

DIVERSITY POLICY

1. OVERVIEW

- 1.1 McGrath Limited (**McGrath** or the **Company**) is committed to workplace diversity and inclusion at all levels of the Company regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience. This policy reflects the Company's Values.
- 1.2 The Board of Directors of the Company is responsible for the overall management of the Company, including guidance as to strategic direction, ensuring best practice corporate governance and oversight of management. The Company recognises the benefits arising from employee 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.
- 1.3 In order to have an inclusive workplace, the Company does not tolerate discrimination, harassment, bullying, vilification and victimisation.
- 1.4 Diversity drives the Company's ability to attract, retain and develop the best talent, create an engaged workforce, deliver the highest quality services to its customers and continue to grow the business. However, other selection criteria, in particular business acumen, appropriate skills and industry experience, are also fundamentally important to the Company.
- 1.5 To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
- 1.6 The Diversity Policy does not form part of an employee's contract of employment with the Company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the Company with which an employee is expected to comply.

2. OBJECTIVES

- 2.1 The Diversity Policy provides a framework for the Company to achieve:
 - a) a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
 - b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
 - c) improved employment and career development opportunities for women;
 - d) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
 - e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.(collectively, the Objectives).
- 2.2 The Diversity Policy does not impose on the Company, its directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

- 2.3 The strategies outlined below aim to achieve the objectives of this Policy by:
- a) setting measurable objectives relating to diversity (including gender) at all senior management and leadership levels;
 - b) broadening the field of potential candidates for senior management and
 - c) Board appointments; and
 - d) embedding the extent to which the Board has achieved the objective of this Policy in the evaluation criteria for the annual Board performance review.
- 2.4 The Company's diversity strategies include:
- a) recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
 - b) the requirement of at least one female candidate to be shortlisted for all appointments including executive and Board positions if a suitably qualified candidate exists in the applications;
 - c) reviewing succession plans to ensure an appropriate focus on diversity;
 - d) identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
 - e) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development;
 - f) provide opportunities for employees on extended parental leave to maintain their connection to the entity;
 - g) developing a culture which takes account of domestic responsibilities of employees; and
 - h) any other strategies the Board develops from time to time.

3. PROMOTING DIVERSITY

- 3.1 To facilitate greater diversity in management and leadership roles, the Company will:
- a) introduce and supplement the measures outlined in this Policy; and
 - b) continue to improve upon our policies which address impediments to diversity in the workplace (including parental leave, job sharing, working from home, part-time work and flexible working arrangements that assist employees to fulfil their domestic responsibilities), and review these policies so they are available to and utilised by people of different genders, ethnicities and cultural backgrounds, disabilities, ages and educational experiences at senior management levels; and
 - c) monitor the effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented employees from a diverse range of backgrounds.

4. MEASURABLE OBJECTIVES

- 4.1 Each year the Board will set measurable objectives with a view to progressing towards diversity and a balanced representation of women in the business.
- 4.2 Performance against these objectives will be reviewed annually by the Remuneration and Nomination Committee, as part of its annual review of the effectiveness of this Policy.

- 4.3 The Board will include in the Company's Annual Report each year:
- a) a summary of the Company's progress towards achieving the measurable objectives set under this Policy for the year to which the Annual Report relates; and
 - b) details of the measurable objectives set under this Policy for the subsequent financial year.

5. GENDER REPRESENTATION REVIEW

- 5.1 On an annual basis, the Remuneration and Nomination Committee will review the proportion of women who are employed by the Company as a whole. The Remuneration and Nomination Committee will report to the Board outlining its findings.
- 5.2 The Company will disclose in its Annual Report the proportion of women employees in senior executive positions, on the Board and in the Company as a whole.

6. RECRUITMENT, SELECTION AND SUCCESSION PLANNING

6.1 Succession planning

The Remuneration and Nomination Committee advises the Board on the development and succession planning process for the Chief Executive Officer (**CEO**), the Chief Financial Officer (**CFO**) and their direct reports. In discharging this responsibility, the Remuneration and Nomination Committee will have regard to diversity criteria.

6.2 Board appointment process

The Remuneration and Nomination Committee undertakes work on behalf of the Board to identify qualified individuals for appointment to the Board. In identifying candidates, the Remuneration and Nomination Committee will have regard to the selection criteria set out in the Board appointment process, which will include:

- a) skills, expertise and background that add to and complement the range of skills, expertise and background of the existing Directors;
- b) diversity; and
- c) the extent to which the candidate would fill a present need on the Board.

7. DISCLOSURE OF POLICY

- 7.1 A summary of this Policy and the Company's achievement of the Policy's objectives will be disclosed in the Annual Report.

8. REVIEW OF POLICY

- 8.1 The Remuneration and Nomination Committee is responsible for the review and oversight of this Policy. In executing this role, the Remuneration and Nomination Committee will, with the appropriate support and input from management:
- a) review on an annual basis:
 - i) the effectiveness of this Policy, its objectives and the strategies outlined above, which aim to achieve the objective;
 - ii) the division of responsibilities and accountability for developing and implementing diversity initiatives across the organisation; and
 - b) provide a report to the Board on the outcomes of its review, including any recommendations for changes to those strategies or the way in which they are implemented.