



Diversity policy

NOVONIX Limited ACN 157 690 830

Adopted on May 16, 2022

Table of contents

- 1 Introduction----- 1**
 - 1.1 Commitment to diversity 1
 - 1.2 Purpose 1

- 2 Diversity ----- 1**
 - 2.1 What is diversity? 1
 - 2.2 Corporate culture 1
 - 2.3 Diversity commitments 2
 - 2.4 Implementing Diversity commitments 2

- 3 Measurable objectives ----- 3**
 - 3.1 Setting measurable objectives 3
 - 3.2 How will the measurable objectives be determined? 3
 - 3.3 Types of measurable objectives 3
 - 3.4 Periodic review 3
 - 3.5 Measurable objectives as key performance indicators 3

- 4 Annual disclosure to Shareholders----- 4**
 - 4.1 Purpose of reporting 4
 - 4.2 What will be reported? 4
 - 4.3 Board selection process 4
 - 4.4 Responsibility 4

- 5 Miscellaneous ----- 5**
 - 5.1 Review of policy 5
 - 5.2 7.2 Endorsement 5

- 6 Definitions and interpretation----- 7**
 - 6.1 Definitions 7
 - 6.2 Interpretation 7

Diversity Policy

NOVONIX Limited ACN 157 690 830

1 Introduction

1.1 Commitment to diversity

NOVONIX Limited ACN 157 690 830 (**NOVONIX**) acknowledges the positive outcomes and better overall performance that can be achieved through a diverse workplace, including the ability to attract, retain and motivate directors, officers and employees from the widest possible pool of available talent.

NOVONIX recognises and utilises the contribution of diverse skills and talent from its directors, officers and employees. NOVONIX also recognises that in order to have an inclusive workplace, discrimination, bullying, harassment, vilification and victimisation cannot and will not be tolerated.

NOVONIX recognises that Diversity is not only key to the NOVONIX's financial success but also is a key contributor to delivering a diverse range of welcoming spaces to our diverse community.

NOVONIX actively promotes Diversity so we can attract exceptional employees from all walks of life. We know that a diverse and inclusive culture drives discourse and ideas generation and not only leads to business success but also to a more enjoyable working environment.

1.2 Purpose

The purpose of this policy is to outline NOVONIX's commitment to fostering a corporate culture that embraces Diversity and, in particular, focuses on the composition of its Board and senior management. The policy also provides a process for the Board to determine measurable objectives and procedures which NOVONIX will implement and report against to achieve its Diversity goals.

2 Diversity

2.1 What is Diversity?

Diversity and inclusion encompasses acceptance and respect of the variety of visible and non-visible differences between people throughout and also beyond our organisation. These differences can include gender, gender identity, marital or family status, sexual identity, age, physical and intellectual abilities, ethnicity, religious beliefs, nationality and cultural background, thinking styles, education, socioeconomic backgrounds, perspective and experience. Diversity also includes the many other aspects of how we self-identify.

2.2 Diversity commitments

In order to foster a corporate environment where employee and Board Diversity are achievable and maintainable, NOVONIX and its Board are committed to:

- (a) ensuring that NOVONIX's corporate culture and values at all levels supports Diversity and inclusion in the workplace whilst maintaining a commitment to a high performance culture – a culture that:

- (i) champions an inclusive environment where diverse ideas are valued and encouraged; and
- (ii) always encourages people to embrace our differences and be our best selves;
- (b) supporting at all levels an individual's domestic responsibilities (including the adoption of flexible work practices that will assist them to meet those responsibilities);
- (c) providing opportunities for employees on extended parental leave to maintain their connection with the workplace;
- (d) ensuring development and succession plans for Directors and senior management include gender Diversity as a relevant consideration;
- (e) monitoring and measuring the achievement of all Diversity objectives set by the Board; and
- (f) considering whether key performance indicators for senior management might be an appropriate way of furthering gender Diversity objectives.

While the key focus of this policy and the ASX recommendations is on promoting the role of women within organisations, NOVONIX recognises that other forms of Diversity are also important and is committed to promoting and facilitating a range of Diversity initiatives throughout the NOVONIX Group beyond simply gender Diversity.

2.3 Implementing, reviewing and reporting on Diversity commitments

- (a) In accordance with the NCG Charter, the NCG Committee is responsible for:
 - (i) introducing appropriate procedures, measures and initiatives to ensure that NOVONIX's Diversity commitments are implemented;
 - (ii) reviewing on an annual basis NOVONIX's progress against the Diversity Policy and NOVONIX's Diversity profile (including the Company's progress in achieving measurable objectives and the effectiveness of the procedures, measures and initiatives in place), and this policy in accordance with paragraph 5.1;
 - (iii) reviewing on an annual basis the numbers and proportions of men and women to be reported under paragraph 4.2; and
 - (iv) reporting to the Board on paragraphs (i) to (iii) above, including any recommended changes to the measurable objectives, this policy and its implementation.
- (b) In accordance with the Remuneration Committee Charter, the Remuneration Committee is responsible for the following in the course of carrying out its annual review:
 - (i) reviewing, making recommendations to the Board on remuneration by gender (and other Diversity benchmarks) and reporting to the Board as necessary to facilitate compliance with the Diversity Policy; and
 - (ii) reviewing and reporting to the Board, at least annually, on the proportion of women and men in the workforce at all levels of the Group and their relative levels of remuneration.

2.4 Recruitment

NOVONIX requires that all positions are filled on a basis of merit.

NOVONIX will wherever possible promote from within, however as a growing business NOVONIX recognises that key to its growth is attracting new talent with diverse or emerging skills to help NOVONIX continue to learn and develop from our talent group.

3 Measurable objectives

3.1 Setting measurable objectives

The Board will set measurable objectives for achieving Diversity, in particular gender Diversity, in accordance with this policy and the Diversity profile set by the Board from time to time.

The measurable objectives should identify ways and, where applicable, specify benchmarks against which the achievement of Diversity is measured, in order for the NCG Committee and the to assess and report annually on NOVONIX's progress towards achieving its Diversity goals.

3.2 How will the measurable objectives be determined?

In order to set meaningful objectives, the Board will have regard to the reports and recommendations prepared by the NCG Committee in paragraph 2.3 assessing NOVONIX's current Diversity levels and identifying where gaps exist. Measurable objectives will then be developed which are tailored towards improving Diversity in areas where most improvement is needed.

3.3 Types of measurable objectives

NOVONIX acknowledges that there are a number of different types of measurable objectives which may be implemented to assist in meeting its Diversity goals, including:

- (a) procedural and structural objectives – for example, implementing internal review and reporting procedures or ensuring that candidates are interviewed by a diverse selection/interview panel;
- (b) Diversity targets – setting targets for the number of women throughout the NOVONIX Group or to increase the proportion of women on the Board and within senior management positions and implementing timeframes for this to occur by;¹ and
- (c) initiatives and programs – for example, identifying appropriate initiatives and programs and determining how the initiative will operate, who will be responsible for implementing it and setting a timetable for its introduction.

3.4 Periodic review

As part of the commitment to achieving and maintaining effective Diversity policies, the NCG Committee will assess annually NOVONIX's progress in achieving the applicable measurable objectives with a view to the reporting in paragraphs 2.3 and 4.

3.5 Measurable objectives as key performance indicators

¹ If NOVONIX is in the S&P/ASX 300 Index at the commencement of the reporting period, the Measurable Objective for achieving gender Diversity in the composition of the Board should be to have not less than 30% of its directors of each gender within a specified period.

The NCG Committee will consider the extent to which the achievement of these measurable objectives should be tied to key performance indicators for the Board and other senior management.

4 Annual disclosure to shareholders

4.1 Purpose of reporting

NOVONIX acknowledges that reporting to shareholders on its Diversity profile and Diversity objectives facilitates greater transparency and accountability in relation to Diversity matters and that such reporting and transparency has been endorsed by the Board.

It is anticipated that shareholders will have greater confidence in NOVONIX and the Board if they are fully informed of the policies and the measurable objectives which have been implemented to facilitate the performance of the NOVONIX Group.

4.2 What will be reported?

As part of its annual reporting requirements to shareholders, NOVONIX will disclose the measurable objectives set by the Board for achieving Diversity in accordance with the Diversity profile and will report on its progress against those objectives. A copy of these measurable objectives may also be published on NOVONIX's website from time to time.

The Board also has responsibility to disclose in its annual report:

- (a) the proportion of men and women employees in the NOVONIX Group;
- (b) the number of men and women in senior executive positions (including how the entity has defined 'senior executive' for these purposes); and
- (c) the number of men and women on the Board.

The Board will determine the most appropriate method to present this information to ensure that it is accurate and does not falsely represent the participation of women and men within the NOVONIX Group both in terms of members and types of roles, in terms of full time, part time and casual with full time equivalent categories of employees.

4.3 Board selection process

NOVONIX is also committed towards achieving greater transparency of the Board candidate selection and nomination process and will include in its annual report the information about the mix of skills and Diversity which the Board is looking to achieve in membership of the Board.

4.4 Responsibility

The Board retains ultimate responsibility for ensuring that these reporting benchmarks are met.

5 Miscellaneous

5.1 Review of policy

The NCG Committee will review this policy annually to ensure it remains relevant to the current needs of NOVONIX and the Board. This policy may be amended by resolution of the Board.

External reviews of this policy may be undertaken at the request of the Board.

5.2 Endorsement

This policy was adopted by the Board on May 16, 2022.

5.3 Who to contact

Any person who has any queries about this policy should contact the Company Secretary of NOVONIX.

6 Definitions and interpretation

6.1 Definitions

In this policy:

Term	Definition
ASX	means the ASX Limited ACN 008 624 691.
Board	means the board of Directors of NOVONIX.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of NOVONIX.
Diversity	has the meaning given to that term in paragraph 2.1.
NCG Committee	means the Nominating and Corporate Governance Committee of NOVONIX as established and governed by the NCG Charter.
NCG Charter	means the Charter of the Nominating and Corporate Governance Committee of NOVONIX, as adopted by the Board.
NOVONIX	means NOVONIX Limited ACN 131 207 611.
NOVONIX Group	means NOVONIX and any subsidiary or related body corporate.
Remuneration Committee	means the Remuneration Committee of NOVONIX as established and governed by the Remuneration Committee Charter
Remuneration Committee Charter	means the Remuneration Committee Charter of NOVONIX contained within the Corporate Governance Charter of NOVONIX, as adopted by the Board.

6.2 Interpretation

Concepts not defined in this policy which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.