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**FLUENCE CORPORATION LIMITED  
ACN 127 734 196  
("Company")**

**DIVERSITY POLICY**

**Updated 14 September 2017**

# Contents

**DIVERSITY POLICY..... 3**

# DIVERSITY POLICY

## 1 Introduction

Diversity includes, but is not limited to, an individual's race, ethnicity, gender, sexual orientation, age, physical abilities, educational background, socioeconomic status, and religious, political or other beliefs.

The Company recognises the benefits arising from employee, senior management and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

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## 2 Purpose

The purpose of the Diversity Policy (**the policy**) is to outline the company's commitment to fostering a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management team. The policy also provides a process for the Board to determine measurable objectives which the Company will implement and report against to achieve its diversity goals.

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## 3 Scope

This policy applies to the Board and all Company employees including contractors and temporary employees.

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## 4 Diversity commitment

The Company is committed to:

- Complying with the diversity recommendations published by ASX Corporate Governance Committee by establishing measurable objectives for achieving gender diversity;
- Promoting diversity among employees, consultants and senior management throughout the Company; and
- Keeping shareholders informed of the Company's progress towards implementing and achieving its diversity objectives.

The Board will:

- Aim to ensure that appropriate procedures and measures are introduced and responsibilities delegated to the Remuneration and Nomination Committee to ensure that the Company's diversity commitments are implemented appropriately;
- Seek to ensure that the diversity profile is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates;
- Seek to identify and consider programs and initiatives that:
  - Assist in the development of a broader pool of skilled and experienced Board candidates, in particular women,

- Assist with enhancing employee retention, in particular that of women from middle management,
- Assist with minimising career disruption when employees take time out of the workplace to meet other obligations and attempt to re-enter the workforce; and,
- Facilitate or permit employees to access such programs or initiatives where reasonable, possible and in line with the needs and objectives identified by the diversity profile.

While the key focus of the Diversity Policy and the ASX Corporate Governance Council's recommendations is on promoting the role of women within organisations, the Company recognises that other forms of diversity are also important and will seek to promote and facilitate a range of diversity initiatives throughout the Company beyond gender diversity.

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## 5 Responsibilities and Accountabilities

Supporting workplace diversity is the responsibility of everyone in the Company:

### **The Board**

- Establishing the Company's Diversity Policy;
- Establishing and monitoring the Company's diversity strategy;
- Establishing measurable objectives for achieving diversity that are linked to the Company's circumstances and industry; and
- Annually assessing the objectives and the progress in achieving them.

### **Remuneration & Nomination Committee**

- Addressing strategies on Board diversity;
- Conducting all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts, where necessary;
- Advising on measurable objectives for achieving diversity, and annually assessing the objectives and the progress in achieving them;
- Reviewing and monitoring appropriate procedures to ensure the policy is implemented, which may include additional measurable objectives in relation to other aspects of diversity as identified in the policy;
- Reporting and, where appropriate, making recommendations to the Board in relation to the above matters.
- Reviewing and making recommendations to the Board regarding remuneration by gender; and
- Reviewing and reporting to the Board, at least annually, on the proportion of women and men at all levels of the Company, and their relative levels of remuneration.

### **CEO**

The CEO is responsible to the Board for:

- The implementation of this policy;

- The development, implementation, maintenance and review of the appropriate structures, systems, policies and procedures to support the Company's diversity strategy; and
- Reporting to the Board and Remuneration and Nomination Committee on performance objectives and on the implementation of diversity initiatives and programs.

### **Senior Executives**

Senior executives of the Company are responsible to the CEO for:

- The practice and promotion of behaviour that is consistent with the Company's values and this policy;
- The incorporation of workplace diversity principles into their team and management practices;
- The recognition and use of the diverse skills and knowledge of employees;
- Support for employees who seek flexible work arrangements and leave entitlements, subject to business needs;
- Providing a workplace that is free from discrimination and harassment;
- Ensuring meetings, travel and other work arrangements do not place inappropriate pressure on employees with personal or other family commitments; and
- Resolving workplace issues in a timely, sensitive and effective manner wherever possible and in accordance with applicable law.

### **Employees**

All employees are responsible for:

- Behaving in a way that is consistent with the Company's values and this policy;
- Respecting different ways of thinking and working to maintain a workplace that is inclusive and free from discrimination;
- Supporting employees who access flexible work arrangements;
- Being aware of the Company's diversity initiatives and, where appropriate, being involved.

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## 6 Measurable objectives

### Setting measurable objectives

The Board, in consultation with the Remuneration and Nomination Committee, will set measurable objectives for achieving diversity, in particular gender diversity, in accordance with this policy and the diversity targets set by the Board from time to time and will review the effectiveness and relevance of these measurable objectives on an annual basis.

### Determining the measurable objectives

The measurable objectives should identify ways and, where applicable, specify benchmarks against which the achievement of diversity is measured, in order for the Board to assess and report annually on the Company's progress towards achieving its diversity goals.

In order to set meaningful objectives, the Board (in consultation with the Remuneration & Nomination Committee) will assess its current diversity levels and identify where gaps exist. Measurable objectives will then be developed which are tailored towards improving diversity in areas where most improvement is needed.

#### Periodic review

As part of the commitment to achieving and maintaining effective diversity policies, the Board and the Remuneration & Nomination Committee will perform regular reviews of the changes in diversity throughout the organisation.

#### Measurable objectives as key performance indicators

The Board, in consultation with the Remuneration & Nomination Committee, will consider the extent to which the achievement of these measurable objectives should be tied to key performance indicators for the Board, the CEO and other senior management.

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## 7 Strategies

Strategies to help achieve the Company's diversity objectives include:

- Facilitating a corporate culture that embraces diversity and recognises employees at all levels have responsibilities outside of the workplace;
- Ensuring that meaningful and varied development opportunities are available to all employees to enhance the retention of new employees and promotion of existing employees;
- Recruiting from a diverse pool of candidates for all positions, including Board and senior management appointments; and
- Reviewing succession plans to ensure an appropriate focus on diversity.

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## 8 Annual disclosure to shareholders

The Board will include in the Annual Report each year:

- Measurable objectives, if any, set by the Board; progress against achieving the objectives; and
- The proportion of women employees in the whole organisation, at senior management level and at Board level.

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## 9 Publication

A copy of this policy will be made available on the Company's website and to the ASX to the extent necessary.

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10 Review of this Policy

The Diversity Policy will be reviewed annually by the Remuneration and Nomination Committee to ensure that it remains relevant and appropriate to the Company.

External reviews of this policy may be undertaken at the request of the Board from time to time.