



## CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement reports on Perseus Mining Limited's ("Perseus" or the "Company") corporate governance framework, principles and practices. This statement is current as at 26 August 2016 and has been approved by the Board. Perseus reviews its governance practices regularly and revises these practices as appropriate to reflect changes in law and best practice in corporate governance. The Company and its controlled entities together are referred to as the Group in this statement.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the ASX Corporate Governance Principles and Recommendations ("ASX Principles") released by the ASX Corporate Governance Council ("CGC"). 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. A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year. They comply with the 3<sup>rd</sup> Edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

In a small number of instances, the Company has determined not to meet the standard set out in the recommendations at the present time. This applies in situations where the Board considers the recommendation to be inappropriate or impractical for a company of Perseus's stage of corporate development or where the Company's philosophy differs from the ASX Principles. As the Company's activities expand in size, nature and scope, the implementation of additional corporate governance structures will be given further consideration.

This Corporate Governance Statement is posted in the corporate governance section of the Company's website ([www.perseusmining.com](http://www.perseusmining.com)) and will, together with the Company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles to relevant disclosures in this statement, the Company's 2016 Annual Report and the Company's website be lodged with the ASX together with the 2016 Annual Report in the middle of October 2016.

## **Principle 1: Lay solid foundations for management and oversight**

### *Functions reserved to the board and delegated to senior executives*

The relationship between the Board and the senior management team is critical to the successful operation of the Company. The Board has approved a Board Charter, available in the Corporate Governance Section of the Company's website, which sets out the role and responsibilities of the Board, the Chair and Executive Management.

The Board approves the strategic plans of the Company and is responsible for understanding the expectations of the Company's shareholders, regulators and other key stakeholders and for identifying areas of significant business risk. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The Board has established a framework for the management of the Group that involves a system of internal controls, a business risk management process and the establishment of clear standards of behaviour with which all employees are required to comply as a condition of their continuing employment by the Company.

The responsibility for the day to day operation and administration of the Group is delegated by the Board to the CEO who in turn delegates specific responsibilities to the senior management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the senior management team.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- Board approval of a strategic plan designed to meet stakeholders' needs and manage business risk;
- Ongoing development of the strategic plan and approving initiatives and strategies designed to ensure the continued growth and success of the Company;
- Consider and if thought fit approve policies designed to guide the conduct of the Company's employees in conducting the Company's business;
- Consider and if thought fit, approve systems for health, safety and environmental management, risk and internal control and regulatory compliance;
- Monitoring management's progress relative to approved budgets — via the establishment and reporting of both financial and non-financial key performance indicators;
- Approval of the annual and half-yearly financial reports;
- Consider, approve and monitor the progress of strategic initiatives including major capital expenditure, capital management and acquisitions and divestitures;
- Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored; and
- Reporting to shareholders.

### *Director selection*

The Company undertakes appropriate background checks as to a candidate's character, experience, education, criminal record and bankruptcy history and material information in the Company's possession is provided to security holders in the explanatory notes accompanying a notice of meeting where a resolution to elect or re-elect a director is tabled.

### *Director agreements*

The Company has executed written employment agreements with its senior executives including its executive directors. Written appointment letters were entered into with the two new non-executive directors appointed in April 2016 and with the remaining three non-executive directors in June 2016. These appointment letters include matters such as remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice. All directors, including the non-executive directors, and other officers, have entered into a deed of indemnity, access and insurance with the Company.

### *Company Secretary*

The Company Secretary is appointed and removed by Board decision. The Company Secretary is directly accountable to the Board, through the Chair, on all governance matters and all directors have access to the advice and services of the Company Secretary at all times.

### *Diversity*

The Group recognises the value contributed to the organisation by employing people with varying skills, gender, cultural backgrounds, ethnicity and experience. Perseus believes a diverse workforce is an important element of its continued growth, improved productivity and performance. To this end the Company has adopted a Diversity, Equal Opportunity and Anti-Discrimination Policy whereby to the extent possible permitted by the laws of the jurisdictions in which we operate, Perseus is committed to providing equal employment opportunities to all directors and employees and to all applicants for employment regardless of race, colour, gender, religion, age, nationality, disability, marital status, sexual orientation, political conviction or any other grounds and to providing a workplace where differences are respected and accepted and anti-discriminatory behaviour of any kind is strictly prohibited. Merit is the sole basis of appointment, promotion and remuneration. The Diversity, Equal Opportunity and Anti-Discrimination Policy can be found in the corporate governance section of the Company's website.

The commitment to diversity is enacted through:

- Encouraging diversity in our workforce in the course of our business provided that this does not conflict with "local employment" rules and quotas that apply in some jurisdictions in which we operate;
- Avoiding discrimination of any form in our recruitment practices;
- Educating employees on issues of diversity, tolerance and respect for differences;
- Proactively discouraging behaviour involving harassment, bullying or disrespectful conduct by employees towards other employees;
- Establishing and enforcing disciplinary procedures which include sanctions against discriminatory behaviour.

The Group supports the fundamental premise of the recommendations contained in the ASX Principles requiring diversity in the workplace.

Due to the small size of the Company's corporate team, setting specific targets for achieving gender diversity are not considered practical. However, whilst not setting specific targets, the Group:

- Encourages diversity in the appointment of employees to roles at all levels of the organisation by interviewing suitably qualified men and women for the positions. The actual data on the gender diversity that currently exists within the group is set out below;
- Has an employee development policy under which the Company is committed to providing all employees, irrespective of gender, with support and opportunities to improve their skills, knowledge and qualifications required for the performance of their existing role and for improving their prospects of promotion to other roles within the Company;
- Has implemented a Remuneration Framework to ensure a uniform approach to performance based pay and remuneration. Salaries are set on the basis of the level of responsibility of the position, technical skills and qualifications required to perform the role. Performance based pay is determined through the use of KPIs set at the beginning of each financial year with reference to the Group's performance as well as department and individual objectives;
- Provides flexible work arrangements, to the extent practically possible, taking into account the nature of work performed by employees.

The number (and proportion) of women at various levels in the organisation is as follows: Board level: nil, senior executives (being executive directors, the company secretary and direct reports of the CEO): 2 (25%), corporate office 6 (32%), Edikan Gold Mine (EGM) department management 1 (11%) and throughout the entire group 71 (11%). In relation to ethnicity, 98% of the workforce of the Company's subsidiaries in Ghana are Ghanaian nationals, including representation from all five catchment communities that surround the EGM as well as other Ghanaian communities further afield. 96% of the workforce of the Company's subsidiaries in Côte d'Ivoire is Ivorian.

### *Board performance review*

It is the policy of the Board to conduct an annual evaluation of the performance of the directors. Performance is measured by the efficiency and effectiveness with which the Company goes about achieving its corporate objectives. The annual evaluation is a peer review process on an individual basis, evaluation as a group or a combination of both and will be managed internally or externally. The results of the evaluation are discussed by the directors and, as necessary, plans for performance improvement are agreed. In the event of an evaluation of individual directors, before discussion at Board level relevant results are first discussed by the Chair and the individual director. The evaluation process also involves consideration of more subjective appraisal of the overall Board's performance as gathered by the chair during the period based on contacts with shareholders and other key stakeholders. A performance evaluation was carried out in July 2014 and involved an internally managed review of the Board as a whole. No performance review was undertaken during the reporting period as it was considered more beneficial to wait until the newly constituted board following the Amara Mining merger had been in operation for a while. A performance review facilitated by an external party is planned to be undertaken during the 2017 financial year.

### *Senior executive performance review*

The Company has implemented a Remuneration Framework which forms the basis of remuneration in the form of salary, short term and long term incentives and links these to KPIs which are agreed with executives and are used as a basis for monitoring performance. Performance reviews of senior executives are overseen by the Remuneration Committee. Typically, KPIs include measures related to individual performance, corporate performance and the performance of the executive's team as well as measurable indicators relating to business unit performance (e.g. gold produced, cash operating costs, various environmental, occupational health and safety, community and government relations) as applicable. A performance review of the senior executives was undertaken.

## **Principle 2: Structure the board to add value**

Perseus endorses the proposition that companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties. The Company's Board is structured to achieve this outcome and its directors believe that they have adequately discharged their responsibilities and duties to the benefit of shareholders and other key stakeholders.

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the Annual Report will be included in the directors' report in the Annual Report.

The Board reviews its composition on an annual basis to ensure that it has an appropriate mix of expertise and experience. After the merger with Amara Mining plc which completed in April 2016 two non-executive directors with technical expertise and knowledge of the Amara projects joined the Perseus board.

Following the Amara merger, a Technical Committee has been constituted to work closely with the Company's management in relation to operational and technical issues concerning the Company's operations and projects, both to provide a forum for more detailed discussion on those issues than at board meetings as well as to provide access to the extensive technical and operational experience of some of the non-executive directors.

Each director has the right to seek independent professional advice at the Company's expense after consultation with the Chair. Once received, the advice is to be made immediately available to all Board members.

Directors have the right of access to any employee of the Group for the purpose of seeking information about aspects of the Company's business and are encouraged to do so.

For each formal meeting of the Board, a set of Board papers is prepared by management addressing each of the functional areas of the business and is typically provided to directors in advance of the meeting to afford directors the opportunity to familiarise themselves with matters to be considered ahead of the meeting. Information provided to the Board includes all material information on exploration, development, operations,

finance and corporate activities including budgets, cash flows, funding requirements, shareholder movements, broker activity in the Company's securities, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessment, new venture proposals, and health, safety and environmental reports.

Directors are encouraged to own shares in the Company.

#### *Nomination Committee*

The Board does not have a nomination committee. Directors are of the opinion that due to the nature and size of the Company, the functions normally performed by a nomination committee can and should be discharged by the full Board.

If a casual vacancy occurs on the Board or if as part of the annual board performance appraisal, it is felt that additional skill sets are required on the Board, the Chair will initiate a process designed to recruit a new director. Typically, a formal gap analysis of the skills, experience and expertise of the incumbent directors will be performed to identify specific skill sets and experience that could add value to the Board. A short-list of potential candidates who are thought to possess the requisite skills and experience is prepared, using where appropriate the advice of independent search consultants. Candidates are invited to meet with all directors who then debate the relative merits of candidates and select the most suitable candidate to fill the position. This director must stand for election by shareholders at the next annual general meeting of the Company.

#### *Skills matrix*

The Board's skills matrix is set out below and sets out the skills, experience and expertise that the Board currently has or is looking to achieve in its membership.

Strategy and leadership	<ul style="list-style-type: none"> <li>- Business leadership</li> <li>- Strategic planning</li> <li>- Stakeholder engagement</li> <li>- Public listed company experience</li> <li>- Non-executive experience</li> <li>- Executive experience</li> <li>- Global economic conditions and gold price</li> </ul>
Finance	<ul style="list-style-type: none"> <li>- Accounting</li> <li>- Audit</li> <li>- Corporate finance &amp; capital markets</li> <li>- Tax</li> <li>- Treasury and hedging</li> </ul>
Industry and technical	<ul style="list-style-type: none"> <li>- Exploration</li> <li>- Mine development</li> <li>- Mining</li> <li>- West Africa</li> </ul>
Other	<ul style="list-style-type: none"> <li>- Legal</li> <li>- Compliance</li> <li>- Governance</li> <li>- M&amp;A</li> <li>- Risk management</li> <li>- Labour relations, human resources</li> <li>- Remuneration</li> </ul>

#### *Independent directors*

Directors of Perseus are considered to be independent when they are independent of management and free from 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. Other factors used to determine independence of a director include those listed in Box 2.3 of the ASX Principles.

In the context of director independence, “materiality” is considered from both the Group and director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. Unless there is qualitative evidence to the contrary, there is a presumption of quantitative immateriality if an interest is equal to or less than 5% of the relevant amount. There is a presumption of quantitative materiality if the interest it is equal to or greater than 10% of the relevant amount.

Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the Group's loyalty.

The following directors of Perseus are considered to be independent, ensuring compliance with the recommendation that the Board be comprised of a majority of independent directors:

Reginald N Gillard	Non-executive chairman	Appointed 24 October 2003
Michael A Bohm	Non-executive director	Appointed 15 October 2009
T Sean Harvey	Non-executive director	Appointed 2 September 2009
Alex Davidson	Nin-executive director	Appointed 19 April 2016

The Board has in particular considered the length of service of Mr Gillard and concluded that his independence is uncompromised. Mr McGloin is not considered independent due to him being an executive director of Amara Mining plc immediately prior to the merger with the Company.

Mr Quartermaine is the managing director and CEO of the Company and is not considered to be independent nor is Mr Carson who is employed by the Company in an executive role.

Prior to the commencement of each full Board meeting, the independent directors meet separately to discuss any matters that need to be canvassed without input from executive or non-independent directors. Where required, matters arising from the meeting of independent directors will be added to the agenda of the full Board meeting for consideration by all of the directors.

#### *Chair and CEO*

The Chair of the Board is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board’s relationship with the Company’s senior executives. The Board considers that its Chair, Mr Gillard, is independent as discussed above.

The CEO is responsible for implementing Company strategies and policies.

#### *Director induction and professional development*

The Company Secretary is tasked with co-ordinating the induction process for new directors. A formal induction program involving an extensive induction pack with important Company documents and access to management and other staff was introduced and followed when the former Amara directors joined the Company’s board.

All directors are expected to maintain the skills required to discharge their duties as a director. The directors are all experienced directors who serve or have served on numerous public company boards and as such develop themselves professionally on a continuous basis. Members of the executive team brief the Board on relevant industry, financial, accounting, legal, compliance, governance and other developments. The directors visit the EGM on a regular where updates are received from all heads of department. Some directors also visited the Sissingué and Yaouré project sites.

### **Principle 3: Act ethically and responsibly**

#### *Code of conduct*

A code of conduct has been adopted by the Group that is intended to provide all directors and employees of the Group with a framework of principles by which the Group's business is to be conducted and by which all directors and employees are required to interact with each other and with external stakeholders in the Company. In summary, directors and employees must at all times:

- act with total integrity and professionalism and be scrupulous in the proper use of the Group's information, funds, equipment and facilities;
- exercise fairness, equity, respect, courtesy, consideration and sensitivity in dealing with colleagues, customers, suppliers and other stakeholders; and
- avoid real or perceived conflicts of interest.

The Code of Conduct, which formally documents existing practise, applies equally to all employees of the Group and compliance with the code of conduct is an explicit condition of their continued employment by the Group. The Code of Conduct and other policies described below can be found in the corporate governance section of the Company's website.

#### *Whistle blower policy*

Under the Group's whistle blower policy, any employee can report concerns about the conduct or practices of the Company or any of its employees that they consider places the interests of the Company, its employees, its other stakeholders or members of the general public at risk of loss, injury or damage, including reputational damage, to the Company Secretary who is then responsible for initiating an investigation of the allegation in consultation with the CEO. If the alleged breach is not rectified to the satisfaction of the employee, they have the right to report any alleged breach to an independent director without further reference to senior managers of the company.

#### *Trading in Securities Policy*

The Group has adopted a formal policy that governs behaviour in relation to trading in the Company's securities. In order to preserve the reputation and integrity of the Company, it is imperative that when associates of Perseus deal in Perseus's securities, those dealings are not only fair, but are also seen to be fair. The Trading in Securities Policy is intended to eliminate the potential for misconceptions, misunderstandings or suspicions which might arise in relation to dealings in the securities of Perseus.

The general principle on which this policy is based is that directors, employees, advisers, contractors and consultants of Perseus (Applicable Persons) and their related parties (spouses, de facto spouses, parents and children, and entities controlled by Applicable Persons) (Related Persons) who deal in Perseus's securities should:

- never engage in short term trading of Perseus's securities;
- not deal in Perseus's securities while in possession of inside information;
- obtain clearance for any intended transactions involving Perseus's securities if the person is a member of Perseus's key management personnel ("KMP"); and
- ensure that all buying or selling of Perseus's securities by KMP of Perseus occurs outside of prohibited periods unless prior written clearance is obtained in accordance with this policy.

For details of shares held by directors and officers please refer to the directors' report in the Financial Report. Directors are required to report to the Company Secretary any movements in their holdings of Perseus securities, which are reported to ASX in the required timeframe prescribed by the ASX Listing Rules.

### **Principle 4: Safeguard integrity in corporate reporting**

#### *Audit and risk committee*

The Company has an Audit and Risk Committee comprising three independent, non-executive directors, with two committee members constituting a quorum. Details of the composition of the Audit and Risk Committee and meetings held during the 2015-2016 financial year are as follows:

Name		Meetings held	Meetings attended
T S Harvey (Chairman)	Independent, non-executive director	4	4
R N Gillard	Independent, non-executive chairman	4	4
M A Bohm	Independent, non-executive director	4	4

Details of the qualifications and expertise of these directors is included in the directors' report in the Financial Report. The Audit and Risk Committee has adopted a formal charter which contains details of the procedure for the selection and appointment of the external auditor, and for the rotation of the external audit engagement partners.

The Audit and Risk Committee Charter can be found in the corporate governance section of the Company's website.

#### *CEO and CFO declarations*

Before approving financial statements, the Board receives declarations from the CEO and the CFO that, in their opinion, the financial records of the Company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### *External auditors*

The Company requires external auditors to demonstrate quality and independence. The performance of the external auditor is reviewed and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

Ernst & Young were appointed as external auditor in 2011. In accordance with the Corporations Act, Ernst and Young is required to rotate its audit engagement partners on listed companies at least every 5 years. In May 2016, the Board, upon recommendation of the Audit and Risk Committee, approved the extension of Ernst & Young audit partner's appointment for a further two financial years. In doing so, the Board considered the complexity of the issues associated with implementing the merger with Amara Mining and satisfied itself that there were no issues in relation to conflict of interest and independence.

The external auditor is required to attend the Company's annual general meeting and is available to answer questions from security holders relevant to the audit.

### **Principle 5 & 6: Make timely and balanced disclosure and respect the rights of security holders**

#### *Continuous disclosure policy and shareholder communication*

The Company has adopted a formal policy and procedures designed to ensure compliance with ASX continuous disclosure requirements and accountability for compliance. In summary, when the Company becomes aware of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of Perseus's securities, the Company will immediately make that information publicly available unless the information is of such a nature that a reasonable person would not expect it to be disclosed and the information is confidential and one of the following applies:

- the information is incomplete or indefinite, which would make disclosure premature;
- the information comprises matters of supposition or matters that are not definite;
- the information has been generated expressly for internal management purposes;
- the information is a trade secret; or
- it would be a breach of the law to disclose the information publicly.

The Company encourages effective participation at general meetings through a policy of open disclosure to shareholders, regulatory authorities and the broader community of all material information with respect to the Company's affairs.



All Company announcements, media briefings, details of Company meetings, press releases and financial reports are available on the Company's website. Regular open "dial-in" teleconferences are convened which are open for all shareholders, potential investors and analysts to participate. The CEO and CFO conduct investor relation presentations throughout the year. In May, the Company appointed a full time Investor Relations Manager to further enhance the Company's ability to engage with shareholders, potential investors and analysts.

Shareholders are encouraged to select the email distribution option for notices of meeting on the share registry's website. Shareholders and interested investors are also encouraged to subscribe to the Company's database, through which participants are made aware by email of news releases as soon as possible after such releases have been issued to the ASX and TSX. Hard copies of financial reports and news releases are made available on request.

The Company's Disclosure and Communication Policy can be found in the corporate governance section of the company's website.

### **Principle 7: Recognise and manage risk**

#### *Risk management*

The Company recognises that effective risk management enables it to achieve business outcomes that are more consistent with its business goals. The Board has the ultimate responsibility for the risk management, compliance and internal controls systems of the Company. The Board has established an Audit and Risk Committee. For a description of the composition, charter and meeting attendance of that committee the reader is referred to the disclosures made in relation to Principle 4.

The Group adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's adopted risk profile. The risks involved in operating a resources sector company and the specific uncertainties faced by the Group are regularly monitored and the CEO regularly appraises the full Board as to the effectiveness of the Company's management of its material business risks. All investment proposals reviewed by the Board include a consideration of the issues and specific risks associated with the proposal. Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with transferring or mitigating risk.

During the 2014-2015 financial year, the Board has reviewed the Company's risk management processes. A standardised enterprise risk management framework based on ISO 31000:2009 has been adopted. Whilst site risk management is conducted on the basis of this framework, implementation of this program at an enterprise level was commenced during the 2015-2016 financial year but suspended pending the merger and subsequent integration process with Amara Mining. Management has been tasked to finalise implementation during the current financial year. The implementation is facilitated by an external consultant and overseen by the Audit and Risk Committee which intends to review the risk management framework following implementation. The framework includes formal risk identification, analysis, monitoring and reporting in accordance with international standards.

#### *Internal audit*

Due to its size, the Company does not have an independent internal audit function. On site audits are performed at the EGM by the internal corporate accountants twice a year. A full audit was initially carried out by an external party in 2013 and the process followed by the internal accountants is based on the principles and framework set up by that external party. The site audits focus on issues identified during previous reviews and high risk areas and findings and recommendations are reported. In addition, specific reviews are conducted based on instructions by the CFO and the external auditors, e.g. procurement processes and systems. Any material findings are reported to the Audit and Risk Committee.

#### *Sustainability risks*

Like any gold mining company operating, the Company has exposure to economic, environment and social sustainability risks.

The Company's revenue is directly impacted by the gold price. The gold price fluctuates and is affected by factors beyond the Company's control such as supply and demand and global economic conditions. The Company mitigates its risks in this respect by maintaining an actively monitored hedging program.

The Company recognises the communities in which it operates as key stakeholders. The Company has a social development policy which is implemented locally by way of employment and business opportunities programs, grievance management procedures, financial support programs (e.g. the Edikan Trust which is managed by the community), donations and educational scholarships.

The Company has implemented a Health, Safety and Environment (HSE) management system to drive the organisation's continuous improvement in HSE performance and which addresses elements including risk management, incident and emergency management, operational control, communications and consultation, training and awareness and monitoring and evaluation. Subject to specific site conditions and local regulatory requirements, management of identified HSE risks is standardised for all operational sites and is embedded in the Company's Enterprise Risk Management Framework. The HSE management systems are regularly audited by external consultants.

The Company has a Group Sustainability Manager who oversees and assists the sites with the implementation of the Company's HSE and community relations policies and frameworks.

### **Principle 8: Remunerate fairly and responsibly**

#### *Remuneration Committee*

Details of the composition of the Remuneration Committee and meetings held during the 2015-2016 financial year are as follows:

<b>Name</b>		<b>Meetings held</b>	<b>Meetings attended</b>
R N Gillard (Chairman) <sup>1</sup>	Independent, non-executive chairman	4	4
M A Bohm <sup>1</sup>	Independent, non-executive director	4	4
T S Harvey	Independent, non-executive director	4	4

<sup>1</sup> Mr Bohm took over from Mr Gillard as Chairman of the Remuneration Committee with effect from 1 June 2016.

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the non-executive directors, the CEO and the executive management team. The Remuneration Committee has adopted a formal charter setting out its role and responsibilities which can be found in the corporate governance section of the Company's website. The Remuneration Committee obtains external advice in relation to remuneration arrangements when deemed appropriate.

#### *Remuneration policy*

The Company's policy for determining the nature and amount of emoluments of Board members is as follows:

- Remuneration of executive and non-executive directors is reviewed annually by the Board.
- Remuneration packages are set at levels intended to attract and retain directors and executives capable of managing the Company's operations and adding value to the Company.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the reporting period please refer to the remuneration report, which is contained in the directors' report of the Financial Report 2016.

There is no scheme to provide retirement benefits to non-executive directors.

#### *Equity based remuneration*

The Company has a performance rights scheme to incentivise staff and further align their interests with those of the Company's security holders. Under the Company's amended Trading in Securities Policy, which was adopted by the Board in March 2015, a participant in the scheme may not enter into an arrangement (with anyone) if the arrangement would have the effect of limiting the exposure of that participant to risk relating to an element of

that participant's remuneration that has not vested in that participant or has vested but remains subject to a holding lock. The Company's Trading in Securities Policy can be found in the corporate governance section of the Company's website.