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Peako Limited Corporate Governance Statement
As at 1 October 2020

Corporate Governance Council recommendation		Peako follows the recommendation….	Peako does not follow the recommendation….
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Peako's Board Charter sets out the role of the Board and the role of management including delegation of duties. The Board Charter can be found website at http://www.peako.com.au/corporate-governance-2/	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (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.	Appropriate screening of all candidates is conducted prior to appointment to the Board of Peako. Biographical information including details of any other material directorships currently held for each director seeking election or re-election is provided to members in the explanatory memorandum accompanying a notice of meeting.	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		Peako does not have a written agreement with each of its directors.
1.4	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.	Peako's Board Charter provides that the company secretary is accountable to the Board through the chair for matters regarding Board administration.	

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1.5	A listed entity should: (a) 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; (b) disclose that policy or a summary of it; and (c) 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: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (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.		Peako does not have a formal gender diversity policy. Given the limited size of the Company it is important to maximise efficiency by providing flexibility for the engagement of the best person for a role.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Peako uses a continuous performance appraisal process involving ongoing feedback and coaching with the objective of promoting continuous development.	
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Peako uses a continuous performance appraisal process involving ongoing feedback and coaching with the objective of promoting continuous development.	

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PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) 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 (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	The Board fulfills the role of nominations & remuneration committee. The nominations & remuneration committee charter can be found at http://www.peako.com.au/corporate-governance-2/ The Nominations & Remuneration Committee did not meet during 2019/20 financial year.	

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2.2	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.	The following table summarises the skills, attributes and experience of the directors serving on the Board at 1 October 2020: **Board Experience, Skills and Attributes Matrix** Number Total directors 3 Corporate leadership *Experience in senior corporate leadership roles* 3 Resources experience *Relevant industry experience* 3 Corporate financing 2 Finance, legal, tax 2 Other board level experience *Membership of other listed entities (last 3 years)* 3	

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2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	DL Clark is considered by the Board to be an independent director. The length of service of each director is reported in the company's Annual Report and on its website.	
2.4	A majority of the board of a listed entity should be independent directors.		The Peako Board is comprised of three directors. The following directors are not considered independent. The reasons for each being considered not to be independent are detailed below. **EG Albers** Substantial shareholder **RL Clark** Executive role
2.5	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.		Mr Albers is not an independent director. The Board considers that his lack of independence does not hinder the effective performance of his role as Chairman.
2.6	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.	Induction of new directors is provided by the Chairman with assistance of the Company Secretary. The Board encourages directors to continue their education and maintain the skills required to discharge their duties by participation in professional development opportunities.	
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			

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3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Peako has a code of conduct which can be found on its website at http://www.peako.com.au/corporate-governance-2/	
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	The audit committee is comprised of: DL Clark (Chair) RL Clark EG Albers The qualifications and experience of each member of the committee can be seen in the annual report and the Charter of the Audit Committee can be found on Peako's website. The Audit Committee did not meet during 2019/20 financial year. All matters that required formal committee resolutions were dealt with via written circular resolutions.	

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4.2	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.	The CFO provides a declaration that in his opinion the financial records of the entity have been properly maintained, that the financial statements comply with the 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 controls which is operating effectively.	
4.3	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.	Peako's auditor attends the company's AGM and is available to answer questions.	
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Peako has a continuous disclosure policy which can be found on its website at http://www.peako.com.au/corporate-governance-2/	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Peako provides information about itself including its activities, its board and strategy as well as its governance on its website.	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Peako provides an email address for use by shareholders who wish to make two-way communication with the Company.	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Peako holds its meetings at a Melbourne CBD location in proximity to public transport. Shareholders are provided with a Notice of Meeting ahead of the meeting. Participation via questions is encouraged.	

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6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Peako provides shareholders with the option to receive communication electronically via its Share registry. Shareholders can communicate with Peako via email to info@peako.com.au	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) 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 (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.	The Board is responsible for overseeing the effectiveness of risk management so as to: • identify, assess, monitor and manage risk; and • inform investors of the nature of, and material changes to, the Company's risk profile. The Company's activities are currently centred on advancing its exploration and development projects. Apart from geological risk, material business risks include financial and operational risk - this is not an exhaustive list of risks faced by the Company. The Board considers the existing policies and procedures for risk oversight to be appropriate for the Company's current size and stage of development.	
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The Board has a risk assessment framework which it utilises to identify risks as well as potential risk mitigation strategies. The Board conducts a risk assessment using the framework annually, or more often if appropriate.	During 2019/20 the Board did not conduct a company-wide risk assessment.

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7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	Peako does not have an internal audit function. Rather, Peako implements internal control process appropriate to the size of Peako's organisation and activities.	
7.4	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.	Peako has exposure to material economic risks including funding risks, prices for natural resources commodities, project cost overruns and. These risks and the factors influencing these risks are reviewed on a continuous basis with mitigation strategies implemented and revised as appropriate.	
PRINCIPLE 8 REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) 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 (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	The Board acts as a nominations & remuneration committee. The nominations & remuneration committee charter can be found at http://www.peako.com.au/corporate-governance-2/ The Nominations & Remuneration Committee did not meet during 2019/20 financial year.	

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8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Peako reports on its remuneration practices for its non-executive directors and its executive directors separately. Disclosure regarding both can be founded in the remuneration report in the annual report.	
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.		Peako does not have a policy on whether participants in its equity-based remuneration scheme are permitted to enter into transactions which limit the economic risk of participating in the scheme. During 2019/20 no grants were made under Peako's employee share scheme.