

APN | Property Group

Diversity Policy

July 2016



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1 Purpose of this policy

The purpose of this policy is to:

- (a) formally acknowledge the importance of diversity within the APN Group, as the Board is committed to promoting diversity within the APN Group and having a positive culture that supports diversity – particularly with respect to gender;
- (b) articulate the APN Group's commitment to diversity within the organisation at all levels (including employee level, senior executive level and board level); and
- (c) provide a framework for establishing objectives and procedures which are designed to foster and promote diversity at APN Group. This includes placing obligations on APN Group and the Board to set objectives, measure against those objectives and disclose progress at appropriate intervals.

This Diversity Policy has been developed in accordance with Recommendation 1.5 of the ASX Governance Recommendations.

2 Corporate benefits of diversity for the APN Group

The Board believes that there are a vast number of corporate benefits to be derived by the APN Group in fostering and, more importantly, achieving and maintaining diversity within the composition of the APN Staff. These benefits include:

- (a) ensuring that a range of different perspectives can be brought to the table when reviewing and considering issues within the APN Group;
- (b) finding new and innovative solutions for the benefit of the APN Group and our investors;
- (c) assisting with employee retention and employee engagement strategies;
- (d) enabling us to connect more effectively with our entire network of investors, business counterparts, advisers and others within the investment community; and
- (e) supporting our goal to continually improve in our overall governance practices as a socially responsible fund and investment manager.

3 Board obligations

3.1 Overview of obligations

In accordance with this Diversity Policy, the Board must:

- (a) establish measurable objectives for achieving gender diversity (**Diversity Objectives**), having regard to the principles for setting the Diversity Objectives (outlined below in clause 3.2);
- (b) annually review the Diversity Objectives;
- (c) annually review the APN Group's progress towards achieving the Diversity Objectives; and

- (d) consider what mix of skills and diversity it wants to see on the Board and the board of APN FM (in conjunction with the APN FM Nomination and Remuneration Committee).

3.2 Principles for setting the Diversity Objectives

In order to set meaningful Diversity Objectives, the Board will consider factors such as the Gender Equality Indicators and the composition of its Board and in respect of the APN Staff, having regard to matters such as gender, age, ethnicity and cultural background, and will identify areas for improvement. The Gender Equality Indicators are the indicators prescribed under the *Workplace Gender Equality Act 2012*.

The Board has committed to considering a wide range of types of objectives including:

- (a) setting diversity targets to increase representation and participation within certain roles (eg senior executive) or salary bands;
- (b) linking diversity targets to Board and senior executive KPIs;
- (c) entrenching flexible work arrangements within the APN Group;
- (d) implementing structural measures, such as having a senior employee responsible for diversity and setting up review mechanisms to track progress against the Diversity Objectives and other reportable data on a regular basis; and
- (e) investing in appropriate programs aimed at providing leadership and development opportunities for female members of APN Staff.

4 Company obligations

4.1 Operational/structural obligations

Under this Diversity Policy, APN Group will measure, on at least an annual basis:

- (a) its progress in achieving the Diversity Objectives; and
- (b) the proportion of women:
 - (i) employed in the whole organisation;
 - (ii) employed in senior executive positions; and
 - (iii) on the Board and also on the board of APN FM.

4.2 Disclosure obligations

Under this Diversity Policy, APN PG will annually disclose in its annual report:

- (a) the Diversity Objectives set by the Board;
- (b) the progress by APN Group in achieving the Diversity Objectives;
- (c) the proportion of women:

- (i) employed in the whole organisation;
 - (ii) employed in senior executive positions (including how the APN Group has defined “senior executive” for these purposes); and
 - (iii) on the Board and also on the board of APN FM;
- (d) the Board’s statement about what mix of skills and diversity it wants to achieve in the Board’s membership; and
- (e) if applicable, the extent to which APN Group does not comply with Recommendation 1.5 in the ASX Governance Recommendations.

5 Compliance with legislation

APN Group recognises it may have, or may have in future, obligations under the *Workplace Gender Equality Act 2012* and other legislation in relation to gender equality and diversity more generally (including reporting obligations and obligations to develop programs for gender equality).

APN Group will continue to comply with those obligations and to the extent necessary, may amend this Diversity Policy to ensure it complies with those obligations.

6 Disclosure of this Policy

This policy, or a summary of it, will be published on APN Group’s website under the Shareholders/Governance page, or other such page as APN Group deems appropriate.

7 Definitions

In this policy, unless the context otherwise requires:

APN FM means APN Funds Management Limited.

APN Group means APN PG and any of its controlled or related entities (which includes APN FM).

APN PG means APN Property Group Limited.

APN Staff means and includes any director, officer, senior manager or other employee of APN PG or APN FM and any other employee of or consultant to an APN Entity as designated by the board of APN PG or APN FM.

ASX means the Australian Securities Exchange.

ASX Governance Recommendations means the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations.

Board means the board of directors of APN PG.