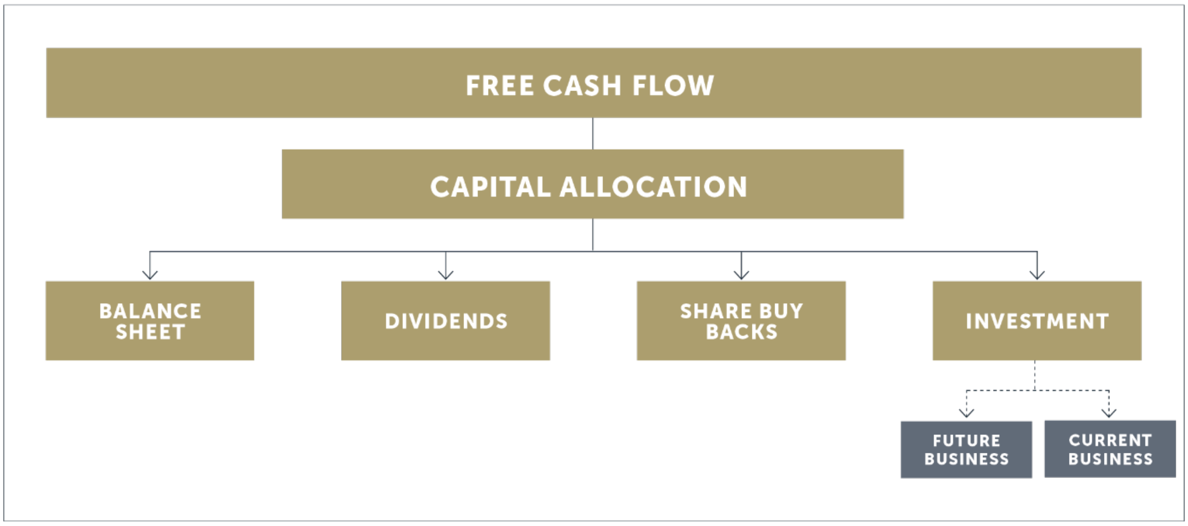
Capital Management Policy

Perenti's Capital Management Policy sets the framework under which decisions will be made in relation to the allocation of capital to ensure capital is deployed to facilitate the delivery of a sustainable Total Shareholder Return (TSR).

The Capital Management Policy addresses the allocation of Capital to the following categories.

1. Growth capital to facilitate growth in current operations
2. Growth capital to invest in new business opportunities – organic and inorganic
3. Debt reduction
4. Shareholders via dividends or share buy backs

The following graphic outlines the capital allocation decision tree for Perenti.



The allocation of growth capital between projects, services and initiatives within the growth categories is in accordance with specific Group and Industry Sector Group (ISG) Capital Standards. Stay in business capital is not reflected as an allocation consideration, stay in business capital is considered to be essential to ensure the day-to-day delivery of the services the businesses are commercially committed to provide.

Capital Allocation

In line with Perenti's primary objective to deliver sustainable shareholder returns, the following principles must be applied when assessing the allocation of capital:

1. Capital must be allocated in alignment with the Board approved Strategic Plan.
2. The maintenance of a strong balance sheet is considered a core objective with leverage (net debt to EBITDA) to be below 1.0x. Where net debt is above this target a clear capital allocation strategy and timeline must be developed to return Perenti to the target level.
3. In allocating capital to growth initiatives Perenti acknowledges that, at times, there may be a conflict between valuation methods used to determine the likely impact on Perenti's Total Shareholder Return. Specifically, valuations determined on a Discounted Cash Flow (DCF) basis and a multiple basis may not align. In such instances, both approaches will be considered together with the Board approved Strategic Plan.
4. The declaration and payment of dividends will be determined in line with the following guidelines:
   - Where net leverage is below 1.0x *(a dividend of up to 40% of free cash flow will be paid).*
   - Where net leverage is above, or forecast to be above 1.0x *(no dividends will be paid unless there is a clear strategy to reduce leverage below 1.0x in the near term).*

Free cash flow is defined as the cash flow from operations less tax, interest and stay in business capital expenditure.

5. Share buy backs will be considered as an alternative to dividends or as a standalone option in the following circumstances:
   - The company's level of excess capital.
   - The prevailing share price of Perenti is depressed and a buy back will be seen as a mechanism to signal the company's view on value.

Other Related Documents

The allocation of growth capital between projects, services and initiatives within the growth categories outlined in this Policy will be determined in accordance with Group Capital Allocation Standards.

Mark Norwell
Managing Director and Chief Executive Officer
Perenti

Approved by the Perenti Board on **8 December 2022**