

MAGNET FORENSICS INC.

DIVERSITY POLICY – BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Effective Date: February 01, 2021

Magnet Forensics Inc. (the “**Company**”) recognizes and embraces the benefits of having diversity on its board of directors (the “**Board**”) and in senior management. Diversity is important to ensure that members of the Board and senior management provide the necessary range of perspectives, experience and expertise required to achieve the Company’s objectives and deliver for its stakeholders. Diversity promotes the inclusion of different perspectives and ideas, mitigates against group think and ensures that the Company has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and makes for better corporate governance.

The Company is committed to cultivating a diverse and inclusive culture and selecting the best individuals to fill Board and senior management roles within the Company, free of conscious or unconscious bias and discrimination. The Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. The skills and background collectively represented on the Board should reflect the diverse nature of the business environment in which the Company operates. For the purposes of Board composition, diversity includes, but is not limited to, business experience, geography, age, gender, race, ethnicity and aboriginal status. In particular, the Board should include an appropriate number of women as well as individuals that identify as black, indigenous and/or people of color (“**BIPOC**”).

Meaning of Diversity

“**Diversity**” is any dimension that can be used to differentiate groups and people from one another and includes gender identity and sexual orientation, age, persons with disabilities, race, nationality, culture, language and other ethnic distinctions, education, regional and industry experience, and expertise.

Application of this Policy to the Board

The Company is committed to a merit based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Company will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.

The Compensation, Nominating and Governance Committee (the “**CNG Committee**”) is responsible for reviewing and assessing Board size, composition and effectiveness, and for recommending to the Board (i) the director nominees to stand for election at the next annual meeting of Company shareholders, and (ii) any candidates for appointment to the Board between annual meetings of Company shareholders, as appropriate.

When identifying and considering the selection of candidates for appointment or nomination for election to the Board, the CNG Committee will:

- assess the Board by considering the balance of skills, experience, independence and knowledge on the Board, the Board's cohesiveness and other factors relevant to its effectiveness;
- consider only candidates who are highly qualified based on their experience, education, expertise, personal skills and qualities, and/or general and industry-specific knowledge, having regard to the Company's current and future plans and objectives; and
- select individuals based on merit, against objective criteria, in order to enable the Board to discharge its duties and responsibilities effectively.

The Company recognizes the importance of diversity and acknowledges the important role of qualified women and individuals that identify as BIPOC in contributing to diversity of perspective on the Board. In order to promote the specific objectives of gender and racial diversity on the Board, the selection process for Board appointees and nominees for election will also involve the following steps (including where the Company engages an external recruitment agency to identify and assess candidates):

- ensure that appropriate efforts are made to include women and individuals that identify as BIPOC in the list of candidates being considered for a Board position; and
- if, at the end of the selection process, no women or individuals that identify as BIPOC are selected from the list of candidates, the Board must be satisfied that there are objective reasons to support this determination.

In furtherance of gender diversity on the Board, the Company aspires to attain by its annual meeting in 2022, and thereafter maintain, a Board composition in which at least 30% of the directors are women.

Any external recruitment agency or search firm engaged to assist the CNG Committee in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates generally, and multiple women and candidates that identify as BIPOC in particular.

On an annual basis, the CNG Committee will (i) review and assess the effectiveness of the Board appointment/nomination process at achieving the Company's diversity objectives, including the extent to which the current composition of the Board reflects a diverse mix of knowledge, experience, skills and backgrounds, including an appropriate number of women directors and individuals that identify as BIPOC, and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity on the Board. At any given time the Board may seek to adjust one or more objectives concerning its diversity and measure progress accordingly.

Application of this Policy to Senior Management

The CNG Committee is responsible for (i) periodically reviewing and making recommendations to the Board with respect to succession planning matters concerning the Chief Executive Officer and other key executive officers, and (ii) reviewing the recommendations of the Chief Executive Officer respecting the appointment of the Chief Financial Officer, all senior management reporting directly to the Chief Executive Officer, and all other officers appointed by the Board.

It is an objective of this policy that diversity be considered in connection with succession planning and the appointment of members of the Company's senior management.

The Company recognizes the importance of diversity and acknowledges the important role of women and individuals that identify as BIPOC in contributing to diversity of perspective in senior management positions. Accordingly, in order to promote the specific objectives of gender and racial diversity, the Company will:

- implement policies that address impediments to gender and racial diversity in the workplace and review their availability and utilization;
- proactively identify high-potential women and individuals that identify as BIPOC for leadership training programs and encourage them to apply for more senior roles;
- develop flexible scheduling programs and other family friendly policies for mid-career women to assist with recruitment and retention;
- regularly review the proportion (in percentage terms) of persons at all levels of the Company who are women and individuals that identify as BIPOC;
- monitor effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented women and individuals that identify as BIPOC with senior management potential; and
- continue to identify new ways to entrench diversity as a cultural priority across the Company.

On an annual basis, the CNG Committee will (i) assess the effectiveness of the senior management appointment process at achieving Company's diversity objectives, and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity in senior management. At any given time the Board may seek to adjust one or more objectives concerning senior management diversity and measure progress accordingly.