

Diversity Policy

Mount Gibson Iron Limited

ACN 008 670 817

Adopted by the Board on 26 February 2013

Introduction

- 1 Mount Gibson Iron Limited (the **Company**) wishes to be recognised as an organisation that welcomes diversity and is committed to equality at all levels. Diversity includes, but is not limited to, diversity in gender, age, ethnicity and cultural backgrounds.
- 2 References in this document to the “Managing Director” are also taken to include a person acting in the role of “Chief Executive Officer”.

Objectives and benefits of diversity

- 3 The Company is committed to:
 - 3.1 Creating a working environment conducive to the appointment of well-qualified employees, senior management and board candidates.
 - 3.2 Identifying ways to promote a corporate culture which embraces and rewards diversity when determining the composition of the Board, senior management and employees.
 - 3.3 Appreciating and respecting the unique attributes that each individual brings to the workplace.
 - 3.4 Fostering an inclusive and supporting culture to enable employees, senior management and Board members to develop their potential.
 - 3.5 Ensuring that clear reporting processes and procedures are in place in relation to diversity issues.
 - 3.6 Undertaking diversity initiatives and measuring their effectiveness.
 - 3.7 Providing diversity education and training.
 - 3.8 Taking action to prevent and stop discrimination, bullying and harassment.
 - 3.9 Actively monitoring recruitment, promotions and turnover and communicating statistics.
- 4 The Company recognises the positive advantages of a diverse workplace including:
 - 4.1 Facilitating employee retention and engagement.
 - 4.2 Enhancing employee productivity.
 - 4.3 Accessing a diverse range of skills, increasing the depth of organisational knowledge and the opportunity for innovation.
 - 4.4 Increasing profitability.
 - 4.5 Increasing shareholder value.

Monitoring compliance

- 5 The Board has delegated the responsibility of monitoring and ensuring diversity within the Company to the Nomination, Remuneration and Governance Committee (**NRG Committee**).

Recruitment and selection processes

- 6 The NRG Committee will:
- 6.1 Review and monitor the Company's recruitment and selection processes to ensure that:
 - 6.1.1 These selection processes facilitate the Company's diversity objectives by attracting and retaining people from equal employment opportunity target groups, and others who together make up a diverse workforce.
 - 6.1.2 Current and potential employees are not discriminated against, bullied or harassed.
 - 6.2 Report any instances of discrimination, bullying or harassment to the relevant senior executive, Managing Director, and the Board for appropriate action to be taken to prevent continuation or recurrence.
 - 6.3 Consider and make recommendations to the Board in respect of diversity initiatives to be undertaken by the Company.

Awareness, skills and development

- 7 To embrace diversity in the Company and assist in the development of a broader pool of skilled and experienced senior management and board candidates, the NRG Committee will ensure that the Company will:
- 7.1 Provide induction, education and training to all employees, senior management and board members regarding diversity initiatives to be undertaken by the Company.
 - 7.2 Provide induction, education and training to staff that are from diverse backgrounds to enhance the retention of new employees and promotion of existing employees to senior management and board positions, including indigenous Australian staff.
 - 7.3 Ensure that employees, senior management and the board attend programs to increase awareness of issues in relation to the employment of staff from diverse backgrounds, including indigenous Australian staff.

Evaluating and managing diversity

- 8 The NRG Committee will regularly (at least annually) gather information on demographics in the Company to:

- 8.1 Ensure that clear reporting processes and procedures are in place regarding the implementation of this Policy.
 - 8.2 Measure the effectiveness of the Company's selection processes and other diversity initiatives.
 - 8.3 Measure the effectiveness of the Company's diversity education and training.
 - 8.4 Actively monitor recruitment, promotions and turnover within the Company, and communicate statistics to the Board with reference to this Policy.
- 9 As part of this process, the NRG Committee may conduct staff surveys or diversity audits to identify areas of weakness and provide suggestions/recommendations to the Board to rectify any weaknesses.
- 10 For the purposes of recommendations 3.2 and 3.3 of the ASX Best Practice Corporate Governance Principles the Board must establish measurable objectives for achieving gender diversity and assess annually both the objectives and progress in achieving them, and to disclose this in the annual report.

Review

- 11 The NRG Committee is to review this Policy annually and make recommendations to the Board on whether changes are required. The Board must consider any recommendation received from the NRG Committee and, where appropriate, amend this Policy.