p> <p>Julian Babarczy and Robert Benussi are not considered by the Board to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations as they are substantial shareholders of the Company and engaged in executive management roles.</p> <p>The lengths of service are as follows:</p> <ul style="list-style-type: none"> <li>• George Karafotias (Appointed 29 November 2011)</li> <li>• Julian Babarczy (Appointed 7 June 2018)</li> <li>• Robert Benussi (Appointed 7 June 2018)</li> </ul>
2.4	<b>ASX Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.	No	The Board does not have a majority of independent directors and will continue to assess the composition of the Board following changes to the growth and activities of the Company.
2.5	<b>ASX Recommendation 2.5</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	Due to the size of the Company and the board the Chairman, Julian Babarczy is not an independent director and is not the CEO of the Company.

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2.6	<b>ASX Recommendation 2.6</b>  A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Refer to the Company's Selection and Appointment of New Directors policy for further detail which is located on the Company's website at the following link: <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>
<b>3.</b>	<b>Principle 3 – Act ethically and responsibly</b>		
	A listed entity should act ethically and responsibly.		
3.1	<b>ASX Recommendation 3.1</b>  A listed entity should: <ul style="list-style-type: none"> <li>a. have a code of conduct for its directors, senior executives and employees; and</li> <li>b. disclose that code or a summary of it.</li> </ul>	No	The Company is in the process of developing a code of conduct and will disclose this to the market and future annual reports once formally adopted.  Refer to the Company's Board Charter for further detail which is located on the Company's website at the following link: <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>
<b>4.</b>	<b>Principle 4 – Safeguard integrity in corporate reporting</b>		
	A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.		
4.1	<b>ASX Recommendation 4.1</b>  The board of a listed entity should: <ul style="list-style-type: none"> <li>a. have an audit committee which:               <ul style="list-style-type: none"> <li>1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director, who is not the chair of the board,</li> </ul> </li> </ul> and disclose:	No  N/A  N/A	Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the audit committee.

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	<p>3. the charter of the committee;</p> <p>4. the relevant qualifications and experience of the members of the committee; and</p> <p>5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>N/A</p> <p>Yes</p> <p>N/A</p> <p>N/A</p>	<p>Refer to Company's 2020 Annual Report.</p> <p>Refer Section 1 of the Company's Board Charter for further detail which is located on the Company's website at the following link:  <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>  As operations and the board size increases, the Company will look at matters contemplated in Recommendation 2.1(b) and any implementation of the Recommendation will be disclosed in future annual reports and/or on the Company's website.</p>
4.2	<p><b>ASX Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	No	<p>The Company does not currently have a CEO or CFO and the Board as a whole approves the Annual Report. The Board will look to appoint relevant executives as the Company grows in the future.</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
4.3	<b>ASX Recommendation 4.3</b> A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The external Auditor attends the Company Annual General Meeting.
<b>5.</b>	<b>Principle 5 – Make timely and balanced disclosure</b>		
	A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.		
5.1	<b>ASX Recommendation 5.1</b> A listed entity should: <ul style="list-style-type: none"> <li>a. have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>b. disclose that policy or a summary of it.</li> </ul>	Yes     Yes	The Company has a continuous disclosure policy which is located on the Company's website at the following link: <a href="https://perpetualresourceslimited.com.au/corporate-governance">https://perpetualresourceslimited.com.au/corporate-governance</a> The Board currently undertakes the role of ensuring continuous disclosure obligations under ASX listing Rules.
<b>6.</b>	<b>Principle 6 – Respect the rights of security holders</b>		
	A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.		
6.1	<b>ASX Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.	Yes	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>
6.2	<b>ASX Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link: <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>



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6.3	<b>ASX Recommendation 6.3</b>  A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link:  <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>
6.4	<b>Recommendation 6.4</b>  A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link:  <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>
<b>7.</b>	<b>Principle 7 – Recognise and manage risk</b>		
	A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.		
7.1	<b>ASX Recommendation 7.1</b>  The board of a listed entity should: <ol style="list-style-type: none"> <li>have a committee or committees to oversee risk, each of which: <ol style="list-style-type: none"> <li>has at least three members, a majority of whom are independent directors; and</li> <li>is chaired by an independent director,</li> </ol> and disclose: <ol style="list-style-type: none"> <li>the charter of the committee;</li> <li>the members of the committee; and</li> <li>as at the end of each reporting period, the number of times the committee met throughout the period and the individual</li> </ol> </li> </ol>	a) No  1) N/A  2) N/A  3) N/A  4) N/A  5) N/A	Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the entity's risk management framework.  As the operations and board size increase, the Company will assess the requirements of implementing Recommendation 7.1. In the event the board is able to fulfil these requirements, it will implement any relevant recommendations and will disclose these matters in future annual reports and/or on the Company's website.  For further detail refer to:  Refer Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>

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	<p>attendances of the members at those meetings; or</p> <p>b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	b) Yes	
7.2	<p><b>ASX Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>b. disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes to all	<p>Due to the size of the Company and the board, risk is managed by the board as a whole and regularly considered in the normal course of business.</p> <p>As the Company increase in size the board will endeavour to move towards full compliance with Recommendation 7.2 and disclose the matters contemplated by ASX Recommendation 7.2 in future annual reports and/or on the Company's website.</p> <p>For further detail refer to refer to the Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link:</p> <p><a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a></p>
7.3	<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>a. if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>a. N/A</p> <p>b. Yes</p>	<p>The Company does not have an internal audit function. The Board directly oversees relevant risk areas as part of its risk management function.</p> <p>For further detail refer to the Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link:</p> <p><a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a></p>

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7.4	<b>ASX Recommendation 7.4</b>  A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	No.	There is no material exposure to economic, environmental and social sustainability risks.
<b>8.</b>	<b>Principle 8 – Remunerate fairly and responsibly</b>		
	A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.		
8.1	<b>ASX Recommendation 8.1</b>  The board of a listed entity should: <ol style="list-style-type: none"> <li>have a remuneration committee which: <ol style="list-style-type: none"> <li>has at least three members, a majority of whom are independent directors; and</li> <li>is chaired by an independent director,</li> </ol> and disclose: <ol style="list-style-type: none"> <li>the charter of the committee;</li> <li>the members of the committee; and</li> <li>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> </li> <li>if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of</li> </ol>	<ol style="list-style-type: none"> <li>No <ol style="list-style-type: none"> <li>N/A</li> <li>N/A</li> <li>N/A</li> <li>N/A</li> <li>N/A</li> </ol> </li> <li>Yes</li> </ol>	Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the remuneration of directors and senior executives.  As it grows, the Company will periodically review matters contemplated by Recommendation 8.1(b) and intends to disclose the matters contemplated by Recommendation 8.1(b) in future annual reports and/or on the Company's website.  Refer Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: <a href="https://perpetualresourceslimited.com.au/corporate-governance/">https://perpetualresourceslimited.com.au/corporate-governance/</a>

