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Diversity Policy

Owner	Company Secretariat			
Policy Authorised by	Board			
Changes to be approved by	P Nair			
Direct questions on Policy to	P Nair or A Dash			
Policy to be reviewed no later than	Annually			
Version control	Date	Version	Nature of Change	Approved by (Name)
	June 2011	1.1		

DIVERSITY POLICY

CARBON ENERGY LIMITED ("COMPANY")

The Company is committed to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of diverse skills and talent from its directors, officers and employees.

Diversity involves recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal factors. The Company values the differences between its people and the contribution these differences make to the Company.

Role of the Board

It is the responsibility of the Board to foster an environment where:

1. Individual differences are respected.
2. The ability to contribute and access employment opportunities is based on performance, skill and merit.
3. Inappropriate attitudes, behaviours and stereotypes are confronted and eliminated.

Objectives

The Company encourages diversity in employment, and in the composition of its Board, as a means of ensuring the Company has an appropriate mix of skills and talent to conduct its business and achieve the Company's goals.

Specifically, the Company will provide equal opportunities in respect to employment and employment conditions, including:

1. **Hiring:** The Board will ensure appropriate selection criteria based on skills, experience and perspectives is used when hiring new staff, including Board members. Job specifications, advertisements, application forms and contracts will not contain any direct or inferred discrimination. Management is empowered to engage professional consultants to assist in the hiring process by presenting diverse candidates to the Company for consideration.
2. **Training.** All internal and external training opportunities will be based on merit and in light of Company and individual needs. The Company will consider senior management training and executive mentoring programs to develop skills and experience to prepare employees for senior management and Board positions.
3. **Career Advancement.** All decisions associated with career advancement, including promotions, transfers, and other assignments, will meet the Company's needs and be determined on skill and merit.

Policy Statement

By valuing and managing diversity the Company will:

- Facilitate equal employment opportunities based on skill, ability, prior experience and potential performance;
- Ensure that all officers, employees and contractors have access to a work environment that is free from harassment;
- Not permit unwanted conduct based on an officer, employee or contractor's personal circumstances or characteristics by taking action against inappropriate workplace and business behaviour that does not value diversity including discrimination, sexual, racial or

- other harassment and ensuring complainants or reports are treated confidentially, and sympathetically by the Company;
- Meet the relevant requirements of legislation and the Board;

Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Company's *Diversity Policy* and report violations or suspected violations in accordance with this *Diversity Policy*.

The Board will proactively monitor Company performance in meeting the standards and policies outlined in this Policy. This will include an annual review of the diversity objectives set by the Board, and its progress in achieving them.

The Board will consider setting key performance indicators for the Board, the Chief Executive Officer and senior executives that are linked to the achievement of the diversity objectives set by the Board.

Compliance with this Diversity Policy

Any breach of compliance with this *Diversity Policy* is to be reported directly to the Managing Director, Chair or Company Secretary, as appropriate. Anyone breaching this *Diversity Policy* may be subject to disciplinary action, including termination.

SUMMARY OF DIVERSITY POLICY

The Board has adopted a Diversity Policy which describes the Company's commitment to ensuring a diverse mix of skills and talent exists amongst its directors, officers and employees, to enhance Company performance. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of directors, officers and employees. The Diversity Policy outlines the process by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company. The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.