



CORPORATE GOVERNANCE STATEMENT

The Lotus Resources Limited (“**Lotus**” or the “**Company**”) board of directors (the “**Board**” or “**Directors**”) is committed to conducting Lotus’s business in accordance with the highest standards of corporate governance to create and deliver value for its shareholders. The Board has established a corporate governance framework, including corporate governance policies, procedures and charters, to support this commitment. The framework is reviewed regularly and revised in response to changes in law, developments in corporate governance and changes to the Company’s business. A copy of these charters, procedures and policies are available on the governance page of Lotus’s website at lotusresources.com.au and are referred to in this document where relevant.

As a listed entity, Lotus must comply with Australian laws including the *Corporations Act* 2001 (Cth) (Corporations Act) and the Australian Securities Exchange Listing Rules (the “**ASX Listing Rules**”), and to report against the ASX Corporate Governance Council’s Principles and Recommendations (4th Edition) (the “**ASX Principles**”).

As required by the ASX Listing Rules, this Corporate Governance Statement (the “**Statement**”) discloses the extent to which Lotus has followed the ASX Principles and Recommendations. Except where otherwise explained, Lotus follows the ASX Principles.

This Statement should be read in conjunction with the material on the Company’s website www.lotusresources.com.au, including the 2021 Annual Report.

This Statement relates to the financial year ended 30 June 2021 and is accurate and up to date as at 30 September 2021. The Statement has been approved by the Board.



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

1. PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Key policies and charters with respect to the Board are the Company's Constitution and the Board Charter.

1.1 Have and disclose a Board Charter

The Board has established a Board Charter.

The Board has adopted a formal Board Charter that details the Board's role, authority, responsibilities, membership and operations, and is available under Corporate Governance on the Company's website at: www.lotusresources.com.au.

The Charter sets out the matters specifically reserved for the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman of the Board ("**Chairman**") and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.

1.2 Appointment and election of Directors

The Company undertakes appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a Director.

The Board, which performs the function of a Nomination and Remuneration Committee is required to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.

All material information relevant to a decision on whether or not to elect or re-elect a Director is provided to Shareholders in any notice of meeting pursuant to which the resolution to elect or re-elect such Director will be voted on.

1.3 Written agreements with Directors and senior executives

All new Directors are appointed through a written agreement with the Company that sets out their duties, rights and responsibilities. The Company has written agreements in place with each of its Directors and senior executives.



1.4 Accountability of Company Secretary

The Company Secretary reports to the Chairman and the Managing Director. The Company Secretary in his capacity as company secretary is appointed by the Board and Directors have access to the Company Secretary.

The Company Secretary is accountable to the Board through the Chairman on matters regarding the proper functioning of the Board, including assisting the Board and any of its committees with meetings and directors' duties, advising the Board on corporate governance matters, and acting as the interface between the Board and senior executives.

The role of the Company Secretary is described in more detail in the Board Charter.

1.5 Diversity Policy

The Company is committed to building a diverse and inclusive workforce across a wide range of workforce demographics that extends beyond gender. While it remains committed to workforce diversity, in light of its scope of activity and employee numbers, it is not considered appropriate that the Board:

- a) Maintains a Diversity Policy that sets and discloses measurable objectives for achieving gender diversity; and
- b) Annually assesses diversity related objectives and the entity's progress in achieving them.

While the Company does not have a formal diversity policy, it recognises the benefits of the Board being composed of Directors of different ages, ethnicities and backgrounds, which can help bring different perspectives and experiences to bear on decision making.

1.6 Performance evaluation of the Board

The Board considers the evaluation of its own and senior executive performance as fundamental to establishing a culture of performance and accountability. Performance evaluation of the Board and any applicable Board committees is managed by the Chairman, working with the Company Secretary.

The Board has an agreed performance evaluation process which includes a questionnaire relating to the role, composition, procedures, practices and behaviour of the Board, any applicable committees and its members. Senior executives having most direct contact with the Board may also be invited to complete similar questionnaires.

Responses to the questionnaires are confidential and provided directly to the Company Secretary with the results then communicated to the Chairman. The Chairman meets individually with each Board member to discuss their comments. The Chairman then meets with the Board as a whole during which



each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board.

Individual Directors' performance evaluations are completed by the Chairman. The Chairman meets with each individual Director and discusses their participation, preparedness and general contribution to the Board. The Board identifies weaknesses in their performance and may recommend strategies to correct those points.

The Chairman's performance evaluation is completed by an independent Director, after canvassing the views of the other Directors.

Owing to three of the Directors having been appointed only in February 2021, a formal performance review of the Board and its members was not carried out in 2021. The Board is satisfied that its current composition is appropriate in the Company's circumstances and is satisfied that the performance of the Board and its members meets the Company's requirements.

The Managing Director reviews the performance of the Company's senior executives. This is conducted by the Managing Director meeting with senior executives to discuss their overall performance, having regard to individual performance objectives and Company performance objectives. The Managing Director may recommend strategies to correct weaknesses.

1.7 Evaluation of senior executives

The Board is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Board is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director. The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.

The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the senior executives (if any) for each financial year in accordance with the applicable processes.



2. PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

2.1 Nomination Committee

The Board has the ability under the Company's Constitution to delegate its powers and responsibilities to Committees of the Board. Special Board committees shall be formed as required to give guidance and provide oversight concerning specific matters to the Board.

The Company intends to establish a Nomination and Remuneration Committee when warranted by the composition of the Board and the Company's circumstances. Until that time, the responsibilities of the Nomination and Remuneration Committee are currently performed by the Board.

If established, the Nomination and Remuneration Committee will adopt a formal, Board-approved charter that will detail its role, authority, responsibilities, membership and operations. Upon establishment, the Nomination and Remuneration Committee charter will be reviewed annually and be available on the Company's website at: www.lotusresources.com.au.

Owing to the size and composition of the Board, a separate Nomination and Remuneration Committee is not considered to be appropriate at the present time.

If established, the Nomination and Remuneration Committee will assist the Board in fulfilling its responsibilities in overseeing the:

- a) Remuneration strategy of the Company and its specific application to the Managing Director and senior executives;
- b) Selection, remuneration and succession of Directors; and
- c) The appointment, performance evaluation and succession of the Managing Director and senior executives.

In the meantime, these responsibilities are performed by the Board as a whole.

2.2 Skills and experience

The Company's objective is to have an appropriate mix of expertise and experience on the Board, and where appropriate its committees, so that the Board can effectively discharge its corporate governance and oversight responsibilities.

The Board considers key areas of expertise and experience to include:

- a) Corporate strategy;

- b) Executive leadership;
- c) Capital markets and business development;
- d) Risk management;
- e) Health and safety;
- f) African operations;
- g) Financial knowledge and experience;
- h) Metals exploration and mining;
- i) Resources project development;
- j) Board level capability; and
- k) Corporate governance.

The Company is committed to the continuing development of its Directors and will consider covering the cost of Directors participating in training and development programs.

A summary of the experience, skills and attributes of the Board is shown in the table below.

Experience, skills and attributes	Board
Corporate strategy Senior experience in the development and implementation of corporate strategy	4
Executive leadership Successful experience in CEO/Managing Director and/or other senior corporate leadership roles	4
Capital markets and business development Experience and capability in equity financing, joint ventures, mergers and acquisitions	4
Risk management and compliance Senior executive experience in operational risk management, including identification, monitoring, mitigation and compliance.	4
Health and safety Executive experience in the development and management of health and safety practices	3
African operations	2



Experience, skills and attributes	Board
Senior experience in African locations and demonstrated ability to maintain key in-country relationships	
Financial knowledge and experience Professional qualifications in finance disciplines or exhibits a high level of experience or background in financial accounting and reporting, internal financial and risk controls, capital management and treasury	2
Metals exploration and mining Relevant industry experience	4
Resources project development Resources project development and management	3
Board level experience Directors of other listed entities (last three years)	4
Corporate Governance Demonstrated commitment to high standards of corporate governance, including board, senior executive or equivalent experience or background which demonstrates a commitment to a high level of corporate governance	4

Details of the skills, experiences and expertise of each Director are also set out in the 2021 annual report and on the Company's website under Board and Management at www.lotusresources.com.au.

2.3 Directors' status and length of service

The Board should be structured in such a way that it has a proper understanding of, and competency to deal with, the current and emerging issues of Lotus's business and encourages enhanced performance of the Company. In determining the size and composition of the Board, the Company's size and operations as they evolve from time to time are key considerations.

In accordance with the Constitution and the Corporations Act, the Board shall at all times have at least three Directors. The Board is currently comprised of four Directors, two of whom are independent, Non-Executive Directors (Mr Bowen and Mr Hanlon), one of whom is the Managing Director (Mr Bowes) and one of whom is a Non-Executive, non-independent Director (Mr Davey).



info@lotusresources.com.au
 lotusresources.com.au



TEL +61 892003427
 ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
 PO BOX 749, West Perth WA 6872

Name	Status	Appointment Date
Michael Bowen (Chairman)	Non-Executive Chairman Independent	22 February 2021
Mark Hanlon	Non-Executive Director Independent	22 February 2021
Grant Davey	Non-Executive Director Non-independent	22 June 2020
Keith Bowes	Managing Director Non-independent	15 February 2021

The Company has accepted the definition of “independence” in the Recommendations in making the above assessments of independence. In making the independence assessment, Mr Bowes is deemed as being non-independent as a result of being an officer of the Company and Mr Davey is deemed as being non-independent as a result of being an officer of a substantial holder of the Company.

Details regarding the Chairman and the Directors, including experience and qualifications, are set out in the Company’s 2021 Annual Report and available on the Company’s website under Board and Management at www.lotusresources.com.au.

2.4 Independence of Directors

The Company’s Board Charter requires that, where practical, the majority of the Board should be independent. The Board currently comprises a total of four Directors, two of whom are considered to be independent. As such, independent Directors currently do not comprise the majority of the Board.

The Board does not currently consider an independent majority of the Board to be appropriate given the:

- Nature of the Company’s business, and its limited scale of activities, means the Company only needs, and can only commercially sustain, a small Board of four Directors and no senior executives (other than the executive Directors);
- Company considers at least two Directors need to be executive Directors for the Company to be effectively managed;
- Company considers it necessary, given the scale of activities, to attract and retain suitable Directors by offering Directors an interest in the Company; and
- Company considers it appropriate to provide remuneration to its Directors in the form of securities in order to conserve its limited cash reserves.

Despite not having an independent majority of Directors, the Company has two Non-Executive Directors, one of whom is the Chairman, with the casting vote at Board meetings.



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

2.5 Chair of the Board

The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO / Managing Director.

The Chairman is an independent Director.

2.6 Induction of new Directors and professional development of Directors

The Board is responsible for ensuring that new Directors undergo an induction process in which they are given a full briefing on the Company, including meeting with key executives, visits to the Company's premises and an induction package.

Incoming Directors are provided with a formal induction process upon engagement, including familiarising the Director with the Company's policies and processes, role and duties, membership and function of Committees, calendar of events, insurance access and indemnity. Incoming Directors are also offered the opportunity to undertake appropriate training tailored to the Director's existing skills, knowledge and experience.

New Directors appointed to the Board are provided with written material incorporating an overview of Directors' duties for publicly listed companies together with a detailed appointment letter outlining the Company's expectations and setting.

The Company Secretary is responsible for facilitating inductions and professional development including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company.

3. PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

3.1 Corporate values

The Code of Conduct provides a decision-making framework by establishing principles and values to guide decisions and actions. The Code promotes an organisational culture that enables employees to respond appropriately in a variety of situations and to be accountable for their decisions.

The Code of Conduct requires Directors, management, contractors and employees to deal with the Company's customers, suppliers, competitors, regulatory bodies and each other with honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates.



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

This Code of Conduct addresses expectations for conduct in the following areas:

- a) Acting with integrity and professionalism and be scrupulous in the proper use of Company information, funds, equipment and facilities;
- b) Exercising fairness, equity, courtesy, consideration and sensitivity in interactions with colleagues and stakeholders;
- c) Avoiding real or apparent conflicts of interest;
- d) Devoting the whole of their time, efforts, attention and skills during the hours of work and other such times as may be reasonably necessary to the performance of their duties to the best of their ability and knowledge;
- e) Using their best endeavours to promote the interests and business of the Company and its related entities;
- f) Complying with all relevant laws, rules and regulations, policies, handbooks/manuals and procedures as communicated from time to time;
- g) Being familiar at regular times with any and all such updates and amendments and comply with any updated, amended or new policies, regulations, rules, laws, handbooks/manuals and procedures;
- h) Faithfully and diligently performing duties and exercising powers consistent with the applicable role or as assigned from time to time; and
- i) Contributing to a culture of high ethical and moral standards and playing a role in preventing and correcting violations.

3.2 Code of Conduct

The Company's Code of Conduct applies to the Company's Directors, senior executives, employees and contractors. Any material breaches of the Code of Conduct are reported to the Board or a committee of the Board.

3.3 Whistleblower Policy

In committing to the highest standards of conduct and ethical behaviour, the Company encourages the reporting of any suspected unethical, illegal, fraudulent or undesirable conduct involving the Company. The Company will ensure that those persons who make a report, are free to do so without fear of intimidation, disadvantage or reprisal. All disclosures, whether or not they are material, are reported to the Board who is responsible for managing the Company's response. A copy of the Whistleblower Policy is available on the Company's website at: www.lotusresources.com.au



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

3.4 Anti-Bribery and Corruption Policy

Lotus has a zero-tolerance approach to bribery or corruption in its business. The Code, together with the Anti-Bribery and Corruption Policy, documents the Company's commitment to ensure all officers, employees, contractors, agents and any other party representing Lotus, will act fairly, honestly, with integrity and in compliance with the law. The Code of Conduct, together with the Anti-Bribery and Corruption Policy, set out the standards and behaviour Lotus expects of its officers, employees and representatives and links with the Whistleblowing Policy for the reporting of any actual or suspected breaches.

A copy of the Anti-Bribery and Corruption Policy and Compliance Guide is available on the Company's website at www.lotusresources.com.au.

4. PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

4.1 Audit Committee

Owing to the size and composition of the Board, and the scale of the Company's activities, a separate Audit Committee is considered by the Board not to be appropriate at the present time. In the meantime, these responsibilities are performed by the Board as a whole.

If established, the Audit Committee will assist the Board to protect the interests of Lotus's shareholders and stakeholders by overseeing on behalf of the Board:

- a) The integrity of financial reporting;
- b) The adequacy of the control environment and the processes for identifying and managing financial risk;
- c) The external audit function; and
- d) Compliance with applicable legal and regulatory requirements and internal codes of conduct, as requested by the board.

The Directors are given the opportunity to liaise with the Company's auditors separately and before the final signing of the half-year and annual financial statements. The Board considers and deals with matters which would otherwise be attended to by an audit committee, particularly as they relate to corporate reporting.

4.2 Financial statements

In connection with the year-end financial reports, the CEO (or his equivalent) and CFO (or his equivalent) provides a declaration to the Board in accordance with Australian Accounting Standards and the



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

Corporations Act that, in their opinion, the financial records 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 Company, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board is satisfied that a formal declaration is not needed for the half year results and that an annual declaration is sufficient.

4.3 Verification of financial reporting

To the extent that the information contained in the following is not audited or reviewed by an external auditor, the Company will include in each of its:

- a) Annual reports or on its website, a description of the process it undertakes to verify the integrity of the information in its annual Directors' report; and
- b) Half-year reports, or in its annual report or on its website, a description of the process it undertakes to verify the integrity of the information in its half-year reports.

5. PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous disclosure policy

In order to comply with its continuous disclosure obligations, the Board has adopted a Continuous Disclosure Policy. The Continuous Disclosure Policy is available on the Company's website at: www.lotusresources.com.au.

Lotus's Continuous Disclosure Policy reinforces its commitment to the ASX continuous disclosure requirements and outlines management's accountabilities and the processes to be followed for ensuring compliance.

The Continuous Disclosure Policy requires that procedures are in place to ensure that:

- a) Information is reviewed by Company management, including consultation with the Board and external advisors as required to determine if disclosure is required;
- b) The Executive Chairman is advised of and approves all information to be disclosed to the market; and
- c) The Board is kept fully informed of all information subsequently disclosed to the market.

The Company Secretary has primary responsibility for administration of the Continuous Disclosure Policy, including monitoring compliance with its disclosure obligations and managing all communications with the ASX.



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

5.2 Notification of announcements to Directors

All announcements released on the ASX Markets Announcement Platform are notified to Directors.

5.3 Investor and analyst presentations

All substantive investor or analyst presentations are released on the ASX Markets Announcement Platform ahead of such presentations.

6. PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1 Company information on website

Information about the Company and its corporate governance policies is available on the Company's website.

6.2 Investor relations program

Through its shareholder communications, Lotus aims to provide information that enables existing shareholders, potential shareholders and financial analysts to make informed decisions about the Company's intrinsic value and to provide the Company with feedback.

Lotus has an investor relations program that aims to facilitate effective two-way communication with investors, which includes:

- a) Issuing regular written shareholder communications such as quarterly financial reporting and an Annual Report which address the Company's strategy and performance;
- b) Making available on the Company's website important information such as broker research and Company presentations;
- c) Sending and receiving shareholder communications electronically, both from Lotus and its share registry;
- d) Maintaining the Board and governance section and investor and media centre on the Lotus website, including posting all announcements after they have been disclosed to the market;
- e) Engaging in a program of interactions with current and potential investors, and analysts, including participating in investor meetings, relevant conferences, and webinars;
- f) Promoting two-way interaction with shareholders, by supporting shareholder participation in the annual general meeting; and
- g) Ensuring that continuous disclosure obligations are understood and complied with throughout the Company.



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

In addition to electronic communication via the ASX website, the Company publishes all ASX releases, including annual and half-year financial statements, on the Company's website at www.lotusresources.com.au.

6.3 Shareholder participation at general meetings

To ensure that security holders have the opportunity to participate at meetings of members:

- a) At the Annual General Meeting, shareholders elect the Directors and have the opportunity to express their views, ask questions about Company business and vote on items of business for resolution by shareholders; and
- b) The Company's external auditor shall attend the Company's Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

In relation to the election and re-election of Directors, shareholders are informed of the names of candidates submitted for election and re-election as Directors at a general meeting of shareholders. In order to enable shareholders to make an informed decision regarding the election, the following information is supplied to shareholders:

- a) Biographical details (including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate);
- b) Details of material business relationships between the candidate and the Company and the candidate and Directors of the Company;
- c) Directorships held;
- d) The term of office currently served by any Directors subject to re-election; and
- e) Any other particulars required by law.

6.4 Resolutions at meetings of security holders

All resolutions at securityholder meetings are decided by a poll rather than a show of hands.

6.5 Electronic communication with security holders

The Company supports electronic communications with its shareholders. All shareholders have the option of receiving part or all of their communications electronically, and the Company regularly encourages shareholders to elect for, or transition to, electronic communications. Contact details for the Company's share registry are made available for shareholders on the Company's website and in key communications to shareholders.



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

7. PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Risk management committee

The Company does not have a separate risk committee. Owing to the current size of the Company, there is no committee of the Board with specific responsibility for overseeing risk, this function being carried out by the Board. The Board and senior executives are responsible for overseeing the implementation of the Company's approach to risk management.

The Board oversees the Company's risk management framework. The policy of the Board is to monitor and if considered necessary, seek advice on areas of operational and commercial risk and implement strategies for appropriate risk management arrangements.

Specific areas of risk, which are regularly considered at Board meetings, include expenditure levels relative to exploration success, going concern, the applicable legal and regulatory framework, foreign currency and commodity price fluctuations, performance of key activities, human resources, community and environment, land access, political instability and internal control.

7.2 Risk management framework

The Company's approach to risk management is based on the identification, assessment, monitoring, management and reporting of material risks related to its business and management systems.

Risk management governance originates at Board level and flows through to the Managing Director and the Company's business units through the Company's risk register, management and reporting against the risk register and delegated authorities.

The Company's risk register identifies risks to which the Company is exposed, designating such risks by business function. For each risk in the Company's risk register, the likelihood and consequence of each risk materialising is assessed, and risks are then ranked accordingly. Existing risk mitigation measures are recorded in the risk register and risk rankings are adjusted according to existing risk mitigation initiatives in place.

The Board is responsible for reviewing and ratifying systems of risk management and internal control and compliance, codes of conduct and legal compliance. It uses a number of mechanisms to ensure that management's objectives and activities are aligned with the risks identified by the Board.



7.3 Internal audit

Owing to the current size of the Company, the Company does not maintain a designated internal audit function within the Company, as disclosed in the Annual Report.

The scope of work carried out by the external auditor shall include a review of internal controls, especially as they relate to the Company's foreign subsidiaries. The report from the external auditor specifically addresses any weaknesses associated with internal controls as they relate to corporate reporting and any identified weaknesses form the basis of an action plan, the purpose of which is to address any such weaknesses. Implementation and monitoring of the progress of the action plan is undertaken by the Company's CFO, who has experience in internal audit.

Comprehensive reporting to the Board on the Company's activities, in particular, the application of funds, is carried out on a monthly basis and forms an important part of the internal control process.

7.4 Environmental and social risks

The Company's Continuous Disclosure Policy requires the Company to disclose whether it has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risk.

The Company operates in a foreign jurisdiction – Malawi – and recognises the importance of working constructively with local communities. In endeavouring to ensure that the Company maintains positive, mutually beneficial relationships with local communities and other key stakeholders, it applies a multi-faceted approach that seeks to address the following aspects of its engagement:

- a) Staff and contractor conduct;
- b) Community engagements;
- c) Community complaints;
- d) Land access and relocation;
- e) Migration to the local area (In-migration);
- f) Community health and safety;
- g) Environmental impact;
- h) Local employment;
- i) Local procurement;
- j) Community development; and



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

k) Track projects' quality and result.

8. PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration Committee

The Board has the ability under the Company's Constitution to delegate its powers and responsibilities to committees of the Board. Special Board committees shall be formed as required to give guidance and provide oversight concerning specific matters to the Board.

The Company does not have a Remuneration Committee as the Board as the Board considers the Company will not currently benefit from its establishment. Owing to the size and composition of the Board and the scale of the Company's activities, a remuneration committee of the Board with responsibility for remuneration is not considered to be appropriate at the present time, with the functions of such a committee being performed by the Board.

The Company intends to establish a Nomination and Remuneration Committee when warranted by the composition of the Board and the Company's circumstances. Until that time, the responsibilities of the Nomination and Remuneration Committee are performed by the Board.

The Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives.

8.2 Remuneration of Directors and senior executives

The Company's Remuneration Policy is to ensure that the remuneration package properly reflects the relevant individual's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Non-Executive Directors are remunerated by way of fixed remuneration (cash fees), superannuation contributions and from time-to-time, options.

Levels of fixed remuneration for Non-Executive Directors reflect the time commitment and responsibilities of the role. Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. The sum each Non-Executive Director is paid is determined by the Board. Additional fees can be paid for participation on Board Committees or where the time commitment is in excess of that which is typical for a Non-Executive Director of the Company.



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

While the Company's Non-Executive Directors have been granted unlisted options, in the ordinary course, they do not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their objectivity.

It is generally acceptable for Non-Executive Directors to receive securities as part of their remuneration to align their interests with the interests of other security holders.

Subject to obtaining any required approvals, the Company's Non-Executive Directors may also choose to receive shares in the Company as part of their remuneration instead of receiving cash and may participate in equity schemes of the Company, such as option schemes.

Non-Executive Directors should not be provided with retirement benefits other than superannuation. The Company's Non-Executive Directors are entitled to and receive their statutory superannuation entitlement.

Remuneration packages for Executive Directors and other senior executives include an appropriate balance of fixed remuneration and performance-based remuneration.

Fixed remuneration is to be reasonable and fair, taking into account the Company's obligations at law and labour market conditions, and relative to the scale of the Company's business. It reflects core performance requirements and expectations.

Performance-based remuneration is linked to clearly specified performance targets. These targets are aligned to the Company's short and long-term performance objectives and are appropriate to its circumstances, goals and risk appetite.

Termination payments, if any, for senior executives are agreed in advance and the agreement clearly addresses what will happen in the case of early termination. There is no termination payment for removal for misconduct.

Details on the Company's approach to remuneration and the amount of remuneration and all monetary and non-monetary components for all Directors and key management personnel are to be included in the Remuneration Report within the Directors' Report in the Annual Report.

8.3 Equity-based remuneration

The Company has an equity-based remuneration scheme. The Company strives to have a well-designed equity-based remuneration scheme, including options or performance rights, which can be an effective form of remuneration, especially when linked to hurdles that are aligned to the Company's longer-term performance objectives. The Company takes care in the design of equity-based remuneration schemes to



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872



ensure that they do not lead to "short-termism" on the part of senior executives or the taking of undue risks.

The Company has a policy – Securities Trading 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.

A copy of the Securities Trading Policy is available on the Company's website.



info@lotusresources.com.au
lotusresources.com.au



TEL +61 892003427
ABN: 38 119 992 175



Lvl 1, 1202 Hay St, West Perth WA 6005
PO BOX 749, West Perth WA 6872

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Lotus Resources Limited

ABN/ARBN

119 992 175

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://lotusresources.com.au/corporate/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 30 September 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 30 September 2021

Name of authorised officer
authorising lodgement:

Stuart McKenzie
Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: https://lotusresources.com.au/corporate/corporate-governance/	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) 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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) 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.</p> <p>If the entity was in the S&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>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p>[insert location]</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p>[insert location]</p> <p>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>https://lotusresources.com.au/corporate/corporate-governance in the Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>https://lotusresources.com.au/corporate/corporate-governance in the Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/> https://lotusresources.com.au/corporate/corporate-governance in the Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: https://lotusresources.com.au/corporate/corporate-governance in the Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 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, 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>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>https://lotusresources.com.au/corporate/corporate-governance in the Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation 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 (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: https://lotusresources.com.au/corporate/corporate-governance in the Corporate Governance Statement and, where applicable, the information referred to in paragraph (b) at: https://lotusresources.com.au/corporate/corporate-governance in the Corporate Governance Statement and the length of service of each director at: https://lotusresources.com.au/corporate/corporate-governance in the Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in the code of conduct at: https://lotusresources.com.au/corporate/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: https://lotusresources.com.au/corporate/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: https://lotusresources.com.au/corporate/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: https://lotusresources.com.au/corporate/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 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>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) 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>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
4.3	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED 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.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: https://lotusresources.com.au/corporate/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 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.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: https://lotusresources.com.au/corporate/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://lotusresources.com.au/corporate/corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of 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, 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 risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</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>	<p><input type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
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 governance, risk management and internal control processes.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 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, 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>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>https://lotusresources.com.au/corporate/corporate-governance</p> <p>and in the 2021 Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at:</p> <p>https://lotusresources.com.au/corporate/corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/> and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>