

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Lynas Rare Earths Limited
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ABN/ARBN

27 009 066 648
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Financial year ended:

30 June 2023
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://www.LynasRareEarths.com/about-us/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 9 October 2023 and has been approved by the board.

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

Date: 12 October 2023

Name of authorised officer authorising lodgement: Sarah Leonard, Company Secretary

<sup>1</sup> "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.

<sup>2</sup> 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.

<sup>3</sup> 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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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: www.LynasRareEarths.com.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <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 <b>OR</b> <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 <b>OR</b> <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 <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> 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/”).

<sup>5</sup> 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, <sup>4</sup> 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: <sup>5</sup>
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(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</li> <li>(c) disclose in relation to each reporting period:               <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity's progress towards achieving those objectives; and</li> <li>(3) either:                   <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul> </li> </ul> </li> </ul> <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>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of our diversity policy at: <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a> and we have disclosed the information referred to in paragraph (c) at: in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p> <p>and if we were included in the S&amp;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 type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> 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: <sup>5</sup>
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>in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
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 checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p> <p>and the information referred to in paragraphs (4) and (5) at: in our FY23 Financial Report at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p> <p>[If the entity complies with paragraph (b):] 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: Not applicable</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>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>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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2.3	<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, 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</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p> <p>and, where applicable, the information referred to in paragraph (b) at:</p> <p>Not Applicable</p> <p>and the length of service of each director at:</p> <p>in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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"/>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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.	<input checked="" type="checkbox"/>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a>	<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: <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
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: <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a>	<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: <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
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 checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p> <p>and the information referred to in paragraphs (4) and (5) at: in our FY23 Financial Report at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</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>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</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>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
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: www.LynasRareEarths.com	<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
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
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: www.LynasRareEarths.com	<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: in our Corporate Governance Statement at www.LynasRareEarths.com	<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

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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
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
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>	<input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a>  and the information referred to in paragraphs (4) and (5) at: in our FY23 Financial Report at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
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>	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	<input checked="" type="checkbox"/> and we have disclosed how our internal audit function is structured and what role it performs at: in our Corporate Governance Statement at <a href="http://www.lynasrareearths.com">www.lynasrareearths.com</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a>  and, if we do, how we manage or intend to manage those risks at: in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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 checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p> <p>and the information referred to in paragraphs (4) and (5) at: in our FY23 Financial Report at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>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>	<p><input checked="" type="checkbox"/> 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>in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></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"/> and we have disclosed our policy on this issue or a summary of it at: in our Corporate Governance Statement at <a href="http://www.LynasRareEarths.com">www.LynasRareEarths.com</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
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: Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <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"/> Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <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"/> Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input 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
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<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: Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	<input type="checkbox"/> and we have disclosed the terms governing our remuneration as manager of the entity at: Not applicable	<input type="checkbox"/> set out in our Corporate Governance Statement

## Lynas Rare Earths Limited ACN 009 066 648

### Corporate Governance Statement – Financial Year Ended 30 June 2023

The Board of Directors of the Company is responsible for the corporate governance of the Group. The Board guides and monitors the business and affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board has approved this Corporate Governance Statement. This Corporate Governance Statement is current as at 9 October 2023.

In accordance with the ASX Corporate Governance Council's (the "Council's") Principles and Recommendations (4th edition), the Corporate Governance Statement must contain certain specific information and also report on the Group's adoption of the Council's best practice recommendations on an exception basis, whereby disclosure is required of any recommendations that have not been adopted by the Group, together with the reasons why they have not been adopted. The Group's corporate governance principles and policies are therefore structured with reference to the Council's best practice recommendations.

The Group's corporate governance practices were in place throughout the financial year ended 30 June 2023, and complied with all of the Council's Principles and Recommendations throughout the financial year.

Details of the Group's corporate governance practices in place throughout the financial year ended 30 June 2023 are as follows.

#### **Principle 1 - Lay solid foundations for management and oversight**

##### **Recommendation 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**

The Group has established a Board Charter, a copy of which is available on the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com). The Group's Board Charter sets out each of the matters referred to in Recommendation 1.1, including:

- (1) The respective roles and responsibilities of the Board and management and those matters expressly reserved to the Board and those delegated to management, which are in accordance with Recommendation 1.1;
- (2) The role and responsibilities of the Chair of the Board;
- (3) The Group's policy on when and how directors may seek independent professional advice at the expense of the Group.

##### **Recommendation 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.**

The Nomination, Remuneration and Community Committee of the Board ensures that appropriate checks are undertaken before a person is appointed as a Director, or before a person is put forward to shareholders as a candidate for election as a Director. These include checks as to the person's character, experience, education, criminal record and bankruptcy history. If the Nomination, Remuneration and Community Committee concludes that it would be appropriate to consider the appointment of an additional Director, an extensive process is undertaken to identify suitable candidates, usually involving an external search firm. That process involves identifying the skills and experience required of the candidate, compiling lists of potential candidates, identifying a short list of candidates to be interviewed, conducting interviews, conducting the checks referred to above in respect of the short-listed candidates, and selecting a recommended candidate.

The Group provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director by providing all material information concerning the proposed Director in the Explanatory Memorandum that accompanies each Notice of Meeting at which candidates are proposed for election or re-election. This information includes:

- (1) biographical details, including their relevant qualifications and experience and the skills they bring to the board;
- (2) details of any other material directorships currently held by the candidate;
- (3) in the case of a candidate standing for election as a director for the first time:
  - (a) confirmation that the entity has conducted appropriate checks into the candidate's background and experience;
  - (b) if those checks have revealed any information of concern, that information;
  - (c) details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party; and
  - (d) if the board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect.
- (4) in the case of a candidate standing for re-election as a director:
  - (a) the term of office currently served by the director; and
  - (b) if the board considers the director to be an independent director, a statement to that effect.

- (5) a statement by the board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.

### **Recommendation 1.3 – Written Agreements with Directors and Senior Executives**

The Group has signed letters of appointment with each non-executive Director, and service agreements with the CEO and the other senior executives. Each such agreement is with the individual personally. Further details are set out in the Remuneration Report contained in the FY23 Financial Report. The letters of appointment with the non-executive Directors cover topics including:

- (1) the term of appointment;
- (2) the time commitment envisaged, including committee work;
- (3) remuneration;
- (4) the requirement to disclose the director's interests and any matters which could affect the director's independence;
- (5) the requirement to comply with key corporate policies;
- (6) the requirement to notify the entity of, or to seek the entity's approval before accepting, any new role that could impact upon the time commitment expected of the director or give rise to a conflict of interest;
- (7) the Group's policy on when directors may seek independent professional advice at the expense of the Group;
- (8) the circumstances in which the Director's office becomes vacant;
- (9) indemnity and insurance arrangements;
- (10) ongoing rights of access to corporate information; and
- (11) ongoing confidentiality obligations.

### **Recommendation 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**

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The role of the Company Secretary includes:

- (1) advising the Board and its committees on governance matters;
- (2) monitoring that Board and committee policy and procedures are followed;
- (3) coordinating the timely completion and despatch of Board and committee papers;
- (4) ensuring that the business at board and committee meetings is accurately captured in the minutes; and
- (5) helping to organize and facilitate the induction and professional development of Directors.

Each Director is able to communicate directly with the Company Secretary and vice versa. The decision to appoint or remove a Company Secretary is made or approved by the Board.

### **Recommendation 1.5 – Diversity**

The Group has established a policy concerning diversity. The Group recognises the need to set diversity measures in each of its operating locations taking into account the differing diversity issues within each geographic location in which it operates. A copy of the Diversity Policy is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com). The policy includes requirements for the Board to establish measurable objectives for achieving gender diversity in the composition of the Board, senior executives and the workforce generally, and for the Board to assess annually both the objectives and progress in achieving them.

Below are the measurable objectives set by the Board for achieving gender diversity together with the progress made in achieving those objectives:

- (1) Ensuring that recruitment of employees and Directors is made from a diverse pool of qualified candidates. Where appropriate, a professional recruitment firm shall be engaged to select a diverse range of suitably qualified candidates.

The Group continues to ensure that professional recruitment firms provide a broad selection of suitably qualified candidates together with prioritising local employment in the areas in which it operates. Further information on the skill set of the Directors is provided in the Remuneration Report contained in the FY23 Financial Report.

- (2) Increasing the number of women in operations and in other key areas of the workforce.

The Group is focussed on promoting the development of women within its business. The Group's female employees increased to 25% at the end of FY23 (the number was 23% at the end of FY22). In addition, the Group has focussed

on encouraging a wide range of ethnic backgrounds among its employees, and the workforce includes people from a large number of backgrounds and cultures. The Group believes that its current diversity levels are good compared to other companies in its industry. The Group's policies of favouring local employment and promoting education in its local communities will continue to contribute to the diversity of its workforce. The specific quantitative objectives set by the Board for achieving gender diversity are as follows:

Level of the Organization	Gender Diversity Level at 30 June 2023	Target for the end of 2024	Target for the end of 2025
The whole organization	25%	30%	30%
Senior Executives (the Company now defines Senior Executives as all managers and above (CEO, CEO-1 -2, -3)	25%	30%	30%
The Board	43%	40%	40%

Our gender diversity target for the Board reflects a best practice gender equality target of 40:40:20%, which represents 40% women, 40% men, 20% any gender.

(3) Identifying programmes that assist in the development of a broader pool of skilled and experienced candidates including:

- (a) initiatives focused on skills development, such as executive mentoring programmes; and
- (b) career advancement programmes to develop skills and experience that prepare employees for senior management.

The Group has in place a formal talent management process including mentoring and succession planning.

(4) Taking action to correct inappropriate workplace behaviour and behaviour that is inconsistent with the diversity objectives of the Group.

The Group has in place a Code of Conduct as well as a Harassment & Discrimination Policy which defines inappropriate behaviour and the potential resultant disciplinary actions. A formal employee grievance process has been established to assist in identifying issues such as inappropriate workplace behaviour and behaviour that is inconsistent with the values and diversity objectives of the Group.

The board includes gender diversity as a relevant consideration in its succession planning.

In addition, the Group's definition of "senior executives" is all manager-level employees and above.

In 2023, the Group provided a report under the Workplace Gender Equality Act.

**Recommendation 1.6– Process for evaluating the performance of the Board**

In accordance with the Charter of the Nomination, Remuneration and Community Committee, the Committee is responsible for the:

- (1) evaluation and review of the performance of the Board against both measurable and qualitative indicators established by the Committee;
- (2) evaluation and review of the performance of individual Directors against both measurable and qualitative indicators established by the Committee;
- (3) review of and making of recommendations on the size and structure of the Board; and
- (4) review of the effectiveness and programme of Board meetings.

A Board Performance review was conducted in 2022.

**Recommendation 1.7 – Performance evaluation of Senior Executives**

The Group has established detailed written Key Responsibility Areas and Key Performance Indicators (KPIs) for each senior executive. The performance of senior executives is periodically reviewed against their KPIs, at least once every 12 months, as part of the Group's formal performance review procedures.

Induction procedures are in place to allow new senior executives to participate fully and actively in management decision making at the earliest opportunity.

An evaluation of senior executives took place during the financial year. The evaluation was in accordance with the above process.

**Principle 2 – Structure the board to be effective and add value**

**Recommendation 2.1 – Nomination Committee**

The Group has established a Nomination, Remuneration and Community Committee.

The Group's Nomination, Remuneration and Community Committee complies with each of the requirements of Recommendation 2.1 as follows:

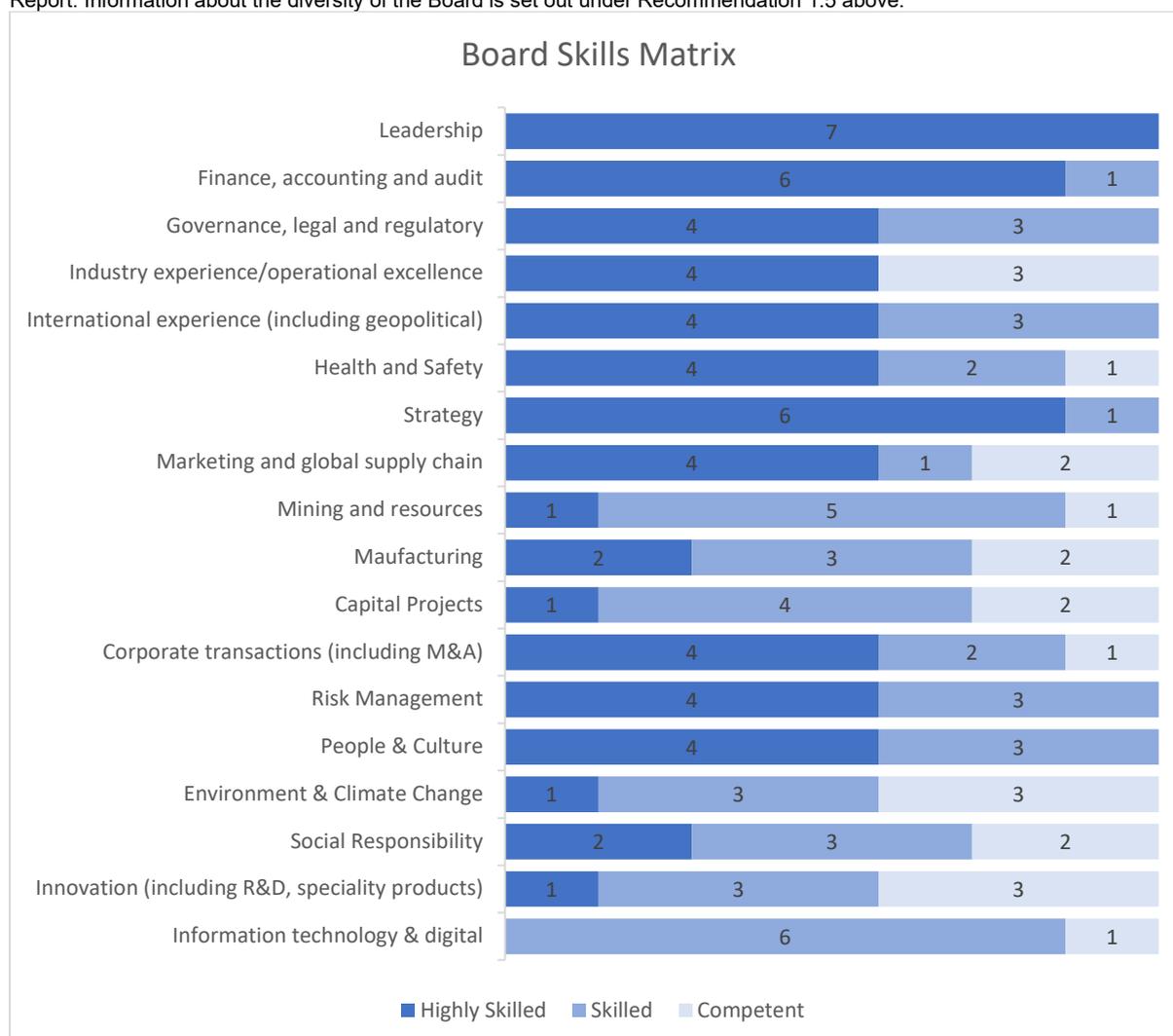
- (1) The Committee consists of a majority of independent Directors. The members of the Committee are Mr Humphrey, Ms Conlon, Mr Murdoch, Dr Guthrie and Mr Beevers. Each of those Directors is an independent Director. Further details, including the relevant qualifications and experience of the members of the Committee, are provided in the Directors' Report in the FY23 Financial Report.
- (2) The Committee was chaired by Mr Humphrey during FY23. At all times during FY23, the Chair of the Committee was an independent Director who was not Chair of the Board at the time that they were Chair of the Committee.
- (3) There were four formal meetings of the Committee during the financial year ending 30 June 2023. In addition, there were several informal meetings. Further details, including the attendances of members, are provided in the Directors Meetings section of the FY23 Financial Report.
- (4) At all times during the financial year ending 30 June 2023, the Committee had at least three members.

The Group has adopted a Charter for its Nomination, Remuneration and Community Committee. A copy of the Committee Charter is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

### Recommendation 2.2 – Board Skills

The Nomination, Remuneration and Community Committee recognizes that it is important that the Board has an appropriate mix of skills, experience, expertise and diversity. The Nomination, Remuneration and Community Committee has prepared the Board Skills Matrix appearing in the table below, to measure skills that are considered relevant to the nature of the Group and the industry in which it operates.

Further details of the skills and experience of the members of the Board are provided in the Directors' Report in the FY23 Financial Report. Information about the diversity of the Board is set out under Recommendation 1.5 above.



### ***Recommendation 2.3 – Independence of Directors***

The Council defines independence as being free from any interest, position, association or relationship that might influence, or could reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Group and its shareholders generally.

During the financial year ended 30 June 2023 the Board had a majority of independent Directors. In accordance with the definition of independence above, and the materiality thresholds set, J. Humphrey, K. Conlon, P. Etienne, G. Murdoch, V. Guthrie and J. Beevers were viewed as independent Directors.

A. Lacaze's appointment as Chief Executive Officer of the Group was effective from June 25, 2014 (previously, a Non-Executive Director from January 1, 2014). As the Chief Executive Officer of the Group, Ms Lacaze is not an independent Director of the Group in accordance with the definition above.

The length of service of each Director who held office as at 30 June 2023 is as follows:

<b>Name</b>	<b>Term in office</b>
K. Conlon	11 years 8 months
A. Lacaze	9 years 6 months
P. Etienne	8 years 6 months
J. Humphrey	6 years 1 month
G. Murdoch	5 years 8 months
V. Guthrie	2 year 9 months
J. Beevers	2 months

### ***Recommendation 2.4 – Majority of Independent Directors***

As noted above in relation to Recommendation 2.3, at all times during the financial year ended 30 June 2023, the Board had a majority of independent Directors.

### ***Recommendation 2.5 – The Chair should be an independent Director and not the same person as the CEO***

Ms Conlon has been the Chairman of the Board since 1 October 2020. Ms. Conlon is an independent Director and is not the CEO. Accordingly, the Group was compliant with Recommendation 2.5 throughout the financial year ended 30 June 2023.

### ***Recommendation 2.6 – Director Induction and Professional Development***

The Group has adopted a Board Induction Policy that summarizes the key matters to be addressed in the induction of each new Director. Among other things, the Induction Policy deals with information to be provided to new Directors, the Chair's role, key contacts, remuneration, indemnities, insurance, access to information, and disclosure.

The Nomination, Remuneration and Community Committee regularly reviews the skills and experience of the Directors and assists Directors to identify professional development opportunities to develop and maintain the skills required to perform their roles effectively.

## **Principle 3 – Instil a Culture of Acting Lawfully, Ethically and Responsibly**

### ***Recommendation 3.1 – A listed entity should articulate and disclose its values***

The Group's values are the guiding principles and norms that define what type of organisation it aspires to be and what it requires from its directors, senior executives and employees to achieve that aspiration. The Board has approved the Group's statement of values and charged the senior executive team with the responsibility of inculcating those values across the organisation.

The Group's values available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com). The Group's values are as follows:

- (1) **Care** - We care for and respect each other, our communities and the environment. We make sure we all go home safe and well;
- (2) **Achievement** - We are resilient and committed. We overcome challenges to achieve our goals;
- (3) **Expertise** - We are driven to be the world's best in Rare Earths and to earn the respect of our customers;
- (4) **Diversity** - We are a multicultural company. We value and embrace diversity; and
- (5) **Sustainability** - We are passionate about contributing to a sustainable future and green technologies.

### **Recommendation 3.2 – Code of Conduct**

The Group has established a code of conduct for its directors, senior executives and employees concerning the:

- (1) practices necessary to maintain confidence in the Group's integrity;
- (2) practices necessary to take into account the Group's legal obligations and the expectations of stakeholders; and
- (3) responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Audit, Risk & ESG Committee of the Board is informed of any material breaches of the code of conduct. A copy of the code of conduct is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

### **Recommendation 3.3 – Whistleblower Policy**

The Group has established a Whistleblower Policy that:

- (1) identifies the types of concerns that may be reported under the policy and how and to whom reports may be made;
- (2) explains how the confidentiality of the whistleblower's identity is safeguarded and the whistleblower is protected from retaliation or victimisation;
- (3) outlines the processes to follow up and investigate reports made under the policy;
- (4) provides for the training of employees and managers; and
- (5) states that the policy will be periodically reviewed to check that it is operating effectively and whether any changes are required to the policy.

The Audit, Risk & ESG Committee of the Board is informed of any material breaches of the policy. A copy of the policy is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

### **Recommendation 3.4 – Anti-Bribery and Corruption Policy**

The Group has established an Anti-Bribery Policy that:

- (1) acknowledges the serious criminal and civil penalties that may be incurred and the reputational damage that may be done if the Group is involved in bribery or corruption;
- (2) prohibits the giving of bribes or other improper payments or benefits to public officials and the payment of secret commissions;
- (3) includes appropriate controls around political donations and offering or accepting gifts, entertainment or hospitality;
- (4) provides for the training of managers and employees likely to be exposed to bribery or corruption; and
- (5) states that the policy will be periodically reviewed to check that it is operating effectively and whether any changes are required to the policy.

The Audit, Risk & ESG Committee of the Board is informed of any material breaches of the policy. A copy of the policy is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

## **Principle 4 – Safeguard the integrity of corporate reports**

### **Recommendation 4.1 – Audit Committee**

The Group has established an Audit, Risk & ESG Committee.

The Group's Audit, Risk & ESG Committee complies with each of the requirements of Recommendation 4.1 as follows:

- (1) The Committee consists only of Non-Executive Directors. The members of the Committee are Mr Murdoch, Mr Humphrey, Mr Etienne and Ms Guthrie. Further details, including the relevant qualifications and experience of the members of the Committee, are provided in the Directors' Report in the FY23 Financial Report.
- (2) Six meetings of the Committee were held during the financial year ending 30 June 2023. Further details, including the attendances of members, are provided in the Directors Meetings section of the FY23 Financial Report.
- (3) All of the members of the Committee are independent Directors.
- (4) The Committee is chaired by Mr Murdoch, who is an independent Director and who is not Chair of the Board.
- (5) At all times during the financial year ending 30 June 2023, the Committee had at least three members.

The Group has adopted a Charter for its Audit, Risk & ESG Committee. A copy of the Committee Charter is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

#### **Recommendation 4.2 – Statement from the Chief Executive Officer and the Chief Financial Officer**

Before the Board approves the Group's financial statements for a financial period, the Board receives a declaration from the Chief Executive Officer and the Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* that, in their opinion, the financial records of the Group 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 Group, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### **Recommendation 4.3 – Process to verify the integrity of any periodic corporate report released to the market that is not audited or reviewed by an external auditor**

Where a corporate report is not subject to audit or review by an external auditor, the process by which the Group satisfies itself that the report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions as follows:

- (1) The report is initially prepared by the responsible department of the Group (normally the finance department), and the report is subjected to at least 2 levels of review within that department before it is issued in draft form for further internal review;
- (2) If appropriate, the report is reviewed by an external subject matter expert to ensure that the report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (3) The report is reviewed by the Lynas Leadership Team, comprising the most senior executives from each department of the Group's business who are invited to review and comment on information both within and beyond the areas of their individual responsibilities; and
- (4) The report reviewed by the Group's Directors prior to public release to ensure that the report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions.

#### **Principle 5 - Make timely and balanced disclosure**

##### **Recommendation 5.1 – A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1**

The Group has established a written policy designed to ensure:

- (1) compliance with ASX Listing Rules continuous disclosure obligations; and
- (2) accountability at a senior executive level for that disclosure.

A copy of the Group's Continuous Disclosure Policy is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

##### **Recommendation 5.2 – A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made**

In accordance with the Group's Continuous Disclosure Policy, the Group's Directors receive copies of all material market announcements both before, and promptly after, they have been made.

A copy of the Group's Continuous Disclosure Policy is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

##### **Recommendation 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**

In accordance with the Group's Continuous Disclosure Policy, when the Group gives a new and substantive investor or analyst presentation, the Group releases a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

A copy of the Group's Continuous Disclosure Policy is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

#### **Principle 6 - Respect the rights of shareholders**

##### **Recommendation 6.1 – Information on the Group's Website**

The Group provides information about itself and its governance to its shareholders via the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com). Information about governance is available in the Corporate Governance section of the Group's website. Other information of relevance to shareholders is available in the Investors section of the Group's website.

##### **Recommendation 6.2 – Investor Relations Program**

The Group has an investor relations program to facilitate effective two-way communication with shareholders. The Group's investor relations program includes the following:

- (1) an email link on the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com) for shareholders to ask questions;

- (2) actively engaging with shareholders at the AGM;
- (3) periodic meetings with institutional investors, analysts and financial media representatives; and
- (4) recorded CEO presentations at the time of the release of quarterly reports, half year financial reports and annual financial reports which are accessible via [www.asx.com.au](http://www.asx.com.au) and the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

**Recommendation 6.3 – Facilitating and Encouraging Shareholder Participation at AGMs**

The Group's processes to facilitate and encourage shareholder participation at AGMs include:

- (1) providing an email link on the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com) for shareholders to ask questions ahead of AGMs;
- (2) live streaming the Group's AGM, including an online facility for shareholders to ask questions "live" during the AGM and real time voting; and
- (3) providing a facility for online lodgement of proxies.

In addition, the Group has adopted a Shareholder Communications Policy for:

- (1) promoting effective communication with shareholders; and
- (2) encouraging shareholder participation at AGMs.

A copy of the Group's Shareholder Communications Policy is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

**Recommendation 6.4 – Shareholder Voting by Poll and not by Show of Hands**

Every shareholder vote at every shareholder meeting of the Group is conducted by a poll and not by a show of hands. The results of each shareholder vote at each shareholder meeting are accessible via [www.asx.com.au](http://www.asx.com.au) and the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

**Recommendation 6.5 – Electronic Communications with Shareholders**

The Group gives shareholders the option to receive communications from, and to send communications to, the Group and its share registry electronically. The Group periodically sends communications to those shareholders who have provided an email address. There is a facility on the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com) for shareholders to subscribe to receive emailed copies of the Group's ASX announcements. In addition, there is an email link on the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com) for shareholders to communicate with the Group electronically. The Group's share registry, Boardroom Pty Ltd, has similar arrangements that are accessible via its website [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au).

**Principle 7 - Recognise and manage risk**

**Recommendation 7.1 – Risk Management Committee**

The Group has established an Audit, Risk & ESG Committee to oversee risk.

The Group's Audit, Risk & ESG Committee complies with each of the requirements of Recommendation 7.1 as follows:

- (1) The Committee consists only of Non-Executive Directors. The members of the Committee are Mr Murdoch, Mr Humphrey, Mr Etienne and Ms Guthrie. Further details, including the relevant qualifications and experience of the members of the Committee, are provided in the Directors' Report in the FY23 Financial Report.
- (2) Six meetings of the Committee were held during the financial year ending 30 June 2023. Further details, including the attendances of members, are provided in the Directors Meetings section of the FY23 Financial Report.
- (3) All of the members of the Committee are independent Directors.
- (4) The Committee is chaired by Mr Murdoch, who is an independent Director and who is not Chair of the Board.
- (5) At all times during the financial year ending 30 June 2023, the Committee had at least three members.

The Group has adopted a Charter for its Audit, Risk & ESG Committee. A copy of the Committee Charter is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

**Recommendation 7.2 – Risk Management Framework**

The Group has adopted a Risk Management Policy and a Risk Management Framework for oversight and management of its material business risks. The Audit, Risk & ESG Committee reviews the Group's Risk Management Framework at least annually to satisfy itself that it continues to be sound. Such a review has taken place in the financial year ending 30 June 2023.

### **Recommendation 7.3 – Internal Audit**

During the financial year ending 30 June 2023, the Group began implementing an internal audit function. The Group's internal audit function has previously focussed on compliance with ISO standards by the Group's operating processes. The internal audit function will be progressively expanded to other key areas of risk in the business. During the financial year ending 30 June 2022, the Group appointed Price Waterhouse Coopers to recommend an internal audit plan focussed on key areas of the business consistent with the outcomes of the risk mapping process. The implementation of this plan commenced in the financial year ending 30 June 2023 and is ongoing. The main internal audit activities during the financial year ending 30 June 2023 were focussed on system related upgrades and process automations together with process standardisation throughout the company.

The other processes that the Group employed during the financial year ending 30 June 2023 for evaluating and continually improving the effectiveness of its risk management and internal control processes include the following:

- (1) The Group's Risk Management Policy and Risk Management Framework clearly describe the roles and accountabilities of the Board, the Audit, Risk & ESG Committee, the Health Safety & Environment Committee and management.
- (2) The Audit, Risk & ESG Committee and the Health Safety & Environment Committee oversee the Group's material business risks.
- (3) Those members of the Group's management team who are accountable for risk management, safety, health, environment and community matters manage the Group's material business risks.
- (4) The Audit, Risk & ESG Committee oversees financial risks pursuant to its Charter. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.
- (5) The members of the Group's finance department manage financial risks.
- (6) The Group has adopted the following policies for the oversight and management of material business risks: Risk Management Policy, Environmental Policy, Community Policy and Occupational Health and Safety Policy.

Copies of the following documents referred to in this section are available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com):

- (1) Audit, Risk & ESG Committee and Health Safety & Environment Committee Charters;
- (2) Risk Management Policy;
- (3) Environmental Policy;
- (4) Community Policy; and
- (5) Occupational Health and Safety Policy.

### **Recommendation 7.4 – Environmental and Social Risks**

The categories of risk to which the Group has exposure include environmental and social risks. The Group manages these risks as follows:

- (1) The Group manages environmental risks by adopting environmental management programs for each of its sites. The Group has detailed environmental monitoring at each of its sites, and the Group has invested significant amounts in environmental controls such as the Group's Malaysian waste gas treatment plant, waste water treatment plant and solid residues commercialisation and storage programs. These measures have ensured that the Group has complied with all applicable environmental standards at each site.
- (2) The Group recognises that a strong mutual relationship with each community in which it operates is necessary for successful operations. In addition, the Group recognises the importance of maintaining its reputation with all of its stakeholders including shareholders, regulatory authorities, communities, customers and suppliers. The Group has adopted a Community and Stakeholder Engagement Plan and the Group engages in community programs that build relationships with each of the communities in which the Group operates.

Further details of how the Group manages environmental and social risks are set out in the Group's Sustainability Report and the Risk section of the Group's Annual Financial Report.

## **Principle 8 - Remunerate fairly and responsibly**

### **Recommendation 8.1 – Remuneration Committee**

The Group has established a Nomination, Remuneration and Community Committee.

The Group's Nomination, Remuneration and Community Committee complies with each of the requirements of Recommendation 8.1 as follows:

- (1) The Committee consists of a majority of independent Directors. The members of the Committee are Mr Humphrey, Ms Conlon, Mr Murdoch Dr Guthrie and Mr Beevers. Each of those Directors is an independent Director. Further details, including the relevant qualifications and experience of the members of the Committee, are provided in the Directors' Report in the FY23 Financial Report.
- (2) The Committee was chaired by Mr Humphrey. At all times during FY23, the Chair of the Committee was an independent Director who was not Chair of the Board at the time that she/he was Chair of the Committee.
- (3) There were four formal meetings of the Committee during the financial year ending 30 June 2023. In addition, there were several informal meetings. Further details, including the attendances of members, are provided in the Directors' Meetings section of the FY23 Financial Report.
- (4) At all times during the financial year ending 30 June 2023 the Committee had at least three members.

The Group has adopted a Charter for its Nomination, Remuneration and Community Committee. A copy of the Committee Charter is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

#### ***Recommendation 8.2 – Remuneration of Executive Directors, Executives and Non-Executive Directors***

The Group separately discloses its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. A summary of those disclosures is below.

The remuneration of Executive Directors and senior executives during the financial year consisted of the following:

- (1) Fixed remuneration, superannuation payments and termination payments.
- (2) Performance Rights granted for the benefit of the relevant individuals pursuant to the Group's employee incentive plans.
- (3) Non-monetary benefits.

Details of the remuneration of Executive Directors and senior executives during the financial year are set out in the Remuneration Report section of the FY23 Financial Report.

The remuneration of Non-Executive Directors during the financial year consisted only of cash fees and superannuation payments.

Details of the remuneration of Non-Executive Directors during the financial year are set out in the Remuneration Report section of the FY23 Financial Report.

The fixed remuneration paid to Executive Directors and senior executives is clearly distinguished from the cash fees paid to Non-Executive Directors.

The Group complies with Recommendation 8.2 by clearly distinguishing the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives. During the financial year ended 30 June 2023 no Options or Performance Rights were issued to Non-Executive Directors.

#### ***Recommendation 8.3 – Use of Derivatives and Similar Transactions***

In accordance with the Group's share trading policy, Directors and employees must not at any time enter into transactions in associated products which limit the economic risk of participating in unvested entitlements under equity-based remuneration schemes. A copy of the share trading policy is available from the Group's website, [www.LynasRareEarths.com](http://www.LynasRareEarths.com).

#### **Principle 9 - Additional recommendations that apply only in certain cases**

The Group confirms that Recommendations 9.1, 9.2 and 9.3 are not applicable to the Group.