

Lynas Corporation Limited ACN 009 066 648

Corporate Governance Statement – Financial Year Ended June 30, 2020

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 August 17, 2020.

In accordance with the ASX Corporate Governance Council's (the "Council's") Principles and Recommendations (3rd 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 June 30, 2020, 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 June 30, 2020 are as follows.

Principle 1 - Lay solid foundations for management and oversight

Recommendation 1.1 – Functions reserved to the Board and delegated to Senior Executives

The Group has established the functions reserved to the Board and the functions delegated to senior executives. The functions reserved to the Board include:

- (1) demonstrating leadership;
- (2) approving the Company's Values and Code of Conduct;
- (3) reviewing and leading the development of the Company's culture;
- (4) oversight of the Company, including its control and accountability systems;
- (5) electing the Chair in accordance with the Constitution;
- (6) appointing and removing the CEO (or equivalent), including approving remuneration of the CEO and the remuneration policy and succession plans for the CEO;
- (7) ratifying the appointment and, where appropriate, the removal of the CFO (or equivalent) and the Secretary
- (8) input into, and final approval of, management's development of corporate strategy and performance objectives;
- (9) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (10) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- (11) approving and monitoring the progress of budgets, major capital expenditure, capital management and acquisitions and divestitures;
- (12) approving and monitoring financial and other reporting;
- (13) overseeing the Company's process for making timely and balanced disclosure of material information to the market;
- (14) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (15) whenever required, challenging management and holding it to account;
- (16) appointment and composition of committees of the Board;
- (17) on recommendation of the Audit & Risk Committee, appointment of external auditors and overseeing the external audit;
- (18) setting the risk appetite for the Company, overseeing its risk management framework and satisfying itself that the framework is sound;
- (19) overseeing the strategic planning of the Company, including periodically reviewing key business risks of the Company and providing suggestions and guidance on the management of those risks;
- (20) on recommendation of the Nomination, Remuneration & Community Committee, satisfying itself that the Company's remuneration policies are appropriate, and initiating Board and director evaluation; and
- (21) monitoring the effectiveness of the Company's governance practices.

The functions delegated to senior executives include:

- (1) implementing the Group's strategic business plan;
- (2) managing the business to agreed capital and operating expenditure budgets;
- (3) identifying and exploring opportunities to build and sustain the business;
- (4) allocating resources to achieve the desired business outcomes;
- (5) sharing knowledge and experience to enhance success;
- (6) facilitating and monitoring the potential and career development of the Group's people resources;
- (7) identifying and mitigating areas of risk within the business;
- (8) managing effectively internal and external stakeholder relationships and engagement strategies;
- (9) sharing information and making decisions across functional areas;
- (10) determining the senior executives' position on strategic and operational issues; and
- (11) determining the senior executives' position on matters that will be referred to the Board.

In addition, the functions reserved for the Board are summarised in the Group's Board Charter, a copy of which is available on the Group's website, www.lynascorp.com.

Recommendation 1.2 – Information in Relation to Board Candidates

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. 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, obtaining and checking information in relation to the character, experience, education, criminal record and bankruptcy history 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.

Recommendation 1.3 – Written Agreements with Directors and Senior Executives

The Group has signed letters of appointment with each non-executive Director, and service contracts with the CEO and the other senior executives. Further details are set out in the Remuneration Report contained in the FY20 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) disclosure requirements;
- (5) the requirement to comply with key corporate policies;
- (6) the Group's policy on non-executive Directors seeking independent professional advice;
- (7) the circumstances in which the Director's office becomes vacant;
- (8) indemnity and insurance arrangements;
- (9) rights of access to corporate information; and
- (10) confidentiality obligations.

Recommendation 1.4 – Company Secretary

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 accurate minutes are taken of Board and committee meetings; and
- (5) helping to organize and facilitate the induction and professional development of Directors.

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.lynascorp.com. The policy includes requirements for the Board to establish measurable objectives for achieving gender diversity 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 FY20 Financial Report.

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

The Group has been very focussed on promoting the development of women within its business. The Group’s female employees increased to 117 at the end of FY19 (the number was 113 at the end of FY18). 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 2020	Target for the end of 2021	Target for the end of 2023
The whole organization	15.5%	20%	30%
Senior Executives (the Company now defines this category as including all managers and above)	16.7%	20%	30%
The Board	33%	33%	40%

- (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 and Board positions.

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 Group provides the following statistics on gender diversity as at June 30, 2020 (prior year: June 30, 2019):

- (1) Proportion of women employees in the whole organisation: 15.5% (FY19 – 15.9%).
- (2) Proportion of women employees in senior executive positions: 16.7% (FY19 – 15.1%).

- (3) Proportion of women on the Board: 33.0% (FY19 – 33.0%).

In FY20, the Group adopted a new definition for “senior executives” which it now defines as all managers and above. This change in the definition is reflected in the percentage of “senior executive” women reported for both FY19 and FY20.

The Group is not a “relevant employer” under the Workplace Gender Equality Act, because the Group had less than 100 employees in Australia during the year ending June 30, 2020.

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.

An evaluation of the performance of the Board, its committees and individual Directors took place during the year ending June 30, 2020. During the year ending June 30, 2020, the Board evaluation was conducted via a written survey of Directors and senior managers. The survey results and action items were then discussed during a Directors feedback session.

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. The Group has adopted a formal procedure whereby each senior executive meets with his/her direct supervisor to review performance against KPI’s during the review period. The results of that review are recorded in writing for follow up during subsequent meetings, and for internal reporting purposes.

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 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 Ms Conlon, Mr Harding and Mr Humphrey. Further details, including the relevant qualifications and experience of the members of the Committee, are provided in the Directors’ Report in the FY20 Financial Report.
- (2) The Committee is chaired by Ms Conlon, who is an independent Director and who is not Chair of the Board.
- (3) There were four formal meetings of the Committee during the financial year ending June 30, 2020. In addition, there were several informal meetings. Further details, including the attendances of members, are provided in the Directors Meetings section of the FY20 Financial Report.
- (4) At all times during the financial year ending June 30, 2020, 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.lynascorp.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 Board considers it important for the following skills and experience to be represented:

- Experience as a Chief Executive;
- International business experience;

- Financial and accounting experience;
- Operational experience in the chemical and resources industries;
- Strategy and strategic marketing experience;
- Corporate governance, regulatory and risk management experience.

The Board's skills matrix is based on the above sets of skills and experience. The Nomination, Remuneration and Community Committee remains focussed on Board renewal, notwithstanding that the Board considers that each of the above skills is currently reflected in the skills and experience of the existing members of the Board. Further details of the skills and experience of the members of the Board are provided in the Directors' Report in the FY20 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 June 30, 2020 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, M. Harding, P. Etienne and G. Murdoch 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 June 30, 2020 is as follows:

Name	Term in office
K. Conlon	8 years 8 months
A. Lacaze	6 years 6 months
M. Harding	5 years 6 months
P. Etienne	5 years 6 months
J. Humphrey	3 years 1 month
G. Murdoch	2 year 8 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 June 30, 2020, 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

Mr. Harding was the Chairman of the Board throughout the financial year ended June 30, 2020. Mr. Harding is an independent Director and he is not the CEO. Accordingly, the Group was compliant with Recommendation 2.5 throughout the financial year ended June 30, 2020.

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 – Act ethically and responsibly

Recommendation 3.1 – 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.

A copy of the code of conduct is available from the Group's website, www.lynascorp.com.

Conflict of Interest Policy

The Group has established a Conflict of Interest Policy to:

- (1) protect the integrity of the decision-making processes within the Group by avoiding ethical, legal, financial or other conflicts of interest;
- (2) establish internal procedures so that all employees understand their obligation to avoid actual, potential or perceived conflicts of interest;
- (3) provide guidance to employees for dealing with any conflicts of interest in an open and transparent manner;
- (4) provide guidance to employees for recognising and reporting on related party transactions; and
- (5) establish internal procedures to ensure that related party transactions are referred to the Group's shareholders where required.

A copy of the conflict of interest policy is available from the Group's website, www.lynascorp.com.

Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1 – Audit Committee

The Group has established an Audit and Risk Committee.

The Group's Audit and Risk 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 and Mr Etienne. Further details, including the relevant qualifications and experience of the members of the Committee, are provided in the Directors' Report in the FY20 Financial Report.
- (2) Five meetings of the Committee were held during the financial year ending June 30, 2020. Further details, including the attendances of members, are provided in the Directors Meetings section of the FY20 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 June 30, 2020, the Committee had at least three members.

The Group has adopted a Charter for its Audit and Risk Committee. A copy of the Committee Charter is available from the Group's website, www.lynascorp.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 – Auditor Attendance at AGM

The Group holds an Annual General Meeting of shareholders ("AGM") in October or November of each year. The Group ensures that its external auditor attends the AGM and is available to answer questions from shareholders relevant to the audit.

Principle 5 - Make timely and balanced disclosure

Recommendation 5.1 – ASX Listing Rule Disclosure Requirements

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.lynascorp.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.lynascorp.com. Information about governance is available in the Corporate Governance 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.lynascorp.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, which are accessible via www.asx.com.au and the Group’s website, www.lynascorp.com.

Recommendation 6.3 – Encouraging Shareholder Participation at AGMs

The Group’s processes to encourage shareholder participation at AGMs include:

- (1) providing an email link on the Group’s website, www.lynascorp.com for shareholders to ask questions ahead of AGMs;
- (2) live streaming the Group’s AGM; 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.lynascorp.com.

Recommendation 6.4 – Electronic Communications

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.lynascorp.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.lynascorp.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.

Principle 7 - Recognise and manage risk

Recommendation 7.1 – Risk Management Committee

The Group has established an Audit and Risk Committee to oversee risk.

The Group’s Audit and Risk 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 and Mr Etienne. Further details, including the relevant qualifications and experience of the members of the Committee, are provided in the Directors’ Report in the FY20 Financial Report.
- (2) Five meetings of the Committee were held during the financial year ending June 30, 2020. Further details, including the attendances of members, are provided in the Directors Meetings section of the FY20 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 June 30, 2020, the Committee had at least three members.

The Group has adopted a Charter for its Audit and Risk Committee. A copy of the Committee Charter is available from the Group’s website, www.lynascorp.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 and Risk 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 June 30, 2020.

Recommendation 7.3 – Internal Audit

During the financial year ending June 30, 2020, the Group began implementing an internal audit function. The Group's internal audit function currently focusses 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.

The other processes that the Group employed during the financial year ending June 30, 2020 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 Committee, the Health Safety & Environment Committee and management.
- (2) The Audit & Risk 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 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.lynascorp.com:

- (1) Audit & Risk 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 – Economic, Environmental and Social Sustainability Risks

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

- (1) The Group seeks to reduce the impact of fluctuations in rare earths prices and demand by building strategic relationships with customers and other parties in the Group's key markets. The Group seeks to reduce the impact of exchange rate variations by having both revenue under its sales contracts and its debt repayment obligations denominated in US dollars, and by broadly matching the currencies in which funds are held with the currencies of anticipated outgoings.
- (2) 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.
- (3) 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.

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 Ms Conlon, Mr Harding and Mr Humphrey. Further details, including the relevant qualifications and experience of the members of the Committee, are provided in the Directors' Report in the FY20 Financial Report.
- (2) The Committee is chaired by Ms Conlon, who is an independent Director and who is not Chair of the Board.
- (3) There were four formal meetings of the Committee during the financial year ending June 30, 2020. In addition, there were several informal meetings. Further details, including the attendances of members, are provided in the Directors Meetings section of the FY20 Financial Report.
- (4) At all times during the financial year ending June 30, 2020 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.lynascorp.com.

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

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 FY20 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 FY20 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 June 30, 2020 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.lynascorp.com.