



Magnis Energy Technologies Limited

Diversity Policy

1. Introduction

1.1 The Board of Directors of Magnis Energy Technologies Limited (Magnis or the Company) accepts Recommendation 1.5 of the ASX Corporate Governance Council's Principles and Recommendations (4th Edition, February 2019) that it should have and disclose a diversity policy.

1.2 This Policy seeks to address this requirement. Specifically, it is proposed that the Company's Nominations and Remuneration Committee should focus its work, amongst the other matters set out in that Committee's Charter, on setting measurable objectives, having regard to the modest number of people that the Company employs in Australia and the existing size of its Board, to achieve the broad objective of gender equality and cultural inclusiveness generally.

1.3 This Policy supports the commitment of the Company to an inclusive workplace that embraces and promotes diversity in all its manifestations. The overarching imperative of this Policy is to assist the Company to be a good corporate citizen.

1.4 This Policy is intended to operate across the entirety of the Magnis group of companies, including its wholly-owned subsidiaries in Tanzania, and its subsidiary based in New York, USA (collectively hereinafter referred to as the Magnis group). In the circumstances where local traditions or local laws impact on the safety or human rights of directors or employees with respect to their diversity, it is expected that directors and employees of the relevant subsidiary company will act in accordance with the Magnis values, Code of Conduct, Whistleblower Policy and this Policy (subject to ensuring that in doing so, employees do not breach any applicable local laws).

2. Benefits of diversity

2.1 The Board of the Company believes in the corporate performance benefits that all forms of workplace diversity can bring to the Company not only to decision-making within the Company's operations, but to the Company's overall performance and the well-being of its staff. Decision-making can be enhanced by having a diversity of decision-makers who bring a range of viewpoints, skills and experiences to the process.

2.2 Workplace diversity encompasses the variety of differences between people in an organisation, including, but not limited to, gender, race, ethnicity, age, disability and cultural background.

2.3 The Company believes that embracing diversity and inclusiveness in its workplace contributes to the achievement of its corporate objectives and helps to enhance its reputation. The Company expects its people to work co-operatively together to achieve a corporate culture that supports this commitment.

2.4 Failure to maintain a diverse and inclusive workplace may result in harm being suffered by individuals, adverse reputational impacts, regulatory action and potential legal liability for the Magnis group.

2.5 Respecting diversity assists the Company to:

- (i) recruit and retain the right people from a diverse pool of talented candidates;
- (ii) make informed and innovative decisions, drawing on a wider range of ideas, experiences and perspectives that employees from diverse backgrounds, and with differing skill sets, bring to their individual roles;
- (iii) better represent the diversity of the Company's stakeholders; and
- (iv) recognise this is of particular relevance in the context of responding to the cultural, remuneration, and governance issues identified by the Hayne Royal Commission as well as in the context of meeting the challenges and uncertainty of a continually changing business and governance landscape eg in the context of managing through the COVID-19 global pandemic and the recovery that can be planned for in its aftermath.

3. Policy

3.1 This Policy commits the Company to achieving the goals of:

- (i) providing access to equal opportunities in the workplace based on merit; and
- (ii) fostering a corporate culture that embraces and values people from diverse backgrounds.

3.2 The Company will:

- (i) not tolerate any form of unlawful discrimination or harassment, bullying or victimisation in the workplace;
- (ii) aim to attract and retain a workforce whose composition reflects a diversity of backgrounds, experience and perspectives;
- (iii) aim to make fair and merit-based decisions in the context of decisions relating to recruitment, evaluation of performance, access to learning and development opportunities, talent identification, succession planning and career progression;
- (iv) encourage employees to seek out and learn from the experiences of each other, customers and stakeholders; to build understanding; to be fair and inclusive in decision-making and to continuously improve;
- (v) seek to engage in transparency in all forms of reporting and disclosure of information; and
- (vi) engage in flexible work practices to improve business outcomes and employee wellbeing as tools to facilitate improved productivity and performance.

3.3 This Policy applies to all directors and employees of the Magnis group.

4. Responsibilities

4.1 The Company shall ensure that each employee is aware, appropriately trained and is individually responsible for supporting the Company's corporate culture of cultural diversity and inclusiveness and its commitment to diversity in the workplace.

4.2 The Board of the Company notes that it is not, as at the date of this Policy, within the S&P/ASX 300. The Board also notes that the Workplace Gender Equality Act, 2012 (Commonwealth) does not apply to the Company because it does not presently meet the threshold number of 100 employees in Australia. The Board therefore cannot commit the Company, at the present stage of its corporate development, to setting a measurable objective or target of achieving gender diversity in the composition of its Board of not less than 30% of its directors being of each gender within, say, the next 5 years. The Board, remains, however, open to seeking the achievement of such an objective at an aspirational level, going forward.

4.3 The Board believes that this Policy needs to work in conjunction with its Code of Conduct. The Board is cognisant that the establishment and maintenance of a culture of inclusion will not be realised without the setting of appropriate and meaningful benchmarks that can be periodically monitored and measured as well as the setting of key performance indicators.

4.4 The Board accepts that a tenet of this Policy is that the Nominations & Remuneration Committee shall, in a broad sense, automatically integrate diversity into the Board recruitment process going forward and shall not use unconscious bias eg bias against female candidates and/or culturally diverse candidates.

5. Breach of Policy

5.1 Breach of this Policy may be regarded as misconduct which may lead to disciplinary action (including, but not limited to, in respect of an employee, termination of employment, and in respect of a director, termination of appointment).

6. Adoption of Policy

6.1 This Policy was approved and adopted by the Board on 10 September 2020.

6.2 A copy of this Policy is to be published on the Company's website.