



Policy

Diversity and inclusion policy

Australian Finance Group Ltd (**Company**)
ACN 066 385 822

Adopted by the Board on 1 May 2015

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Diversity and inclusion policy

1 Overview

The Board of Directors of Australian Finance Group Ltd ACN 066 385 822 (**Company**) is responsible for the overall management of the Company, including guidance as to strategic direction, ensuring best practice corporate governance and oversight of management. The Company recognises that people are its most important asset and is committed to the maintenance and promotion of workplace diversity and inclusion.

Diversity and inclusion drives the Company's ability to attract, retain, motivate and develop the best talent, create an engaged workforce, deliver the highest quality services to its customers and continue to grow the business.

The Board has formally approved this diversity and inclusion policy (**Policy**) in order to address the representation of women in senior management positions and on the Board, and to actively facilitate a more diverse and representative management and leadership structure.

2 Scope

The Company's vision for diversity and inclusion incorporates a number of different factors, including gender, ethnicity, disability, age and educational experience. At a Board and senior management level, gender has been identified as a key area of focus for the Company. Accordingly, the primary focus of this Policy is achieving, over a reasonable transition period, adequate representation of women in senior management positions and on the Board.

The strategies outlined below aim to achieve the objectives of this Policy by:

- setting measurable objectives relating to gender at all senior management and leadership levels;
- broadening the field of potential candidates for senior management and board appointments;
- increasing the transparency of the board appointment process; and
- embedding the extent to which the Board has achieved the objective of this Policy in the evaluation criteria for the annual Board performance evaluation.

3 Promoting diversity

In order to facilitate greater diversity in management and leadership roles, the Company will:

- introduce and supplement the measures outlined in this Policy;
- monitor the effectiveness of, and continue to expand on, existing policies which address impediments to diversity in the workplace (including parental leave and flexible working arrangements that assist employees to fulfil their domestic responsibilities);

- monitor the effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented employees from a diverse range of backgrounds; including the establishment of the Diversity and Inclusion Committee to support the implementation of this Policy and the development of initiatives and practices that encourage diversity in all areas of the business. The Committee will comprise members of senior management and will report to the Remuneration & Nomination Committee at least twice a year.

4 Measurable objectives

Each year the Board will set measurable objectives with a view to progressing towards a balanced representation of women at a Board and senior management level.

Performance against these objectives will be reviewed annually by the Remuneration and Nomination Committee, as part of its annual review of the effectiveness of this Policy.

The Board will include in the Annual Report each year:

- a summary of the Company's progress towards achieving the measurable objectives set under this Policy for the year to which the Annual Report relates; and
- details of the measurable objectives set under this Policy for the subsequent financial year.

5 Gender representation review

On an annual basis, the Remuneration and Nomination Committee will review the proportion of women who are employed by the Company as a whole, in senior management positions and who are on the Board. The Remuneration and Nomination Committee will submit a report to the Board outlining its findings.

The Company will disclose in its Annual Report the proportion of men and women employees in the Company as a whole, in senior management and on the Board or, if applicable, the Company's most recent "Gender Equality Indicators" as defined by the *Workplace Gender Equality Act 2012* (Cth).

6 Recruitment, selection and succession planning

6.1 Succession planning

The Remuneration and Nomination Committee is responsible for the development and succession planning process for the Chief Executive Officer (**CEO**)/Managing Director (**MD**) and the CEO's/MD's direct reports. In discharging this responsibility, the Remuneration and Nomination Committee will have regard to diversity criteria.

6.2 Board appointment process

Whilst skills such as leadership and previous experience as a chief executive, chair or board member of a large organisation have traditionally been prerequisites to appointment as a director, the Board recognises that other skills gained from experience in the following areas are key skills and experience which the Board as a whole should comprise:

- marketing and sales;
- policy and regulatory development and reform;
- health, safety and environment and social responsibility; and
- human resources.

The Board will develop and disclose a board appointment process, which includes selection criteria having regard to the skills and experience outlined above and the selection process for senior management positions.

The Remuneration and Nomination Committee is responsible for identifying qualified individuals for appointment to the Board and further details of the Company's policy, procedure and disclosure of the selection and appointment of new directors is set out in the Remuneration and Nomination Committee Charter.

7 Disclosure of Policy

A summary of this Policy and the Company's achievement of the Policy's objectives will be disclosed in the Annual Report.

8 Review of Policy

The Remuneration and Nomination Committee is responsible for the review and oversight of this Policy. In executing this role, the Remuneration and Nomination Committee will, with the appropriate support and input from management:

- review on an annual basis:
 - 1 the effectiveness of this Policy, its objective and the strategies outlined above, which aim to achieve the objective; and
 - 2 the division of responsibilities and accountability for developing and implementing diversity initiatives across the organisation; and
- report to the Board on the outcomes of its review, including any recommendations for changes to those strategies or the way in which they are implemented.