

Workplace Diversity Policy

December 2015



1.0 Introduction

Lion Energy Limited (“Lion” or the “Company”) and all its related bodies corporate are committed to increasing our workplace diversity.

Lion 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.

Diversity includes, but is not limited to, gender, age, nationality, race, religious beliefs, cultural background, sexuality, marital status or physical ability.

As such, the Board has adopted a policy to recruit and manage on the basis of qualification for the position and performance, regards of gender, age, nationality, race, religious beliefs, cultural background, sexuality, marital status or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

To the extent practicable, Lion will address the recommendations and guidance provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (“ASX Principles”).

This 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 this policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, this Diversity Policy forms a direction of the Company with which an employee is expected to comply.

2.0 Objectives

This 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).

This 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 antidiscrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

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3.0 Responsibilities

3.1 The Board's Commitment

Lion's Board is committed to increasing workplace diversity as Lion grows and builds its workforce, with a particular focus on supporting the representation of women at the senior level of the Company and on the Company Board.

The Board is responsible for developing measurable objectives and strategies to meet the Objectives of the Diversity Policy ("Measurable Objectives") and monitoring the progress of the Measurable Objectives through the monitoring, evaluation and reporting mechanisms listed below.

The Board may also set Measurable Objectives for achieving gender diversity and monitor their achievement.

The Board will conduct 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.

3.2 Strategies

Lion is accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company's business and affairs and setting its strategic direction, establishing and overseeing the Company's financial position.

Lion's diversity strategies include:

- (a) recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- (b) reviewing succession plans to ensure an appropriate focus on diversity;
- (c) identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
- (d) 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;
- (e) developing a culture which takes account of domestic responsibilities of employees; and
- (f) any other strategies the Board develops from time to time.

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4.0 Board Selection Process

The Directors determine the composition of the Board which must be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.

Lion does not presently have a Nomination Committee, as it is not of a relevant size to consider formation of a nomination committee, to deal with the selection and appointment of new Directors. Nominations for new Directors are considered by the full Board with the aim of ensuring that there is a range of skills represented.

5.0 Monitoring and Evaluation

The Chairman will monitor the scope and currency of this policy.

The Company is responsible for implementing, monitoring and reporting on the Measurable Objectives.

Measurable Objectives as set by the Board will be included in the annual key performance indicators for the Chief Executive Officer and senior executives.

In addition, the Board will review progress against the Measurable Objectives as a key performance indicator in its annual performance assessment.

6.0 Reporting

The Board will include in the Annual Report each year:

- (a) the Measurable Objectives, if any, set by the Board;
- (b) progress against the Measurable Objectives; and
- (c) the proportion of women employees in the whole organisation, at senior management level and at Board level.

7.0 Roles and Responsibilities

Every employee within the Company is responsible for supporting and maintaining Lion's corporate culture, including its commitment to diversity in the workplace.

8.0 Review and Amendments to this Policy

This policy will periodically be reviewed by the Board to ensure it complies with any applicable legal requirements and remains relevant and effective and may be amended by the Board by resolution.

9.0 Publication of this Policy

This policy will be made available on Lion's website.