

Rural Funds Management Limited

Diversity Policy

Last updated 8 November 2018

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1. Introduction

1.1. Background

Workplace diversity refers to the variety of differences between people in an organisation. Diversity encompasses acceptance and respect. It is an understanding that each individual is unique, and a recognition of our individual differences. These differences can include ethnicity, gender, sexual orientation, age, physical abilities, family status, religious beliefs, experience or other ideologies.

Diversity is increasingly seen as an asset to organisations and linked to better economic performance. Research shows that the most engaged employees are those working in an open, fair and diverse environment.

1.2. Scope

This policy applies to RFM’s Board of Directors and all employees of the company and its managed and/or owned entities.

1.3. Purpose

This policy provides the framework by which RFM actively manages and encourages diversity and inclusion across the organisation.

1.4. Roles and responsibilities

Position	Role
RFM Board	<ul style="list-style-type: none"> - Policy approval; - Annual assessment of the measurable objectives and the progress in achieving them; - Reporting to Members on the objectives of this policy via the RFF Annual Report and the RFP Annual Report if relevant and appropriate, including the proportion of women employed, the proportion of women in executive positions and the proportion of women on the Board.
National Manager – Human Resources	<ul style="list-style-type: none"> - Overall accountability for the implementation of this policy; - Responsible for administering, monitoring and ongoing review of this policy (including the scope and currency); - Report to the MD (at least annually) on the organisation’s progress with respect to this policy including its progress against all measurable objectives; - Annual evaluation of the effectiveness of this policy, in conjunction with the Company Secretary; - Annual report to the Board on the progress towards achieving the objectives set out in this policy, in conjunction with the Company Secretary.

Position	Role
Managing Director, Executive Management, Business Unit Managers	- Responsible for implementing and monitoring the progress of the objectives of this policy through the monitoring, evaluation and reporting mechanism as identified in this policy.
All Staff	- All staff have responsibilities to support and respect equity, workplace diversity, ethical practices, workplace safety and to help prevent unlawful discrimination and harassment or bullying in our workplace.

1.5. Key definitions

Term	Explanation
Company or RFM	Rural Funds Management Limited.
Company Secretary	Means the company secretary of the Company from time to time.
Director	Means a director of the Company.
Diversity (workplace)	Means the variety of differences between people in an organisation. Diversity refers to the visible and invisible differences that exist between people including (but not limited to) gender, culture, race, ethnicity, physical impairment, sexual orientation, age, language, religion, nationality and family/marital status. It also refers to diverse ways of thinking and ways of working.
Leadership Team	Means the Directors, Chief Operating Officer, Managing Director, Executives, Company Secretary and National Manager – Human Resources of the company from time to time and any other persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.
Members	Investors in RFF and RFP
RFF	Means Rural Funds Group which is the collective term for an RFM managed stapled entity listed on the ASX encompassing Rural Funds Trust and RF Active
RFP	Means RFM Poultry, an RFM managed entity listed on the NSX
RFT	Means Rural Funds Trust
RFA	Means RF Active

1.6. Policy review and revision

The National Manager – Human Resources will review this policy annually. The policy may be updated more regularly if required as a result of regulatory changes, significant licence changes or changes in the circumstances or operations of RFM.

2. Guiding Principles

2.1. Commitment

RFM recognises that its employees are its greatest assets. RFM's management team has a range of employees with the depth of skills and capabilities to ensure the ongoing strength, continuity and stability of RFM.

RFM has women in management positions and as members of various committees. RFM is committed to ensuring it continues to maintain a gender balanced business with women represented throughout the organisation.

RFM aims to attract and retain people with diverse skills, experience and background to deliver a profitable and sustainable business for our investors.

RFM respects people as individuals and values their difference. RFM is committed to creating a working environment that is fair and flexible, promotes personal and professional growth, and benefits from the capabilities of its diverse workforce.

2.2. Objectives

RFM's guiding principles with respect to diversity are:

- To treat employees, prospective employees, contractors, consultants, members and suppliers fairly and equally regardless of their age, sexuality, culture/ethnicity, language and religious beliefs, and regardless of any disability or flexible workplace practices;
- To value diversity by maintaining a safe work environment and taking action against inappropriate workplace behaviour including discrimination, harassment, bullying and victimisation;
- To promote an organisational structure that values diversity and tolerates differences by developing and offering work arrangements that help to meet the needs of a diverse work force;
- To promote the recruitment of employees and directors impartially from a diverse field of suitably qualified candidates;
- To provide learning and development strategies and opportunities to develop the knowledge skills and experience of all employees; and
- To provide innovative policies and practices to enable employees to balance their work and life commitments and perform at their best.

3. Workforce Diversity and Inclusion

3.1. Workforce Diversity Approach

To achieve a diverse and inclusive workforce, RFM supports the following practices:

(a) *Recruitment, promotion and selection*

When hiring and promoting candidates for specific roles, management will consider issues of diversity in relation to requirements and expectations of the relevant role, selection and appointment processes, to ensure there is no intended or unintended discrimination throughout the process. Appointments will be made based on selecting the best candidate with the strongest combination of skills, experience and formal qualifications for the role.

(b) *Remuneration*

Management will endeavour to ensure that there is no intended or unintended discrimination towards, or against employees of particular diversity dimensions in relation to the remuneration that they receive for their work.

The board will approve annually the company's remuneration.

(c) *Performance management*

Management will endeavour to ensure that performance review methodologies and processes are consistently applied to relevant groups of individuals in relation to reviews of their performance.

(d) *Flexible work arrangements*

RFM recognises the importance of providing flexible work arrangements for employees to enable them to balance personal and work responsibilities and for the continued success of the company.

In recognition of flexible work practices and to assist employees to meet their personal responsibilities outside of work, RFM has in place an established framework which enables and encourages transparent and cooperative discussion on contemplated flexible work arrangements. The framework outlines the process for implementation and ongoing management of those arrangements in accordance with applicable statutory requirements.

(e) *Leave policies*

RFM understands that its employees have changing needs during different life and career stages. A range of leave options are available to employees to help them manage those changes. These may include parental leave, leave without pay, career break, personal/carer's leave, domestic violence leave, community service leave and

the option to purchase additional leave.

(f) *Workplace conduct*

RFM is committed to eliminating all forms of unlawful discrimination, unlawful harassment, bullying and victimisation of persons in the workplace. RFM's Code of Conduct is an important part of the company's legislative requirements and also supports RFM's commitment to maintain a workplace where all staff can work without fear of unacceptable workplace conduct impacting them.

(g) *Health, safety and environmental policies and procedures*

The health and safety of RFM's employees, visitors, contractors and customers (investors and advisers) are essential to RFM's long term success. RFM is committed to providing a healthy and safe place of work.

3.2. Board & Management Appointed Committees Diversity

- (a) RFM is committed to attracting and retaining a Board of Directors whose composition reflects a diversity of backgrounds, knowledge, experience and abilities.
- (b) The board will consider issues of diversity in developing selection criteria, skills mix and process for recommending the candidates for appointment to the board.
- (c) The board and management will endeavour to ensure that there is no intended or unintended discrimination towards, or against candidates of particular diversity when it comes to nominating members for roles on membership committees. They will seek to attract a diverse pool of suitably skilled candidates for available positions.
- (d) The board and management will make appointments to membership committees based on merit. However, they will also consider issues of diversity when developing the skills mix, processes for appointment and when making appointments to relevant committees.

4. Monitoring and Reporting

4.1. Monitoring and Reporting

The National Manager – Human Resources will monitor, review and report (at least annually) to the board in respect of the company's progress against all measurable objectives introduced and diversity statistics.

The National Manager – Human Resources, will evaluate the effectiveness of this policy annually. The board will assess the measurable objectives and the progress in achieving them.

The annual report for RFF, and RFP if relevant, will contain details of any measurable objectives set by the board in accordance with this policy and RFM's progress toward achieving them. In addition, RFM will disclose in the annual report details of the proportion of women employees in the company and executive positions and on the board.

4.2. Compliance and Training

RFM will comply with any regulatory or reporting requirements with respect to diversity in the workplace.

All employees are responsible to support and respect equity, workplace diversity, ethical practices, workplace safety and to help prevent unlawful discrimination and harassment or bullying in our workplaces.

RFM will continue to build awareness with staff of their rights and responsibilities with regard to equity, integrity and diversity. Management will deliver to all employees regular (at least every two years) compliance training in relation to legislative and other responsibilities relating to anti-discrimination, workplace harassment and bullying, and equal employment opportunity.

5. Document Information

5.1. Primary Contact

For all enquiries or proposed changes, please contact:

Document Owner: National Manager – Human Resources

5.2. Version Control – Word Doc whilst in Draft (PDF = Final)

Version	Date	Comments	Initials
1.0	15 July 2013	First draft	LW
1.1	4 September 2013	Review	SW
1.2	20 March 2014	Amendments (RF Active)	LW
1.3	6 May 2014	Amendments (as approved by the Board on 30 April)	LW
1.4	21 August 2014	Amendments	LW
1.5	1 October 2015	Annual Review	KS
1.6	4 August 2016	Annual Review	KS
1.7	23 November 2017	Annual Review	SM
1.8	6 July 2018	Annual Review and amendments	KS
1.9	8 November 2018	Title changes. Removal of EMFM	SM
2.0			
FINAL			

5.3. Authorisation and Sign-off

Date	Name	Position / Department	Sign-Off
25/9/2013	RFM Board	Board approval	Approved
25/3/2014	RFM Board	Board approval	Approved
30/4/2014	RFM Board	Board approval	Approved
10/9/2014	RFM Board	Board approval	Approved
22/10/15	RFM Board	Board approval	Approved
23/08/16	RFM Board	Board Approval	Approved
25/07/2018	RFM Board	Board Approval	Approved
28/11//2018	RFM Board	Board Approval	Approved

5.4. Acronyms / Definitions Used Throughout the Document

Acronym	Description
RFM	Rural Funds Management Limited (RE)
RE	Responsible Entity
RFA	RF Active
RFT	Rural Funds Trust
RFF	Rural Funds Group which is the collective term for the RFM managed stapled entity listed on the ASX encompassing Rural Funds Trust and RF Active.
RFP	RFM Poultry
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange Limited

5.5. References (Related Policies / Procedures and Requirements)

Related Policies / Procedures / Documents
Corporate Governance Charter
Code of Conduct
Employment Handbooks (induction)
Employment and HR policies
Legislation / Other References
<i>Corporations Act 2001 (Cth)</i>
ASX Listing Rules
ASX Corporate Governance Principles and Recommendations with 2010 Amendments