

Diversity Standard

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| Date Updated | Revised By: | Reviewed and Approved by: | Signed: |
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1. SCOPE

- 1.1 This standard details the position of PanAust Limited (“the Company”) and its subsidiaries (collectively “the PanAust Group”) in relation to the diversity of its workforce and Board membership. This standard provides the basis upon which the Company will promote diversity across its operations.
- 1.2 This standard is made in accordance with the PanAust Group Employee Policy which provides that PanAust will implement diversity strategies to maximise the talent pool available to the PanAust Group and the retention of a diverse workforce free from discrimination.
- 1.3 For the purposes of this standard, “diversity” means differences based on the following attributes: gender, age, religion and ethnicity.

2. PURPOSE

- 2.1 This standard has been adopted in order to promote the Company’s vision to be a growth oriented mining company determined to excel and to outperform its competitors. The Company recognises that a talented and diverse workforce brings a wide range of perspectives and unique skills and experiences promoting business innovation and business success.
- 2.2 This standard complements a number of the Company’s core values, including:
 - managing the daily business activities of the Company in such a way that demonstrates respect for the people and cultures of our host countries;
 - recruitment of high calibre people based on merit where the necessary individual training and development is provided to enable all employees to operate effectively;
 - integrity in all of the Company’s dealings with employees, communities, government, suppliers and shareholders; and
 - transparency in the Company’s dealings with employees and stakeholders.
- 2.3 The Company recognises that shareholders and the communities in which it operates have a legitimate expectation that the Company have in place policies, standards and procedures which promote a diverse workforce including the participation by women with the requisite skills and experience in the Company as Directors, senior executives and employees.
- 2.4 The Company recognises that in the countries in which it operates it has a responsibility to provide opportunities, professional training, and career development to local people of diverse ethnic background. In addition, there is a legitimate expectation that over time local people will acquire the relevant skills and expertise to enable career advancement within the Company with the effect that an ever increasing proportion of positions are held by local people.
- 2.5 The Company operates within the resources sector which is a highly competitive industry that experiences major skills shortages and the challenges of attracting and retaining a skilled workforce in remote areas. The Company’s ongoing diversity initiatives will enhance its recruitment strategies by encouraging the participation of women in its workforce and the provision of opportunities and employment for local people. This benefits the company through:
 - increasing the available talent pool upon which the Company can draw to achieve its vision;

- promoting the retention of skilled and experienced Directors, executives and employees; and
- continually building diverse and culturally appropriate partnerships and opportunities with the local communities in which the PanAust Group operates.

3. STANDARD

- 3.1 The Company is committed to promoting a corporate culture which embraces diversity at all levels of the Company.
- 3.2 The Board of Directors of the Company will adopt measurable objectives for achieving diversity. The measurable objectives may include the implementation of procedural or structural initiatives, the adoption of specific targets to be achieved within nominated timeframes or the introduction of initiatives and programmes.
- 3.3 The Board of Directors will review at least annually both the measurable objectives and the progress made by the Company against the measurable objectives.
- 3.4 In each Annual Report, the Company will disclose the proportion of employees who are women in the PanAust Group as a whole, women in senior executive positions and women on the Board.
- 3.5 In its Sustainability Report, the Company, where reasonable and appropriate, will disclose information in relation to the proportion of the PanAust Group's employees who are of a particular ethnic background. This includes reporting on the progress in providing employment opportunities, training, and career development to local people of diverse ethnic background in the countries in which it operates.
- 3.6 With respect to the selection, appointment and re-appointment of Directors, the Company will be transparent in recruitment and selection processes by adopting and publishing a skills matrix which identifies the desirable skills, experience and diversity of the Board of Directors.
- 3.7 The Company recognises that executives and employees have personal and family responsibilities that may impinge upon their ability to work standard full time business hours. The Company is committed to removing barriers to realising diversity, including making reasonable provision for the special needs of employees including by way of flexible work arrangements, providing options towards achieving a work/life balance and other leave arrangements.
- 3.8 In the implementation of this standard, the Company will be consistent with its core value that individual performance and merit are the basis for performance based pay and promotion.
- 3.9 Adequate resources will be provided for the implementation of this standard and undertaking initiatives to achieve the measurable objectives set under this standard.

4. RESPONSIBILITIES

- 4.1 The Board of Directors is responsible for overseeing the implementation of this standard, considering and approving any amendments to this standard, the adoption of measurable objectives under this standard, monitoring the progress of achieving such measurable objectives, and ensuring that public reporting occurs in accordance with this standard.
- 4.2 The Nominations Committee is delegated the responsibility to:

- consider and make recommendations to the Board in relation to the adoption of any amendments to the measurable objectives and to this diversity standard;
- report as to the progress of the Company's implementation of this standard and in achieving the measurable objectives;
- make recommendations to the Board in relation to the necessary and desirable skills, experience and diversity of Directors and the adoption of a skills matrix;
- consider the process by which candidates for the Board are identified and selected, including any steps to be taken to ensure that a diverse range of candidates is considered; and
- consider and make recommendations to the Board in relation to Board succession planning with a view to maintaining an appropriate level of experience, skills and diversity.

4.3 A Diversity Committee established by management will report to the Managing Director. It will meet at least two times a year. The membership of the committee will be diverse by reference to each business unit and to gender and to ethnic background. The Diversity Committee has responsibility for:

- monitoring the progress of the PanAust Group with respect to diversity, including progress in meeting any measurable objectives set under this standard;
- generating diversity initiatives and considering measurable objectives to be adopted by the PanAust Group in the context of its businesses and geographical locations;
- monitoring developments in the resources sector in relation to diversity;
- education and training of PanAust Group management and employees in relation to this standard, its importance to the Company and any measurable objectives set under this standard;
- implementing strategies and action plans to achieve any measurable objectives adopted by the Board of Directors under this standard;
- regularly reporting to the PanAust Executive Committee and the Nominations Committee with respect to progress in meeting the measurable objectives set under this standard;
- undertaking further tasks and responsibilities in relation to diversity issues as may be requested by the PanAust Executive Committee or the Board of Directors or the Nominations Committee.

4.4 Each Director, executive and employee has a responsibility to be familiar with this standard.

5. REVIEW

This standard will be reviewed by the Nominations Committee at least annually.

6. AVAILABILITY OF THIS STANDARD

This standard will be made publicly available on the Company's external website and on its internal intranet sites.

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| This Diversity Standard was approved by the Board of PanAust Limited on 2 December 2011. |
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