Policy Name:	Cash Management and Investment Policy	Policy Owners:	Shalita Robinson, U.S. Controller Scott Espenshade, Investor Relations
		Approved By:	Nick Liveris, Chief Financial Officer Board of Directors (eff. August 22, 2023)

1. **Scope**
All NOVONIX employees.

2. **Purpose**
The purpose of this Cash Management and Investment Policy (the "Policy") is to establish the primary objectives, roles and responsibilities, and guidelines with respect to the treasury function of **NOVONIX LIMITED** (together with its subsidiaries, the "Company") for the management of its global cash in a manner that preserves capital, maximizes returns, and minimizes risk.

3. **Policy Statement**

3.1 Objectives
The Company's primary objectives when investing excess cash are, in order of importance:

- Capital Preservation: The primary goal of the Policy is to protect the Company's capital by focusing on low-risk investment options providing income. In accomplishing the preservation of capital, the principal value should not be put at significant risk and the market value of investment instruments should be relatively stable.
- Maintenance of Liquidity: The Company should maintain a level of liquidity sufficient to meet the Company's anticipated needs for capital, and investments should be readily convertible to cash to meet short-term operational requirements.
- Diversification: The investment portfolio should be diversified across different asset classes and duration to minimize risk exposure, including currency exposure.
- Risk Management: should be an integral part of the investment process, and the investment portfolio should be regularly monitored and reviewed versus stated objectives.
- Benchmarking of Returns: Total return should target an appropriate benchmark.
- Oversight: Investments should be made in accordance with this Policy and with due diligence, ensuring adherence to established guidelines and reporting.

3.2 Roles and Responsibilities

The Company's CFO, Treasurer, or duly authorized corporate designee (the "Corporate Designee") may designate a bank, registered investment advisor, investment manager or dealer (the "Investment Manager") to construct and manage a diversified portfolio that meets the investment guidelines specified below.

This Policy has been approved by the Board of Directors. The CFO is responsible for appointing an investment manager, for overseeing and reviewing this Policy, and for making recommendations to the Board for modifications thereto. Furthermore, the CFO has the authority to direct such qualifying outside managers with respect to their roles in implementing and executing the cash management program and providing required reporting to the CFO, in addition to any other responsibilities the CFO determines necessary. Any modifications or updates to this Policy must be approved by the Board of Directors.

The Board of Directors will review this Policy annually. As part of such review, management will report to the Board on the following:

- Investment results for the most recent fiscal quarter
- Investment allocations among instruments
- Allocation of assets among investment solutions (money market mutual funds, bank deposits, individual securities)
- Credit ratings for the investment solutions and investment providers
- Current strategy given the outlook on interest rates, market conditions and liquidity needs
- Compliance with this Policy; and
- Such other items relevant to this Policy as the Board may determine

In the event a security is downgraded below minimum acceptable rating levels (as described below) by any of the nationally recognized statistical rating organizations (NRSROs), the external investment manager and/or treasury personnel responsible for the internal management of the corporate cash will provide the CFO with a recommended course of action within a reasonable period. This may include selling the security. However, if the decision is made to hold the security, the reason for the decision must be documented.

3.3 Investment Guidelines

1. Approved Instruments

The funds will be invested only in fixed income instruments denominated and payable in Australian, Canadian or U.S. dollars. The following categories of investments are considered appropriate:

- Obligations of the Australian, Canadian or U.S. government and its agencies
- Bank deposits
- Direct securities
- Money Market Funds
  - Government MMFs
  - Prime and Municipal MMFs
- Other Structures
  - Ultra-short bond funds
  - Short Duration bond funds
  - Separately Managed Accounts
  - Private Funds
- Money market instruments including repurchase agreements, commercial paper, and negotiable certificates of deposit
- Money market funds registered according to SEC Rule 2a-7 of the Investment Company Act of 1940; or Institutional Money Market Funds Association (IMMFA) compliant; or European Securities and Markets Authority (ESMA) ST MMF; fund size must be at least $1 billion

All securities must have a readily ascertainable market value and must be readily marketable. See appendix for a more detailed list of permissible investments over investment horizons of cash uses.

2. Credit Quality

The minimum average credit quality of the portfolio will be A or the equivalent. The minimum credit quality for individual securities with short-term ratings will be A-2/P-2/F2 and the minimum credit quality for individual securities with long-term ratings will be BBB+/Baa1/BBB+ or the equivalent. Also, for MMF Fund ratings should be rated AAAm [S&P] or equivalent from Fitch or Moodys.

For securities with split ratings, the lowest rating will prevail. Each individual security held within the portfolio must be rated by at least two NRSROs, such as S&P, Moody's, or Fitch. Such ratings are always required.

Repurchase agreements will be at least 102 percent collateralized with securities issued by the U.S. government or its agencies.

3. Diversification

Securities of a single issuer valued at cost at the time of purchase should not exceed 5 percent of the market value of the portfolio or $1 million, whichever is greater. For purposes of this diversification restriction, securities of a parent company, subsidiaries, entities acquired or merged will be combined. Securities issued by the U.S. Treasury, U.S. government agencies and SEC-registered money market funds are specifically exempted from these restrictions.

4. Marketability/Liquidity/Trading

In general, the Investment Manager, with instructions from the Corporate Designee, shall purchase liquid securities that regularly trade in a secondary market under normal conditions. The Corporate Designee and Investment Manager shall also structure the portfolio so that securities mature as needed to meet anticipated liquidity demands.

For accounting purposes, all investments will be recorded as financial assets, per IFRS 9. Thus, investments may be sold prior to maturity to preserve capital or to provide required liquidity or for other reasons determined by the Corporate Designee or Investment Manager. In addition, trading of securities is permitted by outside investment managers to realize capital gains or losses within the context of maximizing after-tax total return.

5. Maturity/Portfolio Duration

At the time of purchase, the final maturity of each security within the portfolio shall not exceed 18 months. The weighted average maturity of the portfolio will be no greater than 9 months.

6. Performance Measurement

The Investment Manager will meet with the Corporate Designee at a minimum quarterly and will be available for regular telephone contact.

On a regular basis, as requested, the Investment Manager will provide statements of transactions and market valuation of portfolio assets on a security-by-security and portfolio basis including:

- Policy compliance verification reporting
- Risk analytics including duration analysis (by security and portfolio), sector exposure, credit ratings and comparisons relative to Policy parameters
- Balance sheet, income statement and statement of cash flows summaries
- Interest accrual and amortization/accretion reporting
- Balance sheet classification per ASC 320 and ASC 230, and ASC 820 reporting
- Unrealized and realized gain/loss summaries, including applicable ASC 320 impairment disclosures
- Yield to maturity on cost and market; and
- Portfolio total return performance versus the agreed upon benchmark

The Investment Manager must be able to establish compliance with the CFA Institute's Global Investment Performance Standards (GIPS®) and provide an independent verification of that compliance upon request. Furthermore, the reporting system must provide annually a copy of their SSAE 18 report.

7. Reporting

The Investment Manager responsible for the management of cash will provide statements, including transactions, market valuation, Financial Accounting Standards Board (FASB)/International Accounting Standards Board (IASB)/generally accepted accounting principles (GAAP) valuations, cash accruals and a review of the performance of the portfolio assets vs. appropriate benchmarks with the Corporate Designee not less than quarterly. The reports should include the following:

- List of all securities held in the portfolio, including CUSIP, coupon and maturity dates, yield to maturity and ratings of the securities
- Mark-to-market details, with the unrealized gain/loss of each security in the portfolio
- Performance total returns for the month, year-to-date, rolling one-year and three-year periods, as well as all periods since inception; and
- Certification of compliance with Policy

For investments in money market mutual funds, a detailed holdings report and fact sheet will be provided monthly by the Investment Manager to the Corporate Designee.

8. Transparency and Verification

Assets are to be held in a segregated third-party custodial account with a separate custody agreement executed between the custodian and the company. The SSAE 16 report of the custodian will be provided annually.

9. Investment Company Act

The portfolio shall be managed so that at no time shall the Company or any subsidiary thereof be presumed to be an "investment company" for purposes of the Investment Company Act of 1940, as amended.

10. Amendments and Waivers

This Policy is subject to amendment from time to time. Amendments to and waivers of this Policy requires the approval of the Board of Directors.

Appendix

Permissible Investments – At the execution of this document, longer term investments are not permissible but our shown for future guidance.

	DAILY OPERATING CASH	RESERVE OPERATING CASH	STRATEGIC CASH	LONGER TERM INVESTMENTS
MONEY MARKET FUNDS				
Government MMFs	•	•	•	•
Prime and Municipal MMFs	•	•	•	•
DIRECT SECURITIES				
Government Securities	•	•	•	•
Sovereign, Sovereign Guaranteed, Supranationals and Foreign Agency Securities	•	•	•	•
Bank Obligations (CDs, TDs, Bank Accounts)	•	•	•	•
Overnight Repo	•			
Term Repo		•	•	•
Commercial Paper	•	•	•	•
Asset Backed Commercial Paper	•	•	•	•
Corporate Bonds		•	•	•
Asset Backed Securities		•	•	•
Covered Bonds		•	•	•
Mortgage Backed Securities			•	•
Municipal Securities	•	•	•	•
OTHER STRUCTURES				
Ultra-short Bond Funds		•	•	•
Short Duration Bond Funds			•	•
Liquidity Separate Accounts		•	•	•
Separate Accounts			•	•

NOVONIX

Cash Segment Detail

	DAILY OPERATING CASH	RESERVE OPERATING CASH	STRATEGIC CASH	LONGER-TERM INVESTMENTS
Investment Horizon	0-30 Days	31-180 Days	181 Days-1 Year	1-3 Years
Objective (in order of priority)	• High liquidity • Late-day access • Capital preservation	• Liquidity • Capital preservation • Potential for higher yield	• Capital preservation • Potential for enhanced liquidity returns	• Potential for enhanced liquidity returns • Capital preservation
How cash is used	• Daily operating needs	• Known periodic payments (payroll, supplier payments, accounts payable, tax payments, etc.)	• Dividend payments • Debt repayment • Bond proceeds • Share buybacks • Capital expenditures	• Acquisitions • Capital expenditures • Other strategic uses • Unforeseen needs
Cash flow volatility	High	High to medium	Medium to low	Low
Commentary	• This cash is needed to be used immediately, but this high liquidity comes with a sacrifice of lower yields • Deposit supply could be cut back by banks, especially for non-operating cash, due to Basel III banking reforms. U.S. Government and Treasury MMFs could see pressure on yields as MMF reform pushes more investors to these products. Despite these pressures weighing on yields, this might not be a concern for this ultra-liquid short-term cash segment	• Where immediate liquidity is not needed, more options are available to investors • These additional options can help diversification and slightly enhance potential returns • Prime and Municipal MMFs need to be reviewed for their level of appropriateness between the first two operating cash segments due to the possible imposition of liquidity fees and redemption gates	• This segment focuses on cash not needed in the short-term, but designated for a specific use in the future • Recent regulatory and market changes had less impact on this segment than the first two more liquid operating cash classifications. With that being said, the pressures on the most liquid cash will provide even more opportunities for yield advantages going farther out the curve	• Excess cash with no planned need (barring a major business change) offers investors with the ultimate flexibility and potential to enhance returns • This segment is a sweet-spot for strategies that focus on purchasing securities that are outside of the normal parameters permitted by MMFs