

Diversity Policy

Security Matters Limited (ASX: SMX) (“the Company”) values diversity and recognises the benefits that can arise from encouraging diversity in its workplace. The Company has developed a Diversity Policy to take advantage of a workforce comprised of people with a diverse range of skills, backgrounds and experience. Diversity covers many areas including, but not limited to, engaging persons with different gender, age, religion, race, ethnicity, sexual orientation, physical abilities, marital/ family status, perspective, experience, socio – economic and cultural backgrounds or any other area of potential difference.

Commitment to Workplace Diversity

The Company is committed to developing diversity in its workplace to assist the Company to achieve its goals and objectives by providing an environment whereby appointments, advancement and opportunities are considered on a fair and equitable basis. This policy applies to the extent practicable to all Employees, Directors and Contractors that are engaged in work related tasks.

Benefits of Diversity

The Company recognises the value of attracting and retaining Employees, Contractors and Directors from diverse backgrounds, knowledge, experience and abilities. The benefits arising from embracing Board and Director and Senior Management diversity include:

- A broader pool of employees*
Accepting diversity in recruitment and advancement increases the available labour pool for selection;
- Accessing different perspectives and ideas*
Engaging persons from diverse backgrounds enables different approaches to problem solving and decision making; and
- Improving efficiency and retention*
Engaging workplace diversity will foster a culture whereby persons from different backgrounds are seen to be valued, providing motivation for increased retention and productivity.

The Company believes that the disclosure of this Diversity Policy will foster a greater understanding of its diversity objectives with its various stakeholders.

The Company supports diversity in its workforce by:

- Treating all employees fairly and with respect and dignity as detailed in the Code of Conduct;
- Actively and promoting a working environment that values diversity and tolerance of differences;
- Ensuring that applicants and employees of all backgrounds are encouraged to apply for, and have fair opportunity to be considered for all available roles;
- Ensuring that the Company’s policies encourage diversity and address specific barriers to groups of employees, such as those with domestic responsibilities, by making reasonable provision for the special needs of these employees, by means such as the Flexible Working Arrangements, Parental Leave and Other Leave Standards, and recognising and rewarding innovative strategies to accommodate diverse groups within the workforce;
- Setting, reviewing and reporting annually, measurable objectives; and
- Complying with all anti-discrimination and equal opportunity legislation.

The Company has the following objectives in relation to gender diversity which are assessed by the Board of Directors annually:

- Objective 1: female representation on the Board;
- Objective 2: female representation within senior management; and
- Objective 3: 50% or more female employees across its workforce.

This seeks to ensure adequate female representation across all of the Company's business practices. There is a particular emphasis on gender diversity in the sales and community management functions of the Company.

Selection and Appointment of Directors and Employees

The Company is committed to promoting a corporate culture which embraces diversity when determining the composition of the Board, Senior Management and Employees.

During the Board appointment process, the Company will consider developing gender, age and cultural diversity as well as the necessary skills and experience required to add value to the Board.

The Company will ensure the Director selection process will be formal and transparent. There will be an assessment of the individual candidate's attributes including skills, experience, reputation and how the appointment will complement the overall diversity on the Board.

The candidates will be selected from a diverse pool by means of advertising vacancies, referrals and through the engagement of professional services firms. The Company considers gender diversity during its succession planning process of the Directors and Senior Management personnel.

The Company also facilitates flexible work practices to enable all employees who may have domestic responsibilities.

Reporting of Measurable Objectives

The Company is committed to workplace gender diversity which will report against measurable objectives on an annual basis at Board, Management and workforce level. The Company discloses annually in the Corporate Governance Statement the percentage of women at various levels within the organisation.

Responsibilities

The Board will be responsible for establishing measurable objectives for achieving gender diversity and will annually assess both the objectives and progress in achieving them. The Board will liaise with the Company Secretary, Senior Management and Employees at all levels in relation to the diversity issues including setting objectives, annual reporting and implementation of this Diversity Policy.

Review of this Policy

This policy will be reviewed annually to ensure it reflects current regulatory, community and investor requirements. In particular, the Company Secretary is responsible for updating this policy in response to changes in internal structure, legislative, regulatory, market and other developments.

Last updated and approved by the Board: 7 February 2021