

# 2022 Corporate Governance Statement

## LGI Limited

ACN 138 085 551



This corporate governance statement (**Corporate Governance Statement**) sets out the Company's compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (**Principles and Recommendations**) and addresses the reasons for any departure from the Principles and Recommendations, for the financial year ended 30 June 2022 (**Financial Year**). The Principles and Recommendations are not mandatory. Except as set out below, the Company has complied with all of the Principles and Recommendations in respect of the Financial Year.

The Company's corporate governance charter (**Corporate Governance Charter**) and policies are available in a dedicated 'corporate governance' section of the Company's website at [www.lgi.com.au](http://www.lgi.com.au) (**Website**). This Corporate Governance Statement and all of the policies and charters referred to within it can be viewed on the Website. Unless otherwise defined in this document, capitalised terms have the same meaning as in the Corporate Governance Charter.

Principles and Recommendations		Comply Yes/No	Explanation
1 Lay solid foundations for management and oversight			
1.1	A listed entity should have and disclose a board charter setting out: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Yes	The Board has adopted a Corporate Governance Charter which is published on the Website.  The Corporate Governance Charter sets out the Board's composition, the Board's role and responsibilities, the relationship and interaction between the Board and management, and the authority delegated by the Board to management and Board committees.
1.2	A listed entity should: a) undertake appropriate checks before appointing a director or senior executive, or putting someone forward for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	The Company conducts appropriate checks prior to appointing Directors. Two out of the four current non-executive Directors have been elected or re-elected by Shareholders in accordance with the Company's Constitution or will stand for election in accordance with the Constitution at the next AGM.  Where Directors have sought election or re-election, the Company has provided all material information in its possession relevant to the Shareholder decision to vote for or against the election or re-election of the Director in the explanatory statement which accompanied the relevant notice of meeting.  A complete biography of each Director is included in the 'For Investors' section of on the Website.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	There is a written agreement with each Director and senior executive which sets out the terms of their appointment.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Secretary role is performed by Mr Dean Wilkinson and Mr Hasaka Martin, jointly. They are accountable directly to the Board through the Chair. Each Director is also able to communicate directly with the Directors and vice versa.

<b>1.5</b>	<p>A listed entity should:</p> <ol style="list-style-type: none"> <li>have and disclose a diversity policy;</li> <li>through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>disclose in relation to each reporting period <ol style="list-style-type: none"> <li>the measurable objectives set for that period to achieve gender diversity;</li> <li>the entity's progress towards achieving those objectives; and</li> <li>either: <ol style="list-style-type: none"> <li>the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</li> <li>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ol> </li> </ol> </li> </ol> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	Yes	<p>The Diversity Policy is published on the Corporate Governance page of the Website.</p> <p>The Diversity Policy sets out the process by which measurable objectives to achieve gender diversity are developed and approved by the Board. The Company's gender diversity objectives and the progress in achieving these objectives are summarised below:</p> <ul style="list-style-type: none"> <li>As at 30 June 2022, in regard to gender diversity, females represented: <ul style="list-style-type: none"> <li>24% of all staff;</li> <li>38% of management and supervisory staff; and</li> <li>25% of senior management;</li> </ul> </li> <li>The Board has two female Directors (representing 33% of the Board); and</li> <li>The measurable objective is to continue to have over 30% women at the Board and senior management level.</li> </ul>
<b>1.6</b>	<p>A listed entity should:</p> <ol style="list-style-type: none"> <li>have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ol>	Yes	<p>The Board has recently adopted a process for evaluating the performance of the Chair, the Board, its committees, and individual Directors.</p> <p>The performance review and evaluation process are outlined in the Corporate Governance Charter. A performance review and evaluation process has not yet been undertaken for the reporting period.</p>

1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	Yes	<p>The Company has a Remuneration Policy which is incorporated in the Corporate Governance Charter which is published on the Corporate Governance page of the Website. The Remuneration Policy sets out that senior executive remuneration will be reviewed at least annually with consideration given to performance, amongst other factors. The annual formal performance review for senior executives' reviews performance against previously set objectives with weighted key result areas and capabilities for each role.</p>
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Principles and Recommendations		Comply Yes/No	Explanation												
2 Structure the board to be effective and add value															
2.1	<p>The board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>The Board has established a Nomination and Remuneration Committee (<b>NRC</b>). The members of the NRC are:</p> <ul style="list-style-type: none"><li>• Tim McGavin (Committee Chair);</li><li>• Vik Bansal; and</li><li>• Abigail Cheadle.</li></ul> <p>Vik and Abigail are independent Directors.</p> <p>The Remuneration and Nomination Committee Charter is incorporated in the Corporate Governance Charter and is available on the Corporate Governance page of the Website.</p> <p>The Nomination and Remuneration Committee meets at least once a year. Details of attendances at these meetings are set out in the Directors Report contained within the Annual Report.</p>												
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Yes	<p>The Board has determined the competencies it requires, to effectively discharge its duties and has summarised them as:</p> <table><tr><td><b>Executive Leadership and Board experience</b></td><td><ul style="list-style-type: none"><li>• Senior Executive Experience</li><li>• Experience as board member of a listed company</li></ul></td></tr><tr><td><b>Financial Literacy</b></td><td><ul style="list-style-type: none"><li>• Qualifications or experience in financial accounting and reporting, corporate finance, risk and internal controls</li></ul></td></tr><tr><td><b>Legal, governance and compliance</b></td><td><ul style="list-style-type: none"><li>• Qualifications or experience with relevant legal matters, governance structures standards and compliance requirements</li></ul></td></tr><tr><td><b>Strategy</b></td><td><ul style="list-style-type: none"><li>• Experience in developing, implementing and challenging a plan of action to achieve the Company's long-term objective</li><li>• Experience and ability to make good judgements and timely decisions in understanding and dealing with a business situation</li></ul></td></tr><tr><td><b>Health, safety, environment and sustainability</b></td><td><ul style="list-style-type: none"><li>• Experience related to health, safety, environmental, social responsibility, or sustainability initiatives</li></ul></td></tr><tr><td><b>Capital</b></td><td><ul style="list-style-type: none"><li>• Experience in capital management</li></ul></td></tr></table>	<b>Executive Leadership and Board experience</b>	<ul style="list-style-type: none"><li>• Senior Executive Experience</li><li>• Experience as board member of a listed company</li></ul>	<b>Financial Literacy</b>	<ul style="list-style-type: none"><li>• Qualifications or experience in financial accounting and reporting, corporate finance, risk and internal controls</li></ul>	<b>Legal, governance and compliance</b>	<ul style="list-style-type: none"><li>• Qualifications or experience with relevant legal matters, governance structures standards and compliance requirements</li></ul>	<b>Strategy</b>	<ul style="list-style-type: none"><li>• Experience in developing, implementing and challenging a plan of action to achieve the Company's long-term objective</li><li>• Experience and ability to make good judgements and timely decisions in understanding and dealing with a business situation</li></ul>	<b>Health, safety, environment and sustainability</b>	<ul style="list-style-type: none"><li>• Experience related to health, safety, environmental, social responsibility, or sustainability initiatives</li></ul>	<b>Capital</b>	<ul style="list-style-type: none"><li>• Experience in capital management</li></ul>
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			<div> <div>Management</div> <div>Industry</div> </div> <div> <p>strategies, including debt financing and capital raisings</p> <ul style="list-style-type: none"> <li>• A deep understanding of energy production, energy markets and the clean energy sector</li> <li>• Qualifications or experience in electrical or mechanical engineering including project management skills in the energy or waste industry.</li> </ul> </div>
<b>2.3</b>	<p>A listed entity should disclose:</p> <p>a) the names of the directors considered by the board to be independent directors;</p> <p>b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>c) the length of service of each director.</p>	Yes	<p>Details of all Directors are set out in the Directors' report contained within the Annual Report. This includes whether or not they are independent by the Board, a summary of their skills and experience, their length of service and any other ASX listed directorships they hold or have held in the last three years.</p>
<b>2.4</b>	<p>A majority of the board of a listed entity should be independent directors.</p>	No	<p>The Board consists of six Directors, three of whom are independent.</p> <p>Mr Tim McGavin is a non-executive director who is not classified as an independent director because of his substantial interest in LGI. The Board believes Mr McGavin exercises independent judgement in his role as a Director of the Company.</p> <p>Mr Adam Bloomer and Dr Jessica North are executive Directors and are not independent.</p>
<b>2.5</b>	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	Yes	<p>The Chair of the Board, Vik Bansal is an independent Director and is not the CEO.</p>

2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	<p>LGI's induction program provides new Directors with the opportunity to undertake a tour of any sites and access to senior executives to help facilitate a thorough understanding of the business.</p> <p>LGI is committed to ensuring its Directors are adequately skilled and informed to perform their duties effectively through management presentations at Board meetings, attending conferences and hosting Board meetings in various offices and places where LGI does business.</p>
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Principles and Recommendations		Comply Yes/No	Explanation
3 Instill a culture of acting lawfully, ethically and responsibly			
3.1	A listed entity should articulate and disclose its values.	Yes	LGI articulates and discloses its values on the Website.
3.2	A listed entity should: a) have and disclose a code of conduct for its directors, senior executives and employees; and b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes	The Code of Conduct is part of the Corporate Governance Charter and is disclosed on the Website. Any material breaches of the policy must be reported to the Board.
3.3	A listed entity should: a) have and disclose a whistleblower policy; and b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	The Whistleblower Policy is published on the Corporate Governance page on the Website. Any material incidents must be reported to the Board.
3.4	A listed entity should: a) have and disclose an anti-bribery and corruption policy; and b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	Yes	The Anti-Bribery and Corruption Policy is disclosed on the Website. Any material breaches of the policy must be reported to the Board.

Principles and Recommendations		Comply Yes/No	Explanation
4 Safeguard the integrity of corporate reports			
4.1	<p>The board of a listed entity should:</p> <p>a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>(iii) and disclose:</p> <p>(iv) the charter of the committee;</p> <p>(v) the relevant qualifications and experience of the members of the committee; and</p> <p>(vi) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Yes	<p>The Board has established an Audit and Risk Committee (<b>ARC</b>). The members of the ARC are:</p> <ul style="list-style-type: none"> <li>• Abigail Cheadle (Committee Chair);</li> <li>• Vik Bansal; and</li> <li>• Andrew Peters,</li> </ul> <p>all of whom are non-executive independent directors.</p> <p>Abigail Cheadle is the ARC Chair but is not the Chair of the Board.</p> <p>The Audit and Risk Committee Charter is incorporated in the Corporate Governance Charter and is available on the Corporate Governance page of the Website.</p> <p>The relevant qualifications and experience of the ARC members are included in the Directors' report contained within the Annual Report.</p> <p>The Audit and Risk Committee meets at least four times a year and attendances are noted.</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>Prior to approving the financial statements, the Board receives a declaration from the CEO and CFO stating that in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Yes	<p>The Company has a policy for verifying the integrity of its corporate report that is not audited or reviewed by an external auditor.</p> <p>The policy is published on the Corporate Governance page of the Website.</p>



Principles and Recommendations		Comply Yes/No	Explanation
5 Make timely and balance disclosure			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	The Company's Continuous Disclosure Policy is published on the Corporate Governance page of the Website.  This policy sets out the process by which it will comply under the ASX Listing Rules.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Secretary ensures that the Board receives copies of all material market announcements promptly after they have been made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company's Continuous Disclosure Policy ensures a copy of all new and substantive investor or analyst presentations are announced ahead of the presentation.

Principles and Recommendations		Comply Yes/No	Explanation
6 Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Website contains all material information about the Company relevant to investors. It includes an Investor Centre where information about the Company's ASX listing, including market announcements, financial reports and corporate governance practices, can be located.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	LGI's shareholder communications policy is published on the Corporate Governance page of the Website. This policy is designed to promote effective communication with Shareholders.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	LGI's shareholder Communications Policy is published on the Corporate Governance page of the Website. This policy is designed to promote effective communication with Shareholders and encourage effective participation at general meetings of the Company.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	LGI's intention is that all substantive resolutions put to a meeting of Shareholders will be decided by way of a poll, in accordance with ASX Guidance Note 35.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Through the share registry provider, Computershare, Shareholders can elect to send and or receive communications electronically.

Principles and Recommendations		Comply Yes/No	Explanation
7 Recognise and manage risk			
7.1	<p>The board of a listed entity should:</p> <p>a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>(iii) and disclose:</p> <p>(iv) the charter of the committee;</p> <p>(v) the relevant qualifications and experience of the members of the committee; and</p> <p>(vi) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Yes	<p>The Board has established an Audit and Risk Committee (<b>ARC</b>). The members of the ARC are:</p> <ul style="list-style-type: none"> <li>• Abigail Cheadle (Committee Chair);</li> <li>• Vik Bansal; and</li> <li>• Andrew Peters,</li> </ul> <p>all of whom are non-executive independent directors. Abigail Cheadle is the ARC Chair but is not the Chair of the Board.</p> <p>The Audit and Risk Committee Charter is incorporated in the Corporate Governance Charter and is available on the Corporate Governance page of the Website.</p>
7.2	<p>The board or a committee of the board should:</p> <p>a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The Company has developed a risk management framework for documenting, assessing and reporting risks and risk management practices including a risk register, risk assessment criteria and a risk profile heat map.</p> <p>All risks identified are assigned to an owner within the business who is responsible for mitigating the exposure. The Audit and Risk Committee review and update the risk register annually.</p> <p>The Board has drafted a risk appetite which is reviewed and updated annually.</p>

7.3	<p>A listed entity should disclose:</p> <p>a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes</p>	Yes	<p>There is not a dedicated internal audit function, however, considerable importance is placed on maintaining a strong control environment.</p> <p>There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Internal control reviews are undertaken on a periodic basis and the results are reported to the ARC.</p> <p>The ARC relies on the risk management framework to identify potential risk exposures and requires management to report actions, plans and projects designed to address these exposures on a priority basis.</p> <p>The external audit function is separate and independent. The auditors review the control environment adequacy. To date there have not been any material adverse findings.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>LGI identifies and manages material exposures to economic, environmental and social risks in a manner consistent with its Risk Management Policy and Framework.</p> <p>The key economic, environmental and social risks that LGI is exposed to are set out in within this Prospectus.</p> <p>The key environmental and social risks include the risk to the health and safety of employees and members of the public exposed to the Company's operations, the potential for damage to the environment arising from the Company's operations, changes in the regulatory environment faced by the Company, a failure to maintain our social license to operate in the communities where we have key sites, climate change and cybersecurity.</p>

Principles and Recommendations		Comply Yes/No	Explanation
8 Remunerate fairly and responsibly			
8.1	<p>The board of a listed entity should:</p> <p>a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Partially	<p>The Board has established a Nomination and Remuneration Committee (<b>NRC</b>). The members of the NRC are:</p> <ul style="list-style-type: none"> <li>• Tim McGavin (Committee Chair);</li> <li>• Vik Bansal; and</li> <li>• Abigail Cheadle,</li> </ul> <p>all of whom are independent Directors except for Tim McGavin.</p> <p>The Board is of the view that Mr McGavin is best suited to chair the NRC.</p> <p>The Nomination and Remuneration Committee Charter is incorporated in the Corporate Governance Charter and is available on the Corporate Governance page of the Website.</p> <p>The NRC meets at least annually. Details of attendances at these meetings are set out in the Directors Report contained within the Annual Report.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	<p>The remuneration of the Directors is set out in Section 8.5 and 10.9.2 of the Prospectus.</p> <p>LGI's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives will be set out in the Remuneration Report contained in each Annual Report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>b) disclose that policy or a summary of it.</p>	Yes	<p>LGI's Securities Trading Policy prohibits employees entering into transactions which limit the economic risk of participating in equity-based remuneration schemes.</p> <p>LGI's Securities Trading Policy is published on the Corporate Governance page of the Website.</p>