

Diversity Policy

1. INTRODUCTION

Alliance Resources Limited (referred to hereafter as the “**company**”) and all its subsidiaries (referred to hereafter as the “**consolidated entity**”) are committed to workplace diversity. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The consolidated entity 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, increasing shareholder value, enhancing the probability of achievement of the consolidated entity’s objectives and benefiting from all available talent.

To the extent practicable, Alliance Resources Limited has adopted the recommendations provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition, 2010) as amended from time to time (**ASX Principles**) and in particular to the recommendations regarding diversity.

This Diversity Policy is to complement existing employment related policies and documentation. The Diversity Policy does not form part of an employee's contract of employment with the consolidated entity, nor give 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, this Diversity Policy forms a direction with which an employee of the consolidated entity is expected to comply.

2. OBJECTIVES

The Diversity Policy provides a framework for Alliance Resources Limited to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;

- 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
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Diversity Policy does not impose on Alliance Resources Limited, its directors, officers, agents or employees 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.

3. RESPONSIBILITIES

3.1 The Board's Commitment

The company's board is committed to workplace diversity, with a particular focus on supporting the representation of women at senior management level and on the Alliance Resources Limited Board. In light of the implementation of the ASX Principles and this Diversity Policy, the Charter of the Nomination Committee has been reviewed and amended in respect of the nomination and appointment of directors.

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

The Nomination Committee 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

The company's diversity strategies include:

- recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- reviewing succession plans to ensure an appropriate focus on diversity;

- identifying specific factors to take into account in the recruitment and selection processes to encourage diversity;
- formulating 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;
- promoting a culture which supports the domestic responsibilities of employees; and
- other strategies the Board or Nomination Committee develop from time to time.

4. MONITORING AND EVALUATION

The company's board will monitor the scope and currency of this Diversity Policy.

The Nomination Committee is responsible for implementing, monitoring and reporting on the Measurable Objectives. Management will report to the Nomination Committee Chairman on the Measurable Objectives within the consolidated entity.

Measurable Objectives as set by the Nomination Committee will be included in the annual key performance indicators for the CEO and senior executives.

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

5. REPORTING

The Nomination Committee will report to the Board on progress against the Measurable Objectives on a six-monthly basis.

The Nomination Committee will report annually to the Board on the achievement of the objectives.

The Board will include in the Annual Report each year on and from the year commencing 1 July 2011:

- measurable Objectives, if any, set by the Board;
- progress against achieving the Objectives; and

the proportion of women employees in the whole organisation, at senior management level and at Board level.

6. COMPLIANCE REQUIREMENTS

The company will meet its obligations with respect to the issue of diversity, as may be required under the ASX Principles and other regulatory requirements (if any), including by:

- establishing this Diversity Policy as a compliant policy under ASX Principle 3.2(a) by:
 - establishing Measurable Objectives for achieving gender diversity; and
 - the board assessing annually the Measurable Objectives for achieving gender diversity and the progress in achieving them.
- disclosing this Diversity Policy or a summary of it under ASX Principle 3.2(b).
- in its annual report, and in the terms of ASX Principle 2.4, disclosing the process the board adopts and the criteria the board takes into consideration in its selection of prospective new directors.
- in its annual report, and in the terms of ASX Principles 3.3 and 3.4, disclosing:
 - the Measurable Objectives for achieving gender diversity set by the board in the terms of this Diversity Policy;
 - the progress from time to time towards achieving them;
 - the proportions in the consolidated entity (relative to their male counterparts) of female employees across the consolidated entity, in senior executive positions and on the board.
- incorporate into the corporate governance statement in the Company's annual report a statement as to the mix of skills and diversity that the board is looking to achieve in its membership, in the terms of ASX Principle 2.6.

The Company Secretary will assume line responsibility to assure that the Company meets its compliance and reporting obligations referred to above, including collecting and collating all relevant data and ensuring that management processes and systems are adequate and effective for such reporting obligations to be met.

7. OVERRIDING CAVEAT

Nothing in this Diversity Policy shall be taken, interpreted or construed so as to endorse:

- the principal criteria for selection and promotion of people to work within the consolidated entity being other than their overall relative prospect of adding value to

the consolidated entity and enhancing the probability of the consolidated entity achieving its objectives;

- any discriminatory behaviour by or within the consolidated entity contrary to the law, or any applicable codes of conduct or behaviour for the consolidated entity and its personnel;
- any existing person within the consolidated entity in any way feeling threatened or prejudiced by this Diversity Policy in their career development or otherwise, merely because their diversity attributes at any time may be more, rather than less, common with others.

8. APPROVAL

This Diversity Policy was approved by the board on **21 September 2011** and replaces any previous versions of the policy. The board may change this Diversity Policy by resolution.